



Biotech Daily

Thursday July 10, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: USCOM UP 9%, NEUREN DOWN 7%**
- * **FEDERAL GOVERNMENT \$35m FOR TYPE 1 JUVENILE DIABETES**
- * **NEUREN READY FOR US ARMY PHASE II NNZ-2566 CONCUSSION TRIAL**
- * **RHINOMED HAS ONE QUARTER CASH; BURN DOWN, SALES UP, LOAN**
- * **NOVOGEN \$20m CAPITAL RAISING EGM**
- * **BIOPROSPECT APPOINTS STEPHEN PEARCE ADVISER; TO RAISE \$2m**
- * **SCIGEN SELLS DESIGN RIGHTS TO BIOTON SA FOR \$12M**
- * **BENNELONG TAKES 5% OF RESMED**
- * **PRIMA EURO-HEAD MARC VOIGT REPLACES CEO MATTHEW LEHMAN**
- * **BIO-MELBOURNE FIBROTECH \$3m TO \$81m+ BRIEFING**

MARKET REPORT

The Australian stock market rose 0.22 percent on Thursday July 10, 2014 with the S&P ASX 200 up 11.9 points to 5,464.4 points.

Eleven of the Biotech Daily Top 40 stocks were up, 14 fell, eight traded unchanged and seven were untraded.

Uscom was the best, up two cents or 9.1 percent to 24 cents with 20,000 shares traded.

Admedus climbed eight percent; Living Cell was up 6.1 percent; Alchemia and Avita rose five percent or more; Oncosil and Viralytics were up more than one percent; with Cochlear, Medical Developments and Sirtex up by less than one percent.

Neuren led the falls, down 0.7 cents or 7.4 percent to 8.8 cents with 15.7 million shares traded, followed by Analytica down 7.1 percent to 3.9 cents with 530,078 shares traded.

Clinuvel lost 6.2 percent; Anteo fell 5.3 percent; Optiscan, Prana and Tissue Therapies were down more than three percent; Patrys was down three percent; GI Dynamics, Pharmaxis and Starpharma were down one percent or more; with Acrux, Bionomics, CSL, Mesoblast and Nanosonics down by less than one percent.

FEDERAL GOVERNMENT

The Federal Government says it has approved \$35 million to advance research in type 1 juvenile diabetes

A media release from the Australian Research Council said that the Minister for Education Christopher Pyne and the Minister for Health Peter Dutton announced the funding for the Special Research Initiative to be administered by the Council and led by the Juvenile Diabetes Research Foundation,

“This funding will allow the development of a national collaborative research network and research program that will work towards finding a cure for type 1 juvenile diabetes,” Mr Pyne said.

The media release said that type 1 diabetes was a life-long auto-immune disease that usually occurred in childhood but could be diagnosed at any age and was one of the most common chronic diseases in children and most newly-diagnosed cases are in people aged less than 15 years.

Mr Dutton said it was vital that Australia was at the forefront of research in this area.

“Type 1 diabetes affects 122 000 Australians, with around 20,000 of those children,” Mr Dutton said. “More than 800,000 Australians suffer from both forms of diabetes [and] excluding the costs of complications, diabetes costs the Australian health system around \$1.6 billion annually.”

The media release said that the funding would be used to significantly increase the excellence and impact of research, through the establishment of a collaborative network that supported and promoted the most promising emerging researchers and research projects and would facilitate collaboration on research projects.

NEUREN PHARMACEUTICALS

Neuren says the Womack Army Medical Centre has approved its 132-patient phase II clinical trial of NNZ-2566 in concussion or mild traumatic brain injury.

Neuren said that the double-blind, placebo-controlled trial would be conducted with the US Army’s 82nd Airborne Division at Fort Bragg in North Carolina, as a continuation of the collaboration between Neuren and the US Army on the development of potential therapies for traumatic brain injury.

The company said that trial preparations were “well-advanced and enrolment of subjects will commence as soon as approval is received from the Human Research Protection Office of the US Army Medical Research and Materiel Command.

Neuren said that the subjects with mild traumatic brain injury would be enrolled and receive treatment with either NNZ-2566 or placebo for seven days post-injury.

The company said that two dose levels of orally administered NNZ-2566 were being tested.

Neuren said that a number of measures assessing physical and emotional symptoms and cognitive function would be analyzed, together with safety and tolerability measures, with top-line results expected by the end of 2015.

The company said there were no approved drug therapies available for acute concussion and its trial was “a world-first commercial sponsored clinical trial of a potential new medicine in this therapeutic area”.

Neuren said that in animal models NNZ-2566 had been shown to inhibit neuro-inflammation, normalize microglial function, restore synaptic signalling and increase insulin-like growth factor-1 (IGF-1) expression in the brain, which had the potential to address cellular and molecular changes in the brain caused by concussion.

Neuren fell 0.7 cents or 7.4 percent to 8.8 cents with 15.7 million shares traded.

RHINOMED

Rhinomed says its net operating cash burn for the three months to June 30, 2014 was \$1,068,000 with cash at the end of the quarter of \$1,504,000.

Rhinomed said that it had a Lind Partners facility of \$5,275,000 which had not been used since 2012.

Rhinomed chief executive officer Michael Johnson told Biotech Daily that research and development expenditure had been reduced and the company had sales coming on-line. Mr Johnson said that the available cash should provide the company with about nine months of cash.

In a separate announcement Rhinomed said that sales revenue for the three months to June 30, 2014 was \$201,000 compared to \$9,000 in the previous three months.

Rhinomed fell 0.2 cents or 4.35 percent to 4.4 cents with 24.3 million shares traded.

NOVOGEN

Novogen will hold an extraordinary general meeting to approve the prior issue of convertible notes and a capital raising of up to \$20 million.

Novogen said it wanted approval to issue up to 80,000,000 shares and 80,000,000 attaching warrants to raise a total of up to \$20,000,000 to advance two or three of its four lead drug candidates.

The meeting will be held at Computershare, Level 4, 60 Carrington Street, Sydney on August 13, 2014 at 2pm (AEST)

Novogen fell one cent or 6.45 percent to 14.5 cents.

BIOPROSPECT

Bioprospect says that Fortescue Metals Group chief financial officer Stephen Pearce has been appointed as an adviser on strategic, commercial and corporate matters.

Bioprospect said that Mr Pearce had raised about \$12 billion for Fortescue iron ore operations since his appointment in 2010.

The company said that Mr Pearce was the non-executive chairman of the Perth, Western Australia-based Lion's Eye Institute.

Bioprospect said Mr Pearce had experience in debt and equity markets in Australia, Asia and the US and would advise on development funding and commercialization as well as the establishment of a medical advisory board and the appointment of new directors.

Bioprospect said it hoped to raise up to \$2,000,000 at 0.3 cents a share to fund further its mental health technology and its mobile telephone application.

Bioprospect was untraded at 0.3 cents.

SCIGEN

Scigen says it has sold its rights in the construction design for recombinant human insulin manufacture facility to Bioton SA for \$US11 million (\$A11.7 million).

Scigen said that the sale was conditional on a number of conditions including shareholder approval.

In June, Scigen sold its 50.01 percent equity stake in Scigen Biopharma Pvt Ltd established in Pune, India to manufacture human insulin to Anglo Gulf FZE for \$US7 million (BD: Jun 30, 2014).

Scigen was untraded at two cents.

RESMED

Bennelong Funds Management Group says it has become a substantial shareholder in Resmed with the acquisition of 38,056,531 shares (5.0393%).

The Queen Street Melbourne-based Bennelong said the shares were held by BNP, NAB Asset Servicing, UBS, JP Morgan and HSBC.

The company said that it acquired the shares in the four months to the date of the notice for \$206,368,922 or an average price of \$5.42 a share.

Resmed was unchanged at \$5.26 with 7.6 million shares traded.

PRIMA BIOMED

Last night, Prima said that Marc Voigt had been appointed as chief executive officer and an executive director, replacing the US-based Matthew Lehman.

Prima said that Mr Lehman would remain as an adviser to facilitate an orderly transition.

The company said that Mr Voigt was formerly the chief business officer, chief financial officer and European operations general manager.

Prima said that the decision followed the "recent shift in its operational focus to Europe, where its clinical trials and manufacturing of CVac have been centralized to generate cost savings and enhance operational efficiencies".

The company said that the European manufacturing facility was based in Leipzig, Germany where Prima benefitted from "a significant funding grant from the Saxony Development Bank to carry out its CVac development program in Europe".

Last year, Prima halted its phase II/III trial of CVac for ovarian cancer, changed the protocol endpoint from progression free survival to overall survival and recently restarted the trial (BD: Sep 19, 2013; Apr 28, 2014).

Prima chair Lucy Turnbull thanked Mr Lehman "for his contribution as CEO since 2012, and before that, for his work as chief operating officer since 2010".

"In that time, he has overseen the scaling up of Prima's operations, especially its capacity to conduct robust and comparable multi-site manufacturing of CVac, and autologous cellular therapies," Ms Turnbull said.

"With the company's manufacturing and clinical operations now centralized in Europe, the board considers that it is prudent and sensible for its CEO to be located there," Ms Turnbull said.

"Marc has done a tremendous job over the past three years as the head of our European operations, which he knows extremely well, and has forged strong relationships within the European medical industry," Ms Turnbull said.

Ms Turnbull said that Mr Voigt had "an excellent knowledge of both the operational and financial aspects of the business and he has a strong investment and transactional background within the biotechnology sector".

Prima said that the Berlin-based Mr Voigt had more than 16 years experience in the financial and biotechnology industries.

The company said that Mr Voigt was appointed European operations general manager in 2011, chief business officer in May 2012 and chief financial officer in November 2012.

Prima said that formerly Mr Voigt was employed at the Allianz Group, the investment company net.IPO AG in Frankfurt, Revotar Biopharmaceuticals, Caprotec Bioanalytics and Medical Enzymes AG.

Mr Voigt holds a Diploma in Business and Economics, equivalent to a Masters of Business Administration from the Free University of Berlin.

Prima was unchanged at 4.2 cents with 2.8 million shares traded.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says that its July 31, 2014 Bio-Briefing will examine how Fibrotech achieved “such a stunning return”.

In May, the private Fibrotech, funded with about \$3 million in Federal Government backed-Innovation Investment Fund loans through the Medical Research Commercialization Fund managed by Brandon Capital, was acquired by Shire Plc for \$US75 million (\$A80.9 million) as an upfront fee to acquire the company, primarily for its FT011 oral anti-fibrotic drug (BD: May 2, 2014).

Fibrotech said at that time that Shire would also make payments for development and regulatory milestones and undertake the further development of FT011, which had completed a phase Ia study in healthy volunteers and was currently in a phase Ib study in patients with diabetic nephropathy (BD: Mar 4, 2014).

Today, the Bio-Melbourne Network said that the deal also highlighted the success of the Medical Research Commercialisation Fund of which Fibrotech was its first investment.

The Network said that Fibrotech chief executive officer Prof Darren Kelly would discuss attracting the interest of pharmaceutical companies and striking such the deal.

The Network said that MCRF principal executive and Brandon Capital Partners managing director Dr Chris Nave would address the role that investors could play in guiding successful, early-stage biotechnology companies and what the industry could do to attract other investors to the sector.

The Briefing will be held at Nexia Australia, Level 18, 530 Collins Street, Melbourne on July 31, 2014 at 3:45pm for a 4pm start.

The Briefing until 5pm will be followed by networking drinks.

For more information and to book go to: <http://www.biomelbourne.org/events/view/324>.