



# Biotech Daily

Monday November 10, 2014

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: BENITEC UP 11%, PSIVIDA DOWN 12%**
- \* **PHARMAUST CLEARED TO RESTART ADELAIDE PPL-1 CANCER TRIAL**
- \* **INVION TAKES \$17m LIND EQUITY DRAW-DOWN FACILITY**
- \* **MEDICAL AUSTRALIA RAISES \$2m**
- \* **CORRECTION: BIOTECH DAILY EDITORIAL**
- \* **BLUECHIIP CRYO-STORAGE AGREEMENT WITH ITALY'S SIAD GROUP**
- \* **NEUREN REQUESTS NNZ-2566 RETT TRIAL RESULTS TRADING HALT**
- \* **MC MANAGEMENT TAKES 6% OF ADMEDUS**
- \* **UP TO 15% DISSENT AT ALCHEMIA AGM**
- \* **CYNATA TO RELEASE 10m ASX ESCROW SHARES**
- \* **ALL CHANGE AT REGENEUS**

## MARKET REPORT

The Australian stock market fell 0.45 percent on Monday November 10, 2014 with the S&P ASX 200 down 25.1 points to 5,524.0 points. Ten of the Biotech Daily Top 40 stocks were up, 13 fell, 16 traded unchanged and one was untraded. The three Big Caps fell.

Benitec was the best for the second trading day in a row, up seven cents or 10.8 percent to 72 cents with 321,143 shares traded. Optiscan climbed 9.7 percent; GI Dynamics was up five percent; Admedus and Ellex were up more than four percent; Nanosonics and Osprey were up more than three percent; Atcor and Bionomics rose more than two percent; with Mesoblast up 0.25 percent.

Psivida led the falls, down 56 cents or 12.3 percent to \$3.99 with 2,400 shares traded, followed by Anteo down 11.5 percent to 11.5 cents with 9.7 million shares traded. Uscom lost 8.3 percent; Biotron, Genetic Technologies, IDT and Medical Developments fell more than five percent; Analytica was down 3.2 percent; Resmed and Universal Biosensors shed more than two percent; Acrux, Pharmaxis and Phosphagenics were down more than one percent; with Cochlear, CSL and Sirtex down by less than one percent.

## PHARMAUST

Pharmaust says the Royal Adelaide Hospital research ethics committee has approved the continuation of its trial of PPL-1 for late stage cancer.

Last month, Pharmaust said that the first patient had died “due to reasons unrelated to the study drug and this has understandably resulted in a standard process of investigations resulting in delays in the treatment of the second patient” and it needed to resubmit the ethics application to the Royal Adelaide Hospital (BD: Oct 21, 2014).

Pharmaust executive chairman Dr Roger Aston said at that time that an inclusion criterion of the trial was that patients had failed all other standards-of-care and some of the patients entering the trial might have significant progressive disease.

Today, Pharmaust said that principal investigator Prof Michael Brown with the CMax contract research organization would re-initiate screening to identify patients for the trial.

The company said the first patient treated would be ‘replaced’ by the next patient to be recruited, enabling three patients to be treated with the lowest dose of PPL-1 for 28 days, as specified in the protocol.

Dr Aston said the company would report “as soon as the next patient begins treatment”.

“Recruitment will include selection of patients suffering from lung, pancreas, oesophageal, gastric, colorectal, ovarian, breast, prostate, liver, sarcoma, lymphoma, and melanoma,” Dr Aston said.

Pharmaust fell 0.1 cents or 12.5 percent to 0.7 cents with 1.4 million shares traded.

## INVION

Invion says it has a \$17.4 million Lind Partners Australian Special Opportunity Fund equity draw-down facility.

Invion said the agreement provided immediate access to funds allowing it to issue shares at prices linked to prices prevailing at the time, potentially at premiums to the present share price, and minimizing dilution for existing shareholders.

The company said the facility included a zero interest rate convertible security of \$500,000 to \$1,000,000 with a maximum face value of \$1,060,000, to be called on at its discretion within the first six months following execution of the agreement, as well as equity purchases of up to \$700,000 a month through the issue of shares at 90 percent of the volume weighted average price of shares during a predetermined pricing period.

Invion said that for one monthly tranche only, the share price might be equal to 130 percent of the average of the daily volume weighted average price of the company's shares for the 20 trading days prior to the execution.

The company said that it would retain the ability to refuse to issue shares in a particular month if the share price falls below the floor price protection level of four cents and the amounts funded would bear no interest and would be unsecured against the company's assets except for 3,000,000 shares, which would be issued as a security, with a commitment fee of \$100,000 in shares, at execution and on the date the company elects to receive the funding, as well as 7,000,000 unlisted options.

Lind Partners managing director Phillip Valliere said his company was “excited by the potential of Invion's assets, impressed with the management team and have confidence in Invion's ability to successfully execute on their programs”.

Invion chief executive officer Dr Greg Collier said the agreement provided “funding certainty as the company focuses on its next stage of growth”.

Invion said it had three drug assets in development and three US phase II clinical trials underway.

Invion was up 0.4 cents or 7.4 percent to 5.8 cents.

### MEDICAL AUSTRALIA

Medical Australia says that its rights issue at six cents had under-subscriptions totaling 67,601,971 shares, worth \$4,056,118, but did not say directly how much was raised.

Medical Australia director Ian Mitchel told Biotech Daily that the company hoped to place some of the shortfall to raise funds primarily for its animal health division in the US.

In October, Medical Australia hoped to raise \$6,128,355 through a non-underwritten, non-renounceable one-for-one rights issue at six cents a share (BD: Oct 13, 2014).

Medical Australia said in October that the funds would be used 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.

Medical Australia fell 0.6 cents or 9.2 percent to 5.9 cents.

### CORRECTION: BIOTECH DAILY EDITORIAL

Friday's ninth birthday editorial incorrectly stated that Pfizer had acquired Fibrotech. It was Shire Pharmaceuticals that acquired Fibrotech (BD: Nov 7, 2014).

The Friday Court Reporter has been relieved of leader-writing duties forthwith.

### BLUECHIIP

Bluechiip says it has signed a test and evaluation agreement with the Bergamo, Italy-based SIAD Group.

Bluechiip said that the agreement covered the integration of its cryotag into SIAD's cryobags, used to store cord blood and other biological products.

The company said that "on the successful completion of this test and evaluation after three months, both companies will negotiate the commercialization of the integrated product".

Bluechiip said that SIAD Healthcare was the most active company in the Group providing products and services including surgical specialties, cryo-biology and medical gases.

SIAD marketing and business development director Vito Bavaro said his company "[recognized] the application and benefits for our customers using the Bluechiip technology".

Bluechiip was unchanged at seven cents.

### NEUREN PHARMACEUTICALS

Neuren has requested a trading halt "pending an announcement regarding [its] phase II trial of NNZ-2566 in Rett Syndrome".

Trading will resume on November 12, 2014 or on an earlier announcement.

Neuren last traded at 7.8 cents.

### ADMEDUS

MC Management Group has increased its substantial shareholding in Admedus from 73,498,007 shares (5.1%) to 88,721,537 shares (6.2%).

The Western Australia-based MC Management said that between September 22 and November 5, 2014 it acquired 15,223,530 shares for \$2,021,953 or 13.3 cents a share.

Admedus was up 0.5 cents or 4.55 percent to 11.5 cents with 3.0 million shares traded.

## ALCHEMIA

Alchemia's annual general meeting passed all continuing resolutions, but with up to 15.2 percent opposition to shares and options for chief executive officer Thomas Liquard. Last week, Alchemia withdrew six resolutions proposing the issue of 3,000,000 options exercisable at 71.5 cents each to directors and to increase the directors remuneration pool by 50 percent to \$750,000 (BD: Nov 3, 2014).

The previous week, Alchemia announced that the pivotal phase III trial of hyaluronic acid-irinotecan (HA-irinotecan) for metastatic colorectal cancer failed to meet its primary endpoint (BD: Oct 27, 2014).

Today, the strongest opposition was to the issue of shares and options to Mr Liquard with 22,106,343 votes (15.2%) against and 123,260,212 votes (84.8%) in favor.

The company's most recent Appendix 3B said that Alchemia had 324,698,169 shares on issue meaning that the opposition to Mr Liquard's shares and options amounted to 6.8 percent of the company's total shares on issue, sufficient to requisition extraordinary general meetings.

Resolutions on amending existing options, the adoption of a new constitution and the election of directors Santo Costa, Nathan Drona and Tim Hughes faced lower levels of dissent, with the remuneration report opposed by 16,262,087 votes (10.7%) or 5.0 percent of the company's total shares on issue.

A resolution on proportional takeover provisions was not put to the meeting.

Alchemia was unchanged at 9.4 cents.

## CYNATA THERAPEUTICS

Cynata says that 10,000,001 shares will be released from ASX escrow on November 21, 2014.

Cynata said the shares were held by founder investors and scientific advisers Prof Igor Slukvin and Dr Maxim Vodyanik, as well as scientific advisory board chair Dr Ian Dixon.

Cynata's most recent Appendix 3B notice said that it had 44,994,152 shares on offer and with the release from escrow it would have 54,994,153 shares available for trading.

Cynata was unchanged at 36.5 cents.

## REGENEUS

Regeneus says chairman John Martin will replace founding chief executive officer Prof Graham Vesey who will become chief scientific officer, with several other board changes. Regeneus said that Dr Roger Aston had been appointed independent chairman, founder Dr Ben Herbert had resigned, the company was looking for a new independent director with industry experience and John Bird had been appointed chief financial officer and operations officer.

Regeneus was up 2.5 cents or 16.1 percent to 18 cents.