



# Biotech Daily

Thursday November 27, 2014

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH EVEN: GI DYNAMICS UP 6%, UNIVERSAL BIO DOWN 12%**
- \* **LABOR POLICY: 'INNOVATION KEY TO JOBS, GROWTH'**
- \* **NHMRC BACKS ALLTRIALS CAMPAIGN**
- \* **ALCHEMIA FONDAPARINUX Q1 PROFIT SHARE DOWN 18% TO \$2m**
- \* **AUSTRALIAN HOSPITALS READY FOR IMMURON IMM-124E NASH TRIAL**
- \* **VIRALYTICS UP TO 21% OPPOSE REMUNERATION, DIRECTOR OPTIONS**
- \* **INVION RECEIVES \$790k FEDERAL R&D TAX REFUND**
- \* **GENETIC TECHNOLOGIES TAKES LAST IRONRIDGE NOTE**
- \* **ATCOR REQUESTS CAPITAL RAISING TRADING HALT**
- \* **MEDIBIO (BIOPROSPECT) 'MATERIAL CONTRACT' SUSPENSION**

## MARKET REPORT

The Australian stock market edged up 0.09 percent on Thursday November 27, 2014 with the S&P ASX 200 up 4.7 points to 5,400.9 points. Fifteen of the Biotech Daily Top 40 stocks were up, 14 fell, seven traded unchanged and four were untraded.

GI Dynamics was the best, up 1.5 cents or 5.6 percent to 28.5 cents with 3,300 shares traded.

Compumedics and Uscom climbed five percent or more; Cellmid, Nanosonics, Psivida and Viralytics were up more than three percent; Antisense, CSL and Prima rose more than two percent; Alchemia, Avita, Medical Developments, Optiscan, Pharmaxis and Sirtex were up more than one percent; with Resmed up one cent or 0.16 percent.

Universal Biosensors led the falls, down two cents or 11.8 percent to 15 cents with 97,000 shares traded.

Phosphagenics lost nine percent; Analytica fell 6.7 percent; Oncosil and Prana were down more than five percent; Biotron and Neuren fell more than four percent; Bionomics and Tissue Therapies were down more than three percent; Impedimed and Starpharma shed more than two percent; Benitec was down 1.9 percent; with Acrux, Cochlear and Mesoblast down more than one percent.

## AUSTRALIAN LABOR PARTY

With just over 48 hours until the polls close, Victoria's Opposition Labor Party has released its innovation policy saying "innovation will be key to ... jobs and growth". A media release from the Shadow Minister for Innovation and Small Business Fiona Richardson said that Labor would establish the Premier's Jobs and Investment Panel, using the private sector to invest \$500 million to create high-skill, high-wage jobs. The media release said that Labor would establish Start-Up Victoria, a \$60 million body "to bring our most promising and innovative ideas to life through business case development, investment attraction and intellectual property advice". Labor said that its \$200 million Future Industries Fund would offer grants to companies in high-growth sectors, one of which was medical technology and pharmaceuticals. The media release said that Labor would invest \$60 million in the Aikenhead Centre for Medical Discovery at St Vincent's Hospital to build a biomedical facility. The Labor Party said that its Innovation Expert Panel, led by Victoria's chief scientist and made up of researchers, industry figures, entrepreneurs and Victoria's chief technology advocate, would "sit alongside the Premier's Jobs and Investment Panel, assessing all initiatives to evaluate the viability of their commercialization". Labor said it would "investigate the use of incentive policies to support innovative ideas and businesses" based on the UK patent-box initiative which rewarded companies who manufacture patented inventions with a reduced tax rate. The media release said that Labor would commission a review to recommend procurement guidelines for innovation, research and development and it would ensure the Australian Synchrotron's long-term viability to unlock its economic and scientific potential.

## THE NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

The National Health and Medical Research Council says it supports the principles of the UK-based Alltrials campaign. The NHMRC said that Alltrials calls for all past and present clinical trials to be registered and their results reported, to reduce research duplication and legitimize trial results. The Council's chief executive officer Prof Warwick Anderson said that clinical trials were important to confirming the safety and efficacy of drugs, treatments and medical devices. "NHMRC believes in the value of registering clinical trials and promotes transparency in and the reporting of NHMRC-funded outcomes," Prof Anderson said. "Transparency helps to ensure accountability and high standards in research, which ultimately results in better outcomes for the beneficiaries of medical discoveries," Prof Anderson said. "All NHMRC-funded researchers are required to register clinical trials with a recognized clinical trials register prior to the commencement of the clinical phase of the trial," Prof Anderson said. The Council said it encouraged transparency in research through its open access policy, with NHMRC-supported research to be open access within 12 months of publication. The NHMRC said that the Wellcome Trust, the UK Medical Research Council and the South African Medical Research Council supported Alltrials. The NHMRC said that one of its grants funded the establishment of the Australian New Zealand Clinical Trials Register in 2005 and although there might be barriers to overcome, it supported the principle of publishing clinical trial methods and summary results. Alltrials said that its campaign was launched in January 2013 and called for all past and present clinical trials to be registered and their results reported. For more information go to: <http://www.alltrials.net>.

## ALCHEMIA

Alchemia says its profit share for generic fondaparinux for the three months to September 30, 2014 fell 17.9 percent to \$2.02 million compared to 2013.

Alchemia said that Dr Reddy's Laboratories reported increased market share to 33 percent from 32 percent in the three months to June 30, 2014, along with a six percent increase in US sales volumes, "offset by increased pricing pressure ... [and] major customers are being channelled through large US distributors resulting in higher rates of customer rebates and discounts".

The company said that it would receive \$US1.25 million (\$A1.44 million) of the \$US1.75 million profit share, with \$US500,000 returned to Dr Reddy's as its "contribution to yield and cost of goods improvement", with the contribution ending with the next payment.

For the three months to June 30, 2014 Alchemia received \$1.62 million as its profit share from Dr Reddy's (BD: Aug 29, 2014)

For the three months to September 30, 2013 Alchemia received \$2.46 million and for the three months to September 30, 2012 Alchemia received \$1.44 million on net sales of \$US12 million (BD: Nov 22, 2012; Nov 28, 2013).

Alchemia was up 0.1 cents or 1.2 percent to 8.6 cents.

## IMMURON

Immuron says it has ethics approval for all the six Australian hospitals participating in its 120-patient trial of IMM-124E for non-alcoholic steatohepatitis trials (BD: Oct 15, 2014).

Immuron said that along with the six Australian sites, it planned to add eight US hospitals, pending ethics approval.

The company said that the placebo-controlled, double-blinded and dose-ranging, multi-centre studies would treat the patients for six months.

Immuron was untraded at 23 cents.

## VIRALYTICS

Up to 21.0 percent of Viralytics annual general meeting voted against the remuneration report and the grant of 1,200,000 options to directors (BD: Oct 24, 2014).

Viralytics said that 4,027,690 votes (21.0%) opposed the remuneration report, with 18,763,440 votes (79.0%) in favor.

Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 any company sustaining a vote of 25 percent or more against the remuneration report in two successive annual meetings is required to vote on a board spill and at the later meeting and if passed by more than 50 percent of votes the directors must stand for reelection at a subsequent meeting within 90 days.

Viralytics said that more than 19.5 percent of votes opposed the issue of options to chief executive officer Dr Malcolm McColl, chairman Paul Hopper and directors Dr Len Post and Peter Turvey.

Approval of the additional share capacity was passed with more than 19.9 million votes in favor and 2.7 million votes against, and directors Mr Hopper and Mr Turvey were elected overwhelmingly.

The company's most recent Appendix 3B new issue announcement said that Viralytics had 184,028,081 shares on issue, meaning that the largest opposition vote against Mr Hopper's 200,000 options of 4,475,929 votes amounted to 2.4 percent of the company, not sufficient to requisition extraordinary general meetings.

Viralytics was up one cent or 3.3 percent to 31 cents.

### INVION

Invion says it has received \$790,000 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Invion said the rebate related to research and development expenditure in Australia and overseas for the year to June 30, 2014.

The company said that it had lodged an application with Ausindustry "to expand the programs eligible for advance filing under the R&D Tax Incentive Scheme".

Invion said that if the application was successful, it could claim further rebates for research and development in the year to June 30, 2014, and a greater proportion of research and development expense in the 2015 and 2016 financial years.

Invion was up 0.2 cents or 3.6 percent to 5.8 cents.

### GENETIC TECHNOLOGIES

Genetic Technologies says that Ironridge Biopharma has requested the final \$US200,000 of the \$US5 million redeemable convertible note (BD: Sep 10, 2013).

Genetic Technologies chief executive officer Alison Mew told Biotech Daily that this was the final payment, there were no further costs and the agreement had ended.

Genetic Technologies was untraded at 1.4 cents.

### ATCOR MEDICAL

Atcor has requested a trading halt pending "an announcement to the market in relation to a potential capital raising".

Trading will resume on December 1, 2014 or on an earlier announcement.

Atcor last traded at 9.4 cents.

### MEDIBIO (BIOPROSPECT)

Medibio, formerly Bioprospect, has requested a voluntary suspension, pending "an announcement to the market in relation to a material contract".

Medibio last traded at 0.3 cents.