



Biotech Daily

Monday October 13, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PHOSPHAGENICS UP 5%, BENITEC DOWN 16%**
- * **DR RICHARD TREAGUS REVIVES BIOTECH CAPITAL FOR BIOTECH**
- * **MEDICAL AUSTRALIA 1-FOR-10 RIGHTS ISSUE FOR \$6m**
- * **BIOTRON CAPITAL RAISING TRADING HALT**
- * **ANALYTICA, SPORTSMED WORK ON PELVIC FLOOR, DATA COLLECTION**
- * **UBS AG TAKES 9.6% OF ACRUX**
- * **AMP REDUCES TO 5% IN ACRUX**
- * **PRIMA AGM FOR 24m DIRECTOR RIGHTS, PLACEMENT, BERGEN SHARES**

MARKET REPORT

The Australian stock market fell 0.63 percent on Monday October 13, 2014 with the S&P ASX 200 down 32.8 points to 5,155.5 points.

Seven of the Biotech Daily Top 40 stocks were up, 16 fell, 13 traded unchanged and four were untraded. All three Big Caps fell.

Phosphagenics was the best, up 0.4 cents or 5.4 percent to 7.8 cents with 517,693 shares traded.

Ellex and Living Cell climbed more than four percent; Acrux and Prana rose more than two percent; with Nanosonics and Sirtex up by less than one percent.

Benitec led the falls, down 12.5 cents or 16.1 percent to 65 cents with 707,961 shares traded, followed by Circadian down 13.8 percent to 16 cents with 30,000 shares traded

Antisense, Avita and IDT fell more than four percent; Atcor, Cellmid, Clinuvel, GI Dynamics, Neuren and Viralytics were down more than three percent; Analytica, Impedimed and Mesoblast shed more than two percent; Starpharma lost 1.5 percent; with Cochlear, CSL, Medical Developments and Resmed down by less than one percent.

BIOTECH CAPITAL

Biotech Capital is preparing to return to biotechnology with Dr Richard Treagus appointed as a director and taking an 18.97 percent holding.

In a change of substantial shareholding notice Dr Treagus said that he and his wife Karen Treagus increased their holding from 14,261,781 shares (16.63%) to 16,261,781 shares (18.97%) with the acquisition of 2,000,000 shares for \$100,000 or five cents a share.

"We are looking to reinvigorate the company as a biotechnology company," Dr Treagus told Biotech Daily.

"We are evaluating a number of opportunities," Dr Treagus said.

In 2010, Biotech Capital said it would wind itself up and return capital to shareholders (BD: Aug 12, 2010)

The then Biotech Capital chairman Kathryn Greiner told Biotech Daily at that time there would be no fire sale and no rush and the return of capital, if approved by shareholders would be conducted in an orderly manner.

Biotech Capital said it was established in 2000 and managed in a similar fashion to a traditional private equity fund but as an 'evergreen' fund it had no formal wind up date.

The company said that Titan Bioventures Management was appointed the investment manager of Biotech Capital in 2004 and shareholders would be asked to support a proposal to acquire Titan and effectively internalize the investment management function.

Biotech Capital is a pooled development fund and invested in, and then divested from, Alchemia, Clinical Cell Culture (now Avita), Neurodiscovery, Phylogica, Prima, Starpharma, Stem Cell Sciences, Biocomm, Continence Control Systems, Pacific Knowledge and XRT.

Dr Treagus said today that the only ongoing investment was in Sensear, which was developing and manufacturing headsets and earplugs that provided hearing protection as well as enhancing hearing.

In a notice of annual general meeting, Biotech Capital proposed the re-election of directors Dr Treagus, Peter Jones and Alastair Davidson, as well as the issue of 11,183,116 shares at 2.5 cents each under the 15 percent placement capacity.

In an announcement to the ASX on August 1, 2014, Biotech Capital said that of the 11,183,116 shares, Dr Treagus and Mr Jones would each acquire 5,000,000 shares, with clients of Taylor Collison acquiring the balance.

The notice said that managing director Harry Karelis would resign as a director, effective from August 4, 2014.

The meeting will be held at the offices of Deloitte, Level 11, 550 Bourke Street Melbourne on November 18, 2014, at 1.30pm (AEDT).

Biotech Capital was up 0.2 cents or 3.45 percent to six cents.

MEDICAL AUSTRALIA

Medical Australia says it hopes to raise \$6,128,355 through a non-underwritten, non-renounceable one-for-one rights issue at six cents a share.

Medical Australia said the funds would be used to for the acquisition of similar businesses, expand its local product range and further development of its veterinary and stem-cell business in the US and for working capital.

The company said the record date was October 20, the offer would open on October 23 and close on November 6, 2014.

Medical Australia was unchanged at 10 cents.

BIOTRON

Biotron has requested a trading halt pending “an announcement to be made to the market concerning a material capital raising”.

Trading will resume on October 15, 2014 or on an earlier announcement.

Biotron last traded at 15 cents.

ANALYTICA

Analytica says it has an agreement with Sportsmed Global to integrate its intra-vaginal Pericoach pelvic floor exercise system and the Sportsmed health data collection system. Analytica said that Sportsmed aggregated data from a number of sources, including injury management and medical record collection, health performance and scoring, predictive analytics, food and nutrition management, record sharing, performance and conditioning planning and recording, video storage and sharing, a two-way communications platform, workout and data analysis, while its Pericoach system was an electronic health treatment system for women who suffer urinary incontinence.

The company said that Pericoach the device evaluated activity in pelvic floor muscles and transmitted muscle activity to a mobile telephone phone application and physicians could monitor their patient’s progress through a secure internet portal.

Analytica said that the Sportsmed system was developed with the New Zealand Rugby Union to manage the case and cost management of its players and in 2009, the software was further developed for other professional sports teams and athletes.

The company said that Sportsmed was extending into US and European fitness centres, gym chains and corporate health, with a particular interest in women’s sport.

Analytica said that a future product in the Pericoach pipeline was the combination of pelvic floor exercise data with other factors influencing the pelvic floor such as injury, nutrition, medication, maternal history, and overall health and fitness.

The company said that the data would be used to develop more effective exercise routines, study the effects of certain medications, provide evidence for reimbursement, and perhaps even improve clinical practice.

Analytica said that a partnership with Sportsmed would expedite the development of the Pericoach cross-functional data analysis system.

The company said that both systems were complex, requiring substantial programming and a significant investment.

Analytica said that physically fit women could have incontinence issues, even without having children, because the abdominal muscles were stronger than the pelvic floor muscles which could give way when the abdomen was under pressure doing weights or pilates.

The company said that the problem was widely reported in 2013 when women doing weights were seen to experience bladder voiding issues on live television.

Analytica said that responsible gyms and training programs provided access to pelvic floor training through local physiotherapists.

The company said that having evidence of training program compliance might have liability mitigation usefulness.

Analytica chief executive officer Geoff Daly said that the Sportsmed software functionality was “where we were aiming to be in 12 months and we wouldn’t have their international health and fitness market expertise for at least two years”.

“This partnership allows us to simultaneously bring timelines forward and reduce costs in duplicated effort,” Mr Daly said.

Analytica fell 0.1 cents or 2.9 percent to 3.3 cents with 1.1 million shares traded.

ACRUX

The Singapore-based UBS AG and related bodies corporate have increased their holding in Acrux from 13,633,853 shares (8.19%) to 15,938,982 shares (9.57%).

UBS AG has previously said that the shares were held for Warbont Nominees and various custodians and were held with the “power to control disposal over shares pursuant to stock borrowing and lending activities” (BD: Dec 19, 2012; Nov 21, 2013).

Acrux has been reported as one of the most heavily ‘short-sold’ stocks in the Australian biotechnology sector.

Acrux was up 3.5 cents or 2.6 percent to \$1.40.

ACRUX

AMP and related bodies have reduced their shareholding in Acrux from 10,377,476 shares (6.23%) to 8,704,839 shares (5.23%).

AMP said that the shares were sold between June 3 and October 10, 2014 in 23 trades at a range of prices, with the single largest sale 712,714 shares for \$1,453,937 or \$2.04 a share on September 1, 2014.

PRIMA BIOMED

Prima will vote to grant directors 24,044,117 performance rights, issue 900,000,000 placement shares and ratify the issue of shares to Bergen Global Opportunity Fund. Earlier this month, Prima said Bergen would fund the acquisition of French immuno-oncology company Immutep SA for about \$US28 million (\$A32 million) in cash, shares and warrants, for Immutep’s complementary types of cancer immuno-therapies based on its lymphocyte activation gene 3 (LAG-3) technology (BD: Oct 2, 2014).

Prima said that the grant of 7,720,588 performance rights to director Pete Meyers was “in lieu of cash remuneration for director’s fees” and the 16,323,529 performance rights for chief executive officer Marc Voigt were “part of his overall remuneration package”.

The company said that shareholders would vote on the election of directors Mr Meyers, Mr Voigt and Albert Wong.

Prima said that shareholders would vote to ratify the Bergen financing and the issue of up to 900,000,000 shares to sophisticated and professional investors.

The meeting will be held at K&L Gates, Level 31, 1 O’Connell Street, Sydney on November 14, 2014 at 11am (AEDT).

Prima was unchanged at 3.8 cents with three million shares traded.