



# Biotech Daily

Thursday March 12, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: PHARMAXIS UP 46%, AVITA DOWN 18%**
- \* **PHARMAXIS JUMPS 101% ON \$40m BOEHRINGER PXS4728A LICENCE**
- \* **ADMEDUS WINS FIRST CARDIOCEL ORDERS FROM HONG KONG**
- \* **MINISTER TELLS BIO-MELBOURNE: 'VICTORIA COMMITTED TO BIOTECH'**
- \* **S&P ASX INDICES: 5 BIOTECHS UP, 5 DOWN**
- \* **AVITA RAISES \$5m, SHARE PLAN FOR UP TO \$6m**
- \* **INVION REQUESTS CAPITAL RAISING TRADING HALT**
- \* **PHARMAUST REQUESTS CAPITAL RAISING TRADING HALT**
- \* **ACTINOGEN PLEADS 'ROAD-SHOW' TO ASX 49% QUERY**
- \* **PHOSPHAGENICS PLEADS SCHULTZ, S&P INDEX TO 31% FALL QUERY**
- \* **RACI DINES ON FIBROTECH'S PROF SPENCER WILLIAMS**
- \* **JUDITH SMITH REPLACES UNIVERSAL BIOSENSORS' ANDREW JANE**

## MARKET REPORT

The Australian stock market climbed 0.98 percent on Thursday March 12, 2015 with the S&P ASX 200 up 57.0 points to 5,850.2 points. Sixteen of the Biotech Daily Top 40 stocks were up, 10 fell, 11 traded unchanged and three were untraded. All Big Caps were up.

Pharmaxis was the best, up as much as 101.2 percent to 16.5 cents before closing up 3.8 cents or 46.3 percent at 12 cents with 22.6 million shares traded, followed by Optiscan up 25.4 percent to 7.4 cents with two million shares traded. Admedus and Benitec climbed more than 12 percent; Biotron was up 10.7 percent; Prana rose 7.1 percent; Acrux was up 6.6 percent; Oncosil rose 5.9 percent; Sirtex was up 4.1 percent; Impedimed, Living Cell and Prima were up three percent or more; Genetic Technologies, Resmed and Viralytics rose more than two percent; Alchemia, Cochlear and Ellex were up more than one percent; with CSL up 0.3 percent.

Avita led the falls, down 1.4 cents or 18.2 percent to 6.3 cents with 625,593 shares traded. Patrys lost 9.1 percent; Compumedics fell 7.7 percent; Analytica was down 5.3 percent; Medical Developments fell 4.6 percent; Universal Biosensors shed 3.1 percent; Anteo and Bionomics shed more than one percent; with Nanosonics and Psivida down less than one percent.

## PHARMAXIS

Pharmaxis jumped 101.2 percent on news that Boehringer Ingelheim International GmbH has an option on PXS4728A for non-alcoholic steato-hepatitis.

Pharmaxis said that Ingelheim, Germany-based Boehringer's primary interest in its semicarbazide-sensitive amine oxidase and vascular adhesion protein-1 (SSAO/VAP-1) inhibitor PXS4728A was the liver-related disease non-alcoholic steato-hepatitis but other potential indications for PXS4728A included respiratory diseases such as chronic obstructive pulmonary disease.

The company said that Boehringer had been granted an exclusive option to acquire world-wide rights to PXS4728A and related SSAO/VAP-1 inhibitor molecules, with the option expected to expire on May 15, 2015.

Pharmaxis said the fee for the option was EUR1.25 million (\$A1.8 million) which was expected shortly, and if exercised, an upfront payment of EUR27.5 million (\$A39 million) would be payable along with development milestone payments for phase II and phase III clinical trials, the filing of marketing applications and regulatory and pricing approvals for the first indication in major pharmaceutical markets as well as earn-out payments calculated as a tiered percentage of net sales, net sales milestone payments and milestones tied to the development and approval of an additional indication.

The company said that if the option was exercised, Boehringer would acquire the entire PXS4728A program and would be responsible for all development, regulatory, manufacturing and commercialization activities.

Pharmaxis chief executive officer Gary Phillips said that the company had developed "a globally recognized and leading position in amine oxidase chemistry and PXS4728A is the first product from that platform to enter into human clinical studies".

"We believe the product has the potential to make a real difference in the treatment of patients with [non-alcoholic steato-hepatitis, chronic obstructive pulmonary disease] and other diseases which cause much suffering".

"I am delighted Boehringer has taken the option over this technology," Mr Phillips said.

"If the option under the agreement announced today is exercised then it will be a transformational event that allows Pharmaxis to further exploit its expertise in amine oxidase chemistry in other diseases with high unmet need," Mr Phillips said.

Pharmaxis was up as much as 8.3 cents or 101.2 percent to 16.5 cents before closing up 3.8 cents or 46.3 percent at 12 cents with 22.6 million shares traded.

## ADMEDUS

Admedus says it has received initial orders from Hong Kong for its Cardiocel bovine scaffold for congenital heart deformities and cardiac defects.

Admedus chief executive officer Lee Rodne said that "initial sales in Hong Kong are important as these countries represent significant cardiovascular markets in the Asian region".

"Expansion in this region is part of our global strategy for Cardiocel," Mr Rodne said.

Admedus said that Cardiocel sales continued to grow, with centres in France and Italy being added to the existing European centres already using the product.

The company said it was "on-track for the strongest quarter of Cardiocel sales, building on the foundation of key, global centre use that has been established over the past year".

"The advantage of the tissue over other options available to surgeons and cardiologists gives patients clear benefits and we are seeing this manifest into product use," Mr Rodne said.

Admedus was up one cent or 12.2 percent to 9.2 cents with 23.2 million shares traded.

## VICTORIA GOVERNMENT, THE BIO-MELBOURNE NETWORK

Victoria's Minister for Small Business, Innovation and Trade Adem Somyurek has committed his Government to supporting the life sciences sector.

Opening the Bio-Melbourne Network 'Devices and Diagnostics Lab', Mr Somyurek said that the State Government had "a strong focus in medical technology and life sciences" and that medical technologies and pharmaceuticals were nominated as one of six key growth areas.

Mr Somyurek said that "the [Daniel] Andrews Government is strongly committed to the life sciences sector" and said that \$276,000 had been made available for Victoria's Small Technologies Cluster-organized Medtech Has Talent competition.

Mr Somyurek said that the life sciences sector would benefit for general programs such as the Back To Work Act providing \$100 million for payroll tax and \$60 million for Start-Up Victoria.

The Bio-Melbourne Network said that the full-day program was sponsored by the State Government along with the Australian Government and law firm Davies Collison Cave

The Network said that the program was focused on "delivering precise and personalized medicine" to patients and consumers.

Speaking on the topic of 'The future of personalized medicine', IBM Research Australia's Dr Stefan Harrer told the meeting that his company was involved in the entire research and development process from ideas to pilot products.

Dr Harrer said that the cost of genome analyses was currently about \$1,000 but would come down to \$100 and even \$1 and the widespread genetic analyses would provide "a huge amount of data" that would assist in finding cures and drugs that work for everyone. Other sessions planned for the day included 'Delivering on the precise and personalized promise', 'Next generation technologies for devices and diagnostics', 'Digital health: product development and pathways to market' and 'Building the business case for personalized healthcare'.

Speakers included Brandon Capital managing partner Dr Chris Nave, Sienna Diagnostics former chief executive officer Dr Kerry Hegarty, the Victorian Comprehensive Cancer Centre's Prof Jim Bishop, the Commonwealth Scientific and Industrial Research Organisation's Dr Charles Lindall, the Murdoch Children's Institute's Dr Joanne Boag and Brandwood Biomedical's Dr Arthur Brandwood.

## STANDARD & POOR'S-DOW JONES INDICES

Five biotechnology companies have been promoted and five demoted in changes to the Standard & Poor's ASX300 and All Ordinaries indices.

Standard & Poor's said that Impedimed had been promoted into both the All Ordinaries Index and the ASX300, with Nanosonics promoted into the ASX300, while Prana has been demoted from the index.

Standard & Poor's said that Clinuvel, OBJ, and Pro Medicus had been promoted into the All Ordinaries, while Alchemia, Isona, Phosphagenics and QRX were demoted from the index.

Standard & Poor's has told Biotech Daily that inclusion in the indices is based solely on market capitalization.

Inclusion in the Biotech Daily Top 40 Index (BDI-40) is based on quality of science, benefit to human health, board and management, investment potential and market capitalization.

Standard & Poor's said that the changes would be effective after the close of trading on March 20, 2015.

### AVITA MEDICAL

Avita says it has raised \$5,042,280 through the placement of 81,327,101 shares at 6.2 cents a share and will offer a share purchase plan to raise up to \$6,050,736.

Avita said that the maximum amount of shares to be offered under the plan would be 97,592,521 at 6.2 cents and a further announcement would detail the timetable.

Avita chief executive officer Tim Rooney said the funds would “help drive the continued development of the regenerative product platform while driving the commercial stage pipeline”.

The company said that Bell Potter Securities was the lead manager for the placement.

Avita fell 1.4 cents or 18.2 percent to 6.3 cents.

### INVION

Invion has requested a trading halt “pending an announcement regarding a proposed capital raising”.

Trading will resume on March 16, 2015 or on an earlier announcement.

Invion last traded at 3.9 cents.

### PHARMAUST

Pharmaust has requested a trading halt “pending an announcement of a capital raising”.

Trading will resume on March 16, 2015 or on an earlier announcement.

Pharmaust last traded at 0.9 cents.

### ACTINOGEN MEDICAL

Actinogen has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company’s share price climbed from 6.3 cents on March 3 to 9.4 cents, a 49.2 percent increase, today March 12, 2015 and noted an increase in trading volumes.

Actinogen said that it was conducting investor road-shows with chief executive officer Dr Bill Ketelbey presenting to better inform the market of its Alzheimer’s dementia drug Xanamem, formerly known as UE2343 acquired from the University of Edinburgh, last year (BD: Aug 27, 2014).

The company said that the presentation, lodged with the ASX on March 9, 2015, said the company was on-time and on-budget and the investor focus resulted in a positive mention in a television program on March 11, 2015.

The company said it was in the process of establishing a clinical advisory board.

Actinogen was up 0.6 cents or 7.3 percent to 8.8 cents with 4.7 million shares traded.

### PHOSPHAGENICS

Phosphagenics has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company’s share price fell 1.4 cents or 21.5 percent from 6.5 cents on March 6 to 5.1 cents on March 11, 2015 and noted an increase in trading volume.

Phosphagenics said that Standard & Poor’s ASX Indices had announced on March 6, 2015 that the company would be removed from the All Ordinaries Index after the close of the market on March 20, 2015.

Phosphagenics was unchanged at five cents with 3.75 million shares traded.

## ROYAL AUSTRALIAN CHEMICAL INSTITUTE

The Royal Australian Chemical Institute's Bioactive Discovery and Development Group says Fibrotech co-founder Prof Spencer Williams will be the speaker at its March dinner. The Group said that the dinners were "excellent opportunities to meet with chemists from the private and public sectors, to engage with our carefully selected after-dinner speakers, and enjoy some fine food in relaxed surroundings".

The Group said that Prof Williams was a co-founder of Fibrotech Therapeutics, which was established in 2006 to develop new classes of drugs for fibrosis or tissue scarring, and last year was acquired by the Ireland-based Shire Plc for an upfront fee of \$81 million in a deal believed to be valued at more than \$600 million (BD: May 2, 2014).

The Group said that the dinner will be held at the Conservatory Restaurant at The Pumphouse Hotel, 128 Nicholson Street, Fitzroy, on March 18, 2015 at 7pm.

The Group said that the ticket price included finger food, two course meal and a complimentary glass of wine and tea or coffee, with a cash bar open throughout the evening.

The Group said that the event was supported by Davies Collison Cave and to register online by March 13, 2015, go to: <http://wired.ivvy.com/event/418VBG/>.

## UNIVERSAL BIOSENSORS

Universal Biosensors says Judith Smith will replace Andrew Jane as an independent non-executive director.

Universal Biosensors said that Ms Smith was an investment and funds management executive and had worked in investment management roles in the funds management industry, where she has been responsible for evaluating and investing in listed and unlisted companies.

The company said that Ms Smith was a director of the Australian Renewable Energy Authority, Acorn Capital Investment Fund and industry superannuation fund, the Labour Union Co-operative Retirement Fund and was formerly the head of private equity at Industry Funds Management (IFM) Investors and chair of the IFM risk committee.

Universal Biosensors said that previously Ms Smith held investment management roles including more than a decade at National Mutual Funds Management, where she managed Australian equity research and strategy, as well as Australian equity portfolios. The company said that Ms Smith held a Bachelor of Economics from Monash University and a Master of Applied Finance from the University of Melbourne.

Universal Biosensors chairman Andrew Denver said that outgoing director Andy Jane had been a director since 2006 prior to the company's initial public offering and ASX listing. "Since that time Universal Biosensors has transformed from a research and development company to a commercial entity in the growing point-of-care diagnostics market, having relationships with some of the leading healthcare businesses in the world," Mr Denver said.

"On behalf of Universal Biosensors, I would like to thank Andy for his commitment and significant contribution to the company over the past eight years, and wish him every success with his future," Mr Denver said.

Universal Biosensors fell one cent or 3.1 percent to 31 cents.