



Biotech Daily

Monday October 6, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: GENETIC TECHNOLOGIES UP 9%
- UNIVERSAL BIOSENSORS DOWN 3%**
- * **\$9.5m CIRCADIAN IN \$17.4m PLACEMENT, RIGHTS ISSUE**
- * **GI DYNAMICS EU ENDOBARRIER SHIPMENTS HALTED, SYSTEMS REVIEW**
- * **UNILIFE DRAWS DOWN EARLY ORBIMED \$11.5m**
- * **ACORN REDUCES, DILUTED TO 8% OF STARPHARMA**
- * **SAFETY MEDICAL PROCEEDS WITH BACKDOOR 3D PRINTING**
- * **BIOPROSPECT \$3.5m COMMITMENTS FOR HEART-MENTAL ILLNESS TEST**

MARKET REPORT

The Australian stock market fell 0.48 percent on Monday October 6, 2014 with the S&P ASX 200 down 25.3 points to 5,292.9 points.

Fifteen of the Biotech Daily Top 40 stocks were up, six fell, 13 traded unchanged and six were untraded.

Genetic Technologies was the best, up 0.2 cents or 8.7 percent to 2.5 cents with 451,071 shares traded.

Anteo and Viralytics climbed more than six percent; Acrux was up 4.5 percent; Admedus, Alchemia, Analytica, Cellmid, Ellex and Resmed were up three percent or more; Impedimed and Prana rose more than two percent; Avita and Osprey were up more than one percent; with Clinuvel, CSL and Mesoblast up by less than one percent.

Universal Biosensors led the falls, down 0.5 cents or 3.3 percent to 14.5 cents with 25,000 shares traded.

Benitec and Bionomics lost more than three percent; Atcor, Nanosonics and Starpharma fell more than one percent; with Cochlear down 0.07 percent.

CIRCADIAN TECHNOLOGIES

Circadian says it expects to raise \$14.0 million in a placement and a further \$3.4 million in an underwritten two-for-five non-renounceable rights issue at 17.5 cents a share.

Circadian said that there would be one attaching option for every two new shares, exercisable at 27 cents each by November 25, 2018.

The company said that pending shareholder for the placement to institutional and sophisticated investors in the US, Europe and Australia, including "specialist healthcare investors" the company would have funds to complete its phase I and phase IIa trial of lead molecule OPT-302 for wet age-related macular oedema.

Circadian said that the record date for the rights issue was October 15, with the offer opening on October 20 and closing on October 31, 2014.

The company had a market capitalization of \$9.5 million at the close on October 3 and a share price of 19.5 cents with 48,633,020 shares on offer.

Circadian said that the placement and rights issue would add 99,453,206 shares and 50,726,603 options to the register.

Circadian chief executive officer Dr Megan Baldwin told Biotech Daily that the placement was "validation of the Circadian ophthalmology program and was supported by investors who understand the ophthalmology space and the potential value creation based on comparables in that space".

Circadian said the funds would be used for the OPT-302 studies, to strengthen the balance sheet and advance the business development activities to accelerate licencing opportunities for its phase II-ready oncology asset, VGX-100.

Chairman Dominique Fisher said the raising was "an important milestone for Circadian ... [and the valuation of comparable ophthalmology-focussed companies with early stage clinical programs gives us confidence that there is great potential for value-creation for existing Circadian shareholders and new investors]",

Circadian said that Bell Potter was the lead manager for the placement and was the underwriter for the rights issue.

Circadian closed unchanged at 19.5 cents.

GI DYNAMICS

GI Dynamics says the European Union has suspended commercial shipments of its CE marked Endobarrier pending a review of vigilance and reporting systems.

GI Dynamics said that the Geneva-based SGS was its EU notified body accredited by a member state to assess whether a product meets certain preordained standards.

The company said that the suspension of shipments was not a product recall and did not apply to product currently owned by hospitals or distributors, or product required for use in clinical trials and it planned to continue its ongoing clinical trial activities.

GI Dynamics was awarded Conformité Européenne (CE) mark approval in 2010, prior to listing on the ASX (BD: Aug 15, 2011).

GI Dynamics chief executive officer Michael Dale said the company was working with the notified body and European authorities "to remedy our systems and resume product shipments as soon as possible, however based on the current schedule established for review of our systems, we do not expect resolution of the stop shipment before [the] end of October".

The company said that revenue for the three months to September 30, 2014 was estimated to be between \$550,000 and \$575,000 a decrease from the revenues of \$840,000 for the three months to June 30, 2014.

GI Dynamics was in a trading halt today and last traded at 46 cents.

UNILIFE CORPORATION

Unilife says it has received “an incremental \$US10 million (\$A11.5 million) under its debt financing agreement with the Orbimed”.

In March, Unilife said that \$US40 million was funded at the close of the Orbimed \$US60 million debt financing agreement, with two additional tranches of \$US10 million each to be provided in December 2014 and June 2015 (BD: Mar 14, 2104).

Today, Unilife said that “to support [its] business expansion and growing customer demand for its products and services, Orbimed accelerated the timing of the remaining financing tranches”.

The company said that the first remaining tranche was funded on October 1, 2014, and the second remaining tranche was expected “shortly”.

Unilife said that both parties agreed that Orbimed would receive an increase in royalty payments, as well as certain other economic concessions and no equity or warrants were or would be issued as part of this amended agreement.

In August, Unilife reported revenue of \$16 million and a net loss after tax of \$62 million (BD: Aug 29, 2014).

Unilife was up 1.5 cents or 3.75 percent to 41.5 cents.

STARPHARMA

Melbourne's Acorn Capital has reduced further its holding in Starpharma from 26,357,951 shares to 25,054,351 shares and has been diluted from 9.26 percent to 8.00 percent.

Acorn began reducing its holding from 36,614,463 shares (13.05%) last year and in May reduced by 2,752,385 shares to 9.26 percent (BD: Aug 19, 2013; May 19, 2014).

Today, Acorn said that between May 14 and October 3, 2014 it sold 1,303,600 shares for \$1,011,480 or an average price of 77.6 cents a share.

Starpharma fell one cent or 1.5 percent to 66.5 cents.

SAFETY MEDICAL PRODUCTS

Safety Medical says it has a binding share sale agreement to acquire 3D Medical and will raise “at least \$2,000,000 to provide funding for ... business and working capital”.

In June, Safety Medical said it had a heads of agreement to acquire 3D Medical commercializing and integrating 3D printing and holographic projection technology and in July said 3D Medical had an agreement with Melbourne's Capitol Health to provide three-dimensional printing services for patient-specific anatomical models as visual and functional aides in diagnosis and treatment (BD: Jun 23, Jul 22, 2014).

The company said that it would issue 3D shareholders 1,750,000,000 shares as well as 43,750,000 advisory shares and 875,000,000 options.

Safety Medical said it would ask shareholders to approve the transaction as well as the change in nature and scale of operations, and existing directors would be replaced by three 3D nominated directors.

The company said that 3D Medical was generating revenues from its 3D printing and holographic projection services.

Safety Medical climbed 0.1 cents or 20 percent to 0.6 cents with 4.4 million shares traded.

BIOPROSPECT

Bioprospect says that, pending shareholder approval, it has firm commitments to raise \$3.5 million in a placement of shares at 0.3 cents a share.

Bioprospect said that the capital raising undertaken by Baillieu Holst would fund the acquisition, testing and commercialization of Invatec's heart rate variability technology for the diagnosis of depression and other mental health conditions (BD: Jun 18, Sep 8, 2014). Bioprospect was unchanged at 0.4 cents with 1.4 million shares traded.