



Biotech Daily

Friday July 4, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: GENETIC TECHNOLOGIES UP 16%, ATCOR DOWN 10%**
- * **SIRTEX BREAKS \$1b BARRIER**
- * **BRAIN RESOURCE RAISES \$7m, SHARE PLAN FOR 'ABOUT \$1.5m' MORE**
- * **DORSAVI BUYS WORKPLACE COMPLIANCE FOR \$120k, MARK HEAYSMAN**
- * **RHINOMED PLEADS SCHULTZ, 'OVERSELLING' TO ASX 52% QUERY**
- * **GENETIC TECHNOLOGIES TESTS 4k BREVAGEN SAMPLES IN 2013-'14**
- * **PHARMAXIS REQUESTS 'FINANCIER COMMUNICATION' TRADING HALT**
- * **BIO-MELBOURNE APPOINTS DR KRYSTAL EVANS CEO**
- * **KRIS KNAUER, PITT ST, GREENFIELDS, MONEYBUNG BIOPROSPECT 10%**

MARKET REPORT

The Australian stock market was up 0.62 percent on Friday July 4, 2014 with the S&P ASX 200 up 33.8 points to 5,525.0 points.

Eighteen of the Biotech Daily Top 40 stocks were up, six fell, 11 traded unchanged and five were untraded.

Genetic Technologies was the best, up 0.6 cents or 16.2 percent to 4.3 cents with 1.1 million shares traded.

IDT climbed 8.7 percent; Sirtex and Universal Biosensors were up more than seven percent; Neuren and Osprey rose more than six percent; Biotron and Impedimed were up five percent or more; Antisense improved four percent; Cellmid, Compumedics and Patrys, were up more than three percent; Acrux, Anteo, Ellex and Prima rose more than two percent; with Alchemia, Cochlear, CSL and Mesoblast up by less than one percent.

Atcor led the falls, down one cent or 10.1 percent to 8.9 cents with one million shares traded.

Analytica fell 4.65 percent; Benitec was down three percent; Oncosil and Resmed shed more than one percent; with GI Dynamics and Starpharma down by less than one percent.

SIRTEX MEDICAL

Sirtex passed through the \$1 billion market capitalization mark today.

Sirtex closed last night at \$17.64 and opened today at \$17.90.

In its last Appendix 3B statement, Sirtex said it had 56,108,439 shares on offer implying that the company would have passed the \$1 billion mark at \$17.82.

Biotech Daily congratulates chief executive officer Gilman Wong and chief financial officer Darren Smith and their team at Sirtex on the great achievement.

Sirtex closed up \$1.28 or 7.3 percent at \$18.92 with 651,720 shares traded.

BRAIN RESOURCE

Brain Resource says it has binding commitments to raise about \$7 million through a conditional placement to institutional and sophisticated investors at 25 cents a share.

Brain said that the capital raising, subject to regulatory and shareholder approvals, was “transformational” and would enable it to increase revenue through a larger sales force and targeted marketing.

Brain said that Bell Potter Securities was the lead manager to the capital raising.

Brain chief operating officer Dan Segal told Biotech Daily the company hoped that a share plan at the same price would raise “about \$1.5 million”.

Brain was up 0.5 cents or 2.0 percent to 26 cents.

DORSAVI

Dorsavi says it will acquire Australian Workplace Compliance Pty Ltd for \$120,000 to increase its services and client base in occupational health and safety.

The Melbourne-based Dorsavi said it was developing wearable motion analysis devices for occupational health and safety, clinical applications and sport and that Australian Workplace Compliance was founded by Mark Heaysman and provided occupational health and safety operational and procedural analysis.

The company said that the acquisition would help drive its Visafe system into occupational health and safety to reduce incidents and the severity of workplace injuries.

Dorsavi said that it would employ Mr Heaysman as part of the acquisition, but if his employment ceased within 12 months, Dorsavi would return the company to him at cost.

Dorsavi chief executive officer Andrew Ronchi said that with the acquisition, the company would have four dedicated staff in the occupational health and safety sector.

“Since its inception, Australian Workplace Compliance has been successful in providing compliance solutions to industries which complement Visafe,” Mr Ronchi said.

Dorsavi was unchanged at 46 cents.

RHINOMED

Rhinomed has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company’s share price climbed from 2.3 cents on June 30 to 3.5 cents, today July 4, 2014, a 52.2 percent increase and noted an increase in trading volumes.

Rhinomed said that it had made seven announcements to the ASX and had been the subject of five media and investor reports between April 11 and July 3, 2014.

“The conclusion is that the company has been oversold during sell down of a former major shareholder and is being re-rated by market analysts,” Rhinomed said.

Rhinomed was up 1.7 cents or 70.8 percent to 4.1 cents with 29.3 million shares traded.

GENETIC TECHNOLOGIES

Genetic Technologies says it received 1,096 Brevagen breast cancer test samples in the three months to June 30, 2014, up 37 percent on the previous three months.

Genetic Technologies said that the increase was a return to previous levels at the end of 2013, following a downturn at the beginning of this year due to “severe winter weather across large tracts of the US and this restricted patient and physician physical access to medical centres and willingness to attend for anything other than urgent medical care”.

The company said that the holiday period coincided with the introduction of the US Affordable Care Act, known as Obamacare, which Genetic Technologies said created uncertainty in patients’ understanding of their out of pocket expense liability that also restricted the uptake of the Brevagen test.

“With these factors removed, we saw a return of patients to doctors’ offices and improved preparedness to take preventive care decisions,” Genetic Technologies said.

Genetic Technologies said that it received 3,935 samples received in the 12 months to June 30, 2014, more than double the 1,547 received in the previous corresponding period.

The company said it benefited in the three months to June 30, 2014 from an increased focus on breast centres, radiology groups and high population, health-conscious territories and this activity was expected to result in further growth.

Genetic Technologies said it was on-target to release the next generation Brevagen test with an expanded panel, providing an increase in predictive power, this year.

The company said that the new test would be validated in African-American and Hispanic populations, increasing the market and simplifying the marketing process for Brevagen in clinics and breast centres.

In 2012, then chief executive officer Dr Paul MacLeman said the test price was \$US945 and the company received an undisclosed percentage of that fee (BD: May 22, 2012).

Genetic Technologies was up 0.6 cents or 16.2 percent to 4.3 cents with 1.1 million shares traded.

PHARMAXIS

Pharmaxis has requested a trading halt pending an announcement in relation to a “communication from its financier, Novaquest Pharma Opportunities Fund III LP”.

Pharmaxis said that the communication from Novaquest would “require consideration by the board, advice and/or further discussions with the financier”.

Last year Pharmaxis elected for the full \$US40 million (\$A42 million) allowed under its agreement with Novaquest to fund its US approval of Bronchitol (BD: Jan 31, 2013).

Pharmaxis said at that time that the initial investment of \$US20 million was made by Novaquest in February 2013 and an additional \$US20 million investment was subject to Pharmaxis meeting certain commercial and regulatory performance criteria including randomization of the first patient into a US pivotal phase III clinical trial of Bronchitol for cystic fibrosis by October 17, 2014.

The company said that, in return, Novaquest received quarterly payments based on Bronchitol sales in the US and European Union, determined by reference to sales revenue tiers and corresponding annual payment percentages which varied between the US and EU and over the term of the agreement to reflect the expected growth in Bronchitol sales.

Pharmaxis said that the agreement had a term of eight years in the EU and seven years from the launch of Bronchitol in the US.

Trading will resume on July 8, 2014 or on an earlier announcement.

Pharmaxis last traded at 7.7 cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network has appointed the Walter and Eliza Hall Institute researcher Dr Krystal Evans as chief executive officer replacing Michelle Gallaher.

Bio-Melbourne chairman Dr Andrew Macdonald said that Dr Evans would formally take up the role in August 2014, but would begin engagement with members and the secretariat this month.

Dr Evans is perhaps best known as Dr Krystal on the 3RRR-FM program Einstein Au Go Go broadcast on Sunday mornings at 11am.

Dr Macdonald said that Dr Evans was “a well-recognized advocate for science and technology in Australia, with a wide and deep network”.

“She is a sought after and articulate spokesperson for the sector and has been very active across the wider industry for a number of years particularly in the political arena, the research sector and science media,” Dr Macdonald said.

Dr Macdonald said that Dr Evans had experience in stakeholder engagement, public affairs, advocacy and business with her previous employer, the Walter and Eliza Hall Institute for Medical Research and was a recognized thought leader on a wide variety of science issues and had been at the forefront of recent industry change.

Dr Macdonald said it was “most appropriate that we recognize the wonderful job that Michelle [Gallaher] ... has performed over this last six years”.

“There is no doubt that she has left a tremendous legacy for this sector and our organization and she will remain an active member of the Bio-Melbourne Network,” Dr Macdonald said.

The Bio-Melbourne Network said that Dr Evans held a Bachelor of Medicinal Chemistry from the University of Wollongong and a Doctorate of Philosophy in medical biology from the University of Melbourne and the Walter and Eliza Hall Institute.

BIOPROSPECT

Director Kris Knauer, through several associated companies, has increased his holding in Bioprospect from 270,046,487 shares (9.72%) to 319,054,080 shares (10.05%).

The Macquarie Street, Belmont, Sydney-based Mr Knauer was appointed a director of Bioprospect this week (BD: Jul 2, 2014).

The substantial shareholder notice was filed in the name of Pitt Street Absolute Return Fund and named Novus Capital as a registered holder of the shares, along with Greenfields Securities and Moneybung Pty Ltd as trustee for Moneybung Family Trust.

Mr Knauer said the associated entities acquired the shares between January 21, 2013 and May 12, 2014, with 27,004,080 shares acquired on January 21, 2013 by Novus Capital at 0.1 cent a share as underwriting fees, and the rest of the shares bought on-market for 0.3 cents and 0.4 cents a share

Bioprospect was untraded at 0.3 cents.