



# Biotech Daily

Friday October 24, 2014

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: PSIVIDA UP 9%, UNIVERSAL BIOSENSORS DOWN 9%**
- \* **FDA CLEARS ANTISENSE PATH FOR ATL1102 FOR MULTIPLE SCLEROSIS**
- \* **RESMED Q1 REVENUE UP 6% TO \$434m, PROFIT UP 3%**
- \* **ACRUX AXIRON Q3 SALES DOWN 11% TO \$41m**
- \* **BRANDON'S MRCF \$1m TO AUSPHERIX FOR ANTI-BACTERIALS**
- \* **ADVANCED SURGICAL RAISES \$1m, NAME CHANGE AGM**
- \* **ANALYTICA RECEIVES \$989k FEDERAL R&D TAX REFUND**
- \* **CLINUVEL REQUESTS EUROPEAN REGULATORY TRADING HALT**
- \* **MESOBLAST AGM FOR 240k, \$385k DIRECTOR OPTIONS**
- \* **VIRALYTICS AGM FOR 1.2m DIRECTOR OPTIONS**
- \* **SUDA AGM FOR 2.75m JOSEPH OHAYON 'PERFORMANCE RIGHTS'**
- \* **SIETSMA TAKES 9% OF PHYLOGICA**
- \* **PHARMAUST RE-APPOINTS, RE-ELECTS DR WAYNE BEST DIRECTOR**
- \* **SOLAGRAN APPOINTS DR IAN NISBET DIRECTOR**

## MARKET REPORT

The Australian stock market rose 0.54 percent on Friday October 24, 2014 with the ASX 200 up 29.1 points to 5,412.2 points. Thirteen of the Biotech Daily Top 40 stocks were up, 11 fell, eight traded unchanged and eight were untraded. All three Big Caps were up.

Psivida was the best, up 40 cents or 9.3 percent to \$4.70 with 2,700 shares traded. Uscom climbed 9.1 percent; Resmed rose 6.5 percent; Acrux was up 5.8 percent; Admedus, Anteo and Atcor were up four percent or more; Alchemia, Ellex, Impedimed and Viralytics were up more than three percent; Prana rose 2.3 percent; Bionomics, CSL and Mesoblast were up more than one percent; with Cochlear up 0.6 percent.

Universal Biosensors led the falls, down 1.5 cents or 9.4 percent to 14.5 cents with 65,000 shares traded. Medical Developments and Patrys fell five percent or more; Analytica lost three percent; Pharmaxis shed 2.1 percent; with Benitec, Nanosonics, Neuren and Tissue Therapies down more than one percent.

## ANTISENSE THERAPEUTICS

Antisense says the US Food and Drug Administration has provided a clear pathway for an investigational new drug application for phase IIb trials of ATL1102 for multiple sclerosis. Antisense managing director Mark Diamond told Biotech Daily that Antisense had written to the FDA asking a series of questions relating to the design and mechanics of a larger extended trial of ATL1102 for multiple sclerosis and the Agency had provided "supportive guidance" from the pre-IND assessment of the development strategy.

In a media release Antisense said that the FDA response was "an important and positive step in advancing the ATL1102 [multiple sclerosis] program".

Mr Diamond said that the company was seeking a pharmaceutical partner for the further development of ATL1102.

"The FDA response is an excellent outcome and important step in moving ATL1102 forward into late stage clinical development and to capitalize on the substantial development and investment made to date on this key project asset," Mr Diamond said. Antisense was unchanged at 10.5 cents.

## RESMED

Resmed says revenue for the three months to September 30, 2014, was up six percent to \$US380.4 million (\$A433.8 million) compared to the three months to September 30, 2013. Resmed said that net profit after tax was up three percent to \$US83.3 million, with diluted earnings per share up four percent to 58 US cents.

Resmed climbed 35 cents or 6.5 percent to \$5.72 with 21.35 million shares traded.

## ACRUX

Acrux says Axiron revenue for the three months to September 30, 2014 was down 10.6 percent to \$US36.3 million (\$A41.4 million) compared to the previous corresponding period.

The Eli Lilly revenue figure compares to \$US47.1 million in revenue for the three months to June 30, 2014 and \$US40.6 million for the three months to September 30, 2013.

Acrux said that the total revenue for the nine months to September 30, 2014 was \$US122.9 million compared to \$US124.8 million for the previous corresponding period.

Acrux was up 6.5 cents or 5.8 percent to \$1.185 with 2.8 million shares traded.

## AUSPHERIX

Auspherix says the Medical Research Commercialisation Fund managed by Brandon Capital has provided \$1 million for its anti-bacterial compounds development studies.

Auspherix said it had identified "a number of anti-bacterial compounds with broad spectrum activity against a panel of clinical isolates of antibiotic resistant Gram-positive and Gram-negative bacteria" and the funds would be used to refine the lead compound series, and screen them in animal models.

Auspherix said it had "a virtual business model" with research directed by founder and chief scientific officer Prof Ian Charles, who was also the director of the Ithree Institute at the University of Technology Sydney.

Prof Charles said his company was "making rapid advances in optimizing potential anti-bacterial compounds with completely novel chemical structures which, if successful, will deliver the drugs needed to keep the threat from superbugs in check".

Auspheric is a private company.

## ADVANCED SURGICAL DESIGN & MANUFACTURE

Advanced Surgical says its underwritten rights issue to raise \$1,006,279 received subscriptions for 1,590,060 shares at five cents each, raising \$79,503.

Advanced Surgical said that the shortfall of 18,409,940 shares or \$920,497 would be allocated to the underwriter Kaz Capital and sub-underwriter and the total raised in the 23-for-50 non-renounceable rights issue would be \$1,000,000 (BD: Sep 29, 2014).

The company said in September that chairman Peter Kazacos was the founder of Kaz Capital.

Separately, Advanced Surgical said it would ask shareholders to approve a change of name to 'Allegra Orthopaedics'.

Advanced Surgical was untraded at 5.5 cents.

## ANALYTICA

Analytica says it has received \$989,000 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Analytica said the rebate related to research and development expenditure for the year to June 30, 2014.

The company said that the funds would be applied to its product development program and rollout of the Pericoach intra-vaginal pelvic floor diagnostic and treatment for stress urinary incontinence.

Analytica fell 0.1 cents or three percent to 3.2 cents with 1.15 million shares traded.

## CLINUVEL PHARMACEUTICALS

Clinuvel has requested a trading halt pending an announcement relating to the European regulatory review of Scenesse for erythropoietic protoporhria.

Clinuvel said that the European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) held its October plenary meeting in London which concluded overnight.

The company said that the CHMP was expected to make a final recommendation regarding the marketing approval application for Scenesse for erythropoietic protoporhria and a decision was expected to be published by the EMA about midday in the UK today (10pm AEDT).

Trading will resume on October 28, 2014 or on an earlier announcement.

Clinuvel last traded at \$2.62.

## MESOBLAST

Mesoblast will vote to grant three directors 80,000 options each, with each parcel valued at \$128,250, equal to current annual directors' fees.

Mesoblast said that the options would be granted to Dr Ben-Zion Weiner, Dr Eric rose and William Burns in three annual tranches and would be exercisable at the five-day volume weighted average price to the date of the annual general meeting and within five years of the grant.

The company's notice of meeting said shareholders would vote on the election of directors Dr Weiner, Mr Burns and Donal O'Dwyer,

The meeting will be held at Deloitte, Level 11, 550 Bourke Street, Melbourne on November 25, 2014 at 3.30pm (AEDT).

Mesoblast was up six cents or 1.6 percent to \$3.81 with 561,350 shares traded.

## VIRALYTICS

Viralytics will vote to grant 400,000 options each to chief executive officer Dr Malcolm McColl and director Peter Turvey and 200,000 options each to chairman Paul Hopper and director Dr Len Post.

Viralytics said that the options would be exercisable at a 10 percent premium to the five-day volume weighted average price to the date of issue, within one month of the annual general meeting and within five years of the grant.

The company's notice of meeting said shareholders would vote on the election of Mr Hopper and Mr Turvey.

The meeting will be held at McCullough Robertson, Level 16, 55 Hunter Street, Sydney on November 27, 2014 at 11am (AEDT).

Viralytics was up one cent or 3.6 percent to 29 cents.

## SUDA

Suda will vote to grant executive director Joseph Ohayon 2,750,000 'performance rights' and re-elect Mr Ohayon.

Suda said that the right would vest in four tranches on reaching 25, 50, 75 and 100 percent above market capitalization at the date of approval on March 6, 2014, with continuous employment requirements, and to be issued within three years of the meeting.

The company said the rights would be issued for nil consideration and a nil exercise price. The company said that the annual general meeting would vote to ratify the prior issue of 2,583,979 shares to the Bergen Global opportunity Fund.

The meeting will be held at the Boulevard Centre, 99 The Boulevard, Floreat, Western Australia on November 27, 2014 at 10.30am (AWST).

Suda was up 0.2 cents or 2.9 percent to 7.2 cents with 3.6 million shares traded.

## PHYLOGICA

The Sydney-based Sietsma Holdings says it has increased its substantial shareholding in Phylogica from 73,000,000 shares (7.28%) to 90,000,000 shares (8.98%)

The Sydney-based Sietsma Holdings says it has become a substantial shareholder in Phylogica with the acquisition of 62,000,000 shares (6.19%) in May increasing to 7.28% in the same month (BD: May 20, 2014).

Today, Sietsma said it acquired the 17,000,000 shares between May 5 and October 22, 2014 for \$234,000 or an average price of 1.38 cents a share.

Phylogica was unchanged at 1.5 cents with 2.1 million shares traded.

## PHARMAUST

Pharmaust has re-appointed and re-elected wholly owned subsidiary Epichem managing director Dr Wayne Best as a director.

Dr Best told Biotech Daily that he had been managing director of Epichem since its founding in 2003 and had previously served as a Pharmaust director.

Dr Best said he held a Bachelor of Science degree and Doctorate of Philosophy from the University of Western Australia and a Diploma of Organic Chemistry from Imperial College in London.

For several years the majority of Pharmaust revenue has come from the Epichem specialized medicinal and synthetic chemistry services division (BD: Sep 2, 2013).

Pharmaust was up 0.1 cents or 11.1 percent to 1.0 cents with 9.6 million shares traded.

## SOLAGRAN

Solagran says it has appointed Dr Ian Nisbet as a non-executive director, effective immediately.

Solagran said that subject to the company's achievement of certain milestones, Dr Nisbet would be appointed chairmanship and founder Dr Vagif Soultanov would become a non-executive director.

The company said that Dr Nisbet was a co-founder and partner of consulting company Afandin and a co-founder and executive director of Senz Oncology.

Solagran said that Dr Nisbet was previously chief executive officer of Xenome and Meditech Research and was an executive at Millennium Pharmaceuticals, Chemgenex Pharmaceuticals Ltd and CSL.

The company said that Dr Nisbet was the chairman of Verva Pharmaceuticals and Vivopharm Pty Ltd and a non-executive director of Velacor, Cerulean Pharma Australia and Tunitas Therapeutics Australia and was a deputy director of the University of Queensland's Australian Institute of Bioengineering and Nanotechnology.

In April, Solagran appointed Lodge Partners as its adviser and broker to resume trading on the ASX (BD: Apr 3, 2014)

Last year, Solagran appointed former Alchemia and Progen executive Dr Darren Schliebs as its chief executive officer, (BD: Nov 26, 2013).

Solagran describes itself as a "healthcare and wellness company" based in South Melbourne.

The company was developing a treatment for liver cancer, Alzheimer's disease and a raft of other indications based on its Siberian pine needle extract Ropren and 'Bioeffectives' (BD: Feb 25, 2009; Feb 5, 2010).

Despite claims of expected large contracts and the building of a manufacturing plant in Russia, Solagran was suspended by the ASX for failing to lodge accounts on two occasions (BD: Mar 1, 2011; Mar 9, 2012).

In February 2012, Solagran said it would form a joint venture with Russia's Art Life to develop and manufacture food additive products using its conifer needle extract 'Bioeffectives' and quoted Art Life founder and owner Prof Alexander Avstrieviskih "forecasting revenues in the order of \$US100 million [\$A93.6 million] for 2012".

Despite Solagran personnel joining Biopropect, an agreement between the two companies relating to the use of Bioeffectives was terminated with Biopropect alleging it could source the same pine needle extract cheaper elsewhere and the two companies were involved in litigation (BD: Jun 28, Aug 5, Sep 20, Oct 27, 2010).

Solagran remained suspended at 3.9 cents.