



# Biotech Daily

Wednesday August 27, 2014

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: IDT UP 12%, MEDICAL DEVELOPMENTS DOWN 7%**
- \* **ACTINOGEN TO ACQUIRE SCOTLAND'S CORTICRINE FOR ALZHEIMER'S**
- \* **AFL APPROVES REGENEUS HIQCELL FOR INJURIES**
- \* **IMUGENE APPOINTS EX-ALCHEMIA'S CHARLES WALKER CEO**
- \* **UNNAMED COMPANY TO STUDY ANTEO MIX&GO FOR DIAGNOSTIC**
- \* **OPTISCAN COMPLETES MICROSCOPE STERILITY SHEATH TESTS**
- \* **OCH-ZIFF TAKES 19.7% OF BRAIN RESOURCE**
- \* **COMPUMEDICS REVENUE UP 14% TO \$31m, LOSS TO \$909k PROFIT**
- \* **MAYNE PHARMA REVENUE UP 72% TO \$143m, LOSS TO \$21m PROFIT**
- \* **IMPEDIMED REVENUE UP 22% to \$3.6m, LOSS DOWN 6% TO \$8m**
- \* **RHINOMED 1<sup>st</sup> SALES, REVENUE DOWN 3% TO \$291k, LOSS DOWN 82%**
- \* **PHOSPHAGENICS H1 REVENUE DOWN 23% TO \$712k, LOSS DOWN 54%**
- \* **PHARMAUST RELEASES 330m ESCROW SHARES**
- \* **MEDICAL AUSTRALIA CHAIRMAN GARY LEWIS TO RETIRE**

## MARKET REPORT

The Australian stock market was up 0.24 percent on Wednesday August 27, 2014 with the S&P ASX 200 up 13.6 points to 5,651.2 points. Twenty of the Biotech Daily Top 40 stocks were up, 12 fell, six traded unchanged and two were untraded. All three Big Caps rose.

IDT was the best, up three cents or 11.5 percent to 29 cents with 6,000 shares traded. Genetic Technologies climbed 7.4 percent; Anteo and Bionomics were up six percent or more; Clinuvel, Mesoblast, Oncosil and Patrys rose more than four percent; Admedus, Alchemia, Pharmaxis, Phosphagenics and Sirtex were up more than three percent; Cochlear, Ellex, GI Dynamics, Impedimed, Optiscan and Universal Biosensors climbed more than two percent; with Acrux, Resmed and Viralytics up more than one percent.

Medical Developments led the falls, down eight cents or 6.96 percent to \$1.07 with 60,000 shares traded. Circadian lost five percent; Atcor, Avita and Prana fell more than four percent; Biotron, Cellmid and Living Cell fell more than three percent; with Analytica and Nanosonics shedding more than two percent.

## ACTINOGEN

Actinogen says it will acquire the Edinburgh, Scotland-based Corticrine to develop therapies for Alzheimer's dementia.

Actinogen said that Corticrine was a spin-out from the University of Edinburgh's commercialization arm Edinburgh Bio-Quarter and had licenced worldwide development and commercialization rights from the University of Edinburgh to UE2343 for Alzheimer's disease.

The company said that with funds from the Wellcome Trust, the University had completed a phase I, single ascending dose study of UE2343 in healthy human volunteers and the drug was "well tolerated in humans with no serious adverse events".

Actinogen said that it intended to conduct a phase Ib multiple ascending dose study and a phase IIa proof-of-concept study in patients with mild cognitive impairment.

The company said it would raise about \$2 million at 2.0 cents a share with the acquisition resulting in available working capital of about \$3 million.

Actinogen said that the placement would be managed by the Perth, Western Australia-based Forrest Capital, in two tranches with the second tranche subject to shareholder approval.

The company said that following the acquisition, the University of Edinburgh would be a substantial shareholder with about 11 percent of Actinogen.

Actinogen said that shareholder approval would be sought to allow directors Dr Brendan de Kauwe and Dr Anton Uvarov to participate in an executive placement for \$90,000 at two cents a share.

The company said that Corticrine founder Dr Jason Loveridge would be appointed as a non-executive director to oversee the clinical progress of UE2343 and provide a liaison between Actinogen and the scientific advisors.

Actinogen said that shareholder approval would be sought to allow Dr Loveridge to participate in the executive placement of 5,000,000 shares at 2 cents a share and be provided with 6,000,000 loan shares in subsequent tranches.

The company said that Martin Rogers would be appointed as the non-executive chairman subject to shareholder approval, adding "substantial capital markets experience to the current board".

Actinogen said that subject to shareholder approval Mr Rogers would acquire 10,000,000 shares at 2.0 cents a share in an executive placement and be provided with 25 million loan shares in subsequent tranches.

The company said that non-executive director Daniel Parasiliti would retire at the conclusion of the acquisition.

Actinogen said that Corticrine founder Prof Alan Boyd and UE2343 inventor Prof Brian Walker who be appointed to the scientific and clinical development advisory panel.

The company said that Prof Boyd began his career with Glaxo Group Research and from 1988 led ICI's cardiovascular medical research team and was appointed ICI Pharma Canada's clinical and medical affairs director.

Actinogen said that Prof Boyd was formerly Zeneca Pharmaceuticals head of medical research and later for Ark Therapeutics research and development director responsible for the development of the gene-based medicines portfolio.

The company said that Prof Walker was the clinical professor of endocrinology and head of the University of Edinburgh and British Heart Foundation Centre for Cardiovascular Science.

Prof Walker co-chairs the Cortisol Network consortium and co-director of the Edinburgh Clinical Academic Training scheme.

Actinogen fell 0.2 cents or 5.1 percent to 3.7 cents with 2.1 million shares traded.

## REGENEUS

Regeneus says that the Australian Football League has granted limited approval for the use of its Hiqcell fat-derived stem cell treatment for joint injuries.

Regeneus said Hiqcell was approved on a case-by-case basis for injured AFL players, typically including impact related osteoarthritis and tendonitis.

Regeneus human health commercial development director Steve Barbera said that Hiqcell had been approved under the AFL Prohibited Treatments List, initially released in March 2014, but formally approved this week.

The company said that Hiqcell also received clearance as an approved therapy from the Australian Sports Anti-Doping Authority for use with athletes who participate in sporting competitions subject to the World Anti-Doping agency anti-doping code, including the AFL. Regeneus said that the decision by the AFL demonstrated a further level of compliance, specifically for players within that sporting code.

The company said that Hiqcell was the only stem cell treatment for osteoarthritis that had undergone the highest level of clinical scrutiny, a double-blind, placebo-controlled safety trial which demonstrated that Hiqcell was safe and treatment reduced pain and halted cartilage degradation in arthritic joints.

Regeneus said that the ongoing effect of Hiqcell was being tracked in more than 380 patients in an independent ethics approved registry, which showed that patients were maintaining significant improvements at two years post-treatment.

The company said that Hiqcell treatment involved harvesting a small amount of a patient's own stem cells from their adipose, or fat, tissue and after separating and concentrating the regenerative cells they were re-injected in osteoarthritic-affected joints such as knees, hips and ankles.

Regeneus said that the Hiqcell treatment was intended to reduce inflammation and repair damaged tissue and was carried out under the supervision of the treating medical practitioner.

Regeneus fell half a cent or 1.8 percent to 27 cents.

## IMUGENE

Imugene has appointed former Alchemia executive Charles Walker as its chief executive officer, starting on \$180,000 a year.

Imugene said that Mr Walker had "broad and successful experience across many aspects of the biotechnology and life sciences industry ... [including] significant operational and leadership experience, a strong capital markets track record from executing nearly 50 international fund-raising both as principal and advisor, as well as a detailed scientific understanding gained from his technical background in pharmacology".

The company said that Mr Walker was formerly the chief financial officer of Alchemia before being appointed chief executive officer, when Alchemia launched its first product fondaparinux, initiated phase II and III trials of HA-irinotecan for cancer and established collaborations with Astra Zeneca AB and Merck-Serono SA.

Imugene said that Mr Walker's starting salary will be \$180,000 a year, excluding superannuation and could be increased up to \$250,000 pending agreed milestones.

The company said that it would lend Mr Walker funds to acquire four tranches of 12.5 million shares in the company at 1.2 cents, valued at \$600,000, subject to specified share price hurdles being achieved and retention terms.

Mr Walker holds a Bachelor of Science from the University of Bristol and a Masters of Business Administration from the University of Warwick

Imugene was up 0.1 cents or 5.9 percent to 1.8 cents.

### ANTEO DIAGNOSTICS

Anteo says it has a second agreement with an unnamed company to investigate additional applications for the point-of-care device the company is developing.

Anteo said that the study would assess the advantages that Mix&Go and company know-how could provide across the device and depending on the outcome of the study, further commercial negotiations could be undertaken.

Anteo chief executive officer Dr Geoff Cumming said the agreement was “an important stepping stone”.

“To date, our focus has been restricted to one component of the system,” Dr Cumming said. “This agreement provides us with access to all other surfaces in the system and opens up the possibility of extracting significant additional benefits.”

“We expect that using Mix&Go throughout the system will deliver better outcomes than those possible using conventional approaches,” Dr Cumming said.

“For the first time we will be able to tune the system for our benefit rather than trying to extract benefits from a system that has been tuned for a non-Mix&Go approach,” Dr Cumming said.

Anteo was up one cent or 6.9 percent to 15.5 cents with 3.7 million shares traded.

### OPTISCAN

Optiscan says it has completed all tests on its disposable sheath for the clinical neurosurgical endomicroscopy system being development for Carl Zeiss Meditec.

Optiscan said that the sterility sheath would be integrated with the previously developed neurosurgical imaging platform allowing integrated use in clinical studies.

The company said that the neurosurgical endomicroscopy platform was completed “some time ago”, but the sheath development was prolonged and faced setbacks that delayed the deployment of the platform into clinical validation, delaying the completion of total system validation.

Optiscan said that with the final component of the neurosurgical system completing exhaustive testing, the risk of failures was “closed out” and the design was fit for its intended use.

The company said that the final stages of clinical testing would be completed concurrently with the preparation of regulatory submissions for Conformité Européenne (CE) mark and US Food and Drug Administration clearance for the product suite.

Optiscan said that achieving the “major pre-launch milestone” meant it could address its working capital which was placed under significant pressure during the sheath development process, a two year period characterized by a large research and development spend and low income.

Optiscan was up 0.1 cents or 2.9 percent to 3.5 cents.

### BRAIN RESOURCE

The New York-based Och-Ziff Holding Corp has increased its substantial shareholding in Brain Resource from 10,063,986 shares (9.89%) to 25,616,651 shares (19.73%).

Och-Ziff became substantial in 2013, when it said it represented associated companies based in New York, Delaware, the Cayman Islands and the British Virgin Islands, acquiring 6,734,185 shares for \$2,018,832 or 30 cents a share (BD: Aug 19, 2013).

Today, Och-Ziff said that increase in shares was primarily related to a placement of 15,870,000 shares at 25 cents a share.

Brain fell seven cents or 20 percent to 28 cents.

### COMPUMEDICS

Compumedics says that revenue for the 12 months to June 30, 2014 was up 13.6 percent to \$30,841,000 turning last year's loss to a \$909,000 net profit after tax.

Compumedics said that the increase in revenue was partly attributable to being able to ship excess sales-orders it has been carrying on hand by 30th June 2014.

The company said that it finished the year with sales-orders on-hand of about \$6.0 million compared to a \$7.2 million backlog at the same time last year and at December 31, 2013. Compumedics said that the higher than expected sales orders on hand at June 30, 2014, despite the ramp-up in shipping, was the result of new sales orders continuing to be booked at a rate similar to the prior financial year.

The company said that it expected the rate for new sales orders booked to increase over 2014-'15 as it continued to improve shipment turn around times.

The company said that net tangible assets per shares was up 31.0 percent from 2.9 cents to 3.8 cents, with diluted earnings per share 0.5 cents compared to the previous year's loss of 1.0 cents a share.

Compumedics said it had cash assets of \$1,054,000 in cash and cash equivalents at June 30, 2014, compared to \$1,292,000 at June 30, 2013, but noted an interest bearing liability of \$1,305,000.

Compumedics was untraded at 11.5 cents.

### MAYNE PHARMA GROUP

Mayne Pharma says that revenue for the 12 months to June 30, 2014 was up 72 percent to \$143,254,000 turning last year's loss to a \$21,290,000 net profit after tax.

Mayne said that its speciality generics business had grown both organically and through the acquisition of Libertas Pharma and Esgic, Lorcet and Zebutal products.

The company said that net tangible assets per shares was up 200.0 percent from 1.0 cent to 3.0 cents, with diluted earnings per share 3.60 cents compared to the previous year's loss of 0.70 cents a share.

Mayne said it had cash and cash equivalents of \$14,813,000 at June 30, 2014, compared to \$18,938,000 at June 30, 2013.

Mayne fell 1.5 cents or 1.75 percent to 84 cents with 1.3 million shares traded.

### IMPEDIMED

Impedimed says revenue for the year to June 30, 2014, was up 22.3 percent to \$3,578,000 reducing net loss after tax by 6.25 percent to \$7,935,000.

Impedimed said that revenue related to goods and services increased 29.6 percent to \$3.5 million with increases in medical as well as test and measurement, with total lymphoedema product revenue increased 34 percent.

The company said that diluted loss per share fell 20 percent to 4.0 cents at June 30, 2014 and net tangible assets per share was unchanged at five cents.

Impedimed said it had \$10,812,000 cash at June 30, 2014, compared to \$7,316,000 at June 30, 2013.

Impedimed was up one cent or 2.9 percent to 35.5 cents with 1.2 million shares traded.

### [RHINOMED](#)

Rhinomed says revenue for the year to June 30, 2014 fell 3.1 percent to \$291,069 with net loss after tax down 81.9 percent to \$3,534,577.

Rhinomed said it had the first sales of its Breatheassist Turbo nasal dilating plugs providing first product revenues of \$210,854 for the year to June 30, 2014.

The company said diluted loss per share was reduced 87.8 percent from 8.2 cents at June 30, 2013 to 1.0 cent at June 30, 2014, with net tangible assets up 63.3 percent from 0.264 cents to 0.431 cents.

Rhinomed said it had cash and equivalents of \$1,451,833 at June 30, 2014 compared to \$323,149 at June 30, 2013.

Rhinomed fell 0.2 cents or 4.55 percent to 4.2 cents with 2.0 million shares traded.

### [PHOSPHAGENICS](#)

Phosphagenics says revenue for the six months to June 30, 2014 fell 23 percent to \$712,000 with net loss after tax reduced 54 percent to \$2,785,000.

Phosphagenics said that "following a difficult year in 2013" sales of its Elixia cosmetics range had "stabilized".

The company said it expected to receive more than \$1 million from sales of its phosphorylated vitamin E crème, the basis of its tocopheryl phosphate mixture or TPM technology through distributor Ashland.

Phosphagenics said its diluted loss per share fell 54.2 percent from 0.59 cents June 30, 2013 to 0.27 cents at June 30, 2014 and net tangible assets per security fell 30.2 percent from 1.69 cents at June 30, 2013 to 1.18 cents at June 30, 2014.

The company said it had cash and cash equivalents of \$7,640,000 at June 30, 2014 compared to \$8,823,000 at December 31, 2013.

Phosphagenics was up 0.3 cents or 3.1 percent to 10 cents.

### [PHARMAUST](#)

Pharmaust says that 329,971,365 shares were released from voluntary escrow on August 12, 2014.

Pharmaust said that following the release of the shares, it company would have 1,440,006,606 shares available for trading.

Pharmaust was unchanged at one cent with 2.4 million shares traded.

### [MEDICAL AUSTRALIA](#)

Medical Australia says that chairman Gary Lewis will stand down as a director at the annual general meeting in November 2014.

Medical Australia said that Mr Lewis was retiring "in order to pursue other business interests".

Medical Australia was untraded at 14 cents.