



Biotech Daily

Friday March 20, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ATCOR UP 14%, ANTEO DOWN 9%**
- * **BIOTA, GSK LOSE US RELENZA PENDING PATENT APPEAL**
- * **CLINUVEL SCENESSE APPROVAL 'A BREAKTHROUGH FOR ALPHA-MSH'**
- * **GENETIC SIGNATURES IPO RAISES \$7.5m**
- * **INVION RAISES \$895k, RIGHTS ISSUE FOR \$4.1m, CLOSING LIND DEAL**
- * **ALLAN GRAY INCREASES, DILUTED TO 18% OF PHARMAXIS**
- * **GOLDMAN SACHS BUYS, 'BORROWS' TAKES 5% OF NANOSONICS**
- * **UBS AG BUYS, SELLS, BORROWS, RETURNS SIRTEX SHARES TO 5%**
- * **NAB BUYS, BORROWS, RETURNS SIRTEX SHARES TO 5%**
- * **YZJ, SMK REDUCE, DILUTED TO 14% OF MEDICAL AUSTRALIA**
- * **MEDIBIO COMPLETES 1-FOR-100 CONSOLIDATION**
- * **PHYTOTECH REQUESTS 'MATERIAL ACQUISITION' TRADING HALT**

MARKET REPORT

The Australian stock market was up 0.42 percent on Friday March 20, 2015 with the S&P ASX 200 up 24.7 points to 5,975.5 points. Fourteen of the Biotech Daily Top 40 stocks were up, 13 fell, eight traded unchanged and five were untraded. All Big Caps were up.

Atcor was the best, up 2.5 cents or 13.9 percent to 20.5 cents with 2.9 million shares traded. Patrys climbed 10 percent; Genetic Technologies was up 8.8 percent; Prana rose 7.4 percent; Cellmid climbed 4.2 percent; Alchemia and Prima were up more than three percent; Acrux and Psivida rose two percent or more; Admedus, Benitec, Mesoblast and Starpharma were up more than one percent; with Cochlear, CSL, Nanosonics and Resmed up by less than one percent.

Anteo the falls, down 0.9 cents or 8.6 percent to 9.6 cents, with 4.1 million shares traded. Bionomics, Pharmaxis and Phosphagenics fell more than seven percent; IDT lost 5.3 percent; Oncosil fell 4.35 percent; Antisense, Neuren and Viralytics shed more than two percent; Optiscan and Sirtex were down more than one percent; with Impedimed and Medical Developments down by less than one percent.

BIOTA PHARMACEUTICALS

Biota says that the US Patent Trial and Appeal Board has denied a Glaxosmithkline appeal relating to a pending patent for its Relenza anti-influenza drug.

Biota said it had previously reported on August 25, 2014 that Glaxosmithkline had filed an appeal to the Patent Trial and Appeal Board in relation to the pending patent application number 08/737,141 relating to Relenza.

Biota chief executive officer Dr Joe Patti told Biotech Daily that the company had previously disclosed that Glaxosmithkline had “verified that we will continue to receive royalties on the net sales of Relenza in the US beyond December 2014 to the extent that US Patent Application No 08/737,141 remains pending”.

“If the patent claims are ultimately issued, we would expect to be eligible to receive royalties from net sales of Relenza in the US for an additional 17 years from the date of allowance,” Dr Patti said.

Biotech Daily was unable to determine the subject of the patent application.

Today, the company said that the Appeal Board denial also affirmed the examiner’s prima facie case of obviousness.

Biota said that with Glaxosmithkline it intended “to pursue available legal options with respect to this decision and to continue to seek issuance of this pending patent”.

Biota said that patents relating to Relenza outside the US were not affected and would expire in May 2015 in most of the European Union and in July 2019 in Japan.

On the Nasdaq, Biota was up 5.1 US cents or 2.12 percent to \$US2.471 (\$A3.23 equivalent to 40.375 cents prior to the Nabi merger, when it was trading around \$A1.00) with 101,659 shares traded.

CLINUVEL PHARMACEUTICALS

Clinuvel says that Scenesse, or afamelanotide 16mg, has been described as “a breakthrough” for alpha-melanocyte-stimulating hormone (alpha-MSH).

Clinuvel said that an editorial, in Nature’s Journal of Investigative Dermatology co-authored by Clinuvel advisor Prof Thomas Luger and trial principal investigator Prof Markus Böhm both from Germany’s University of Münster, was entitled ‘An alpha-MSH analogue in erythropoietic protoporphyria’ and reviewed both Clinuvel’s program and the history of the development of alpha-MSH as a therapeutic drug and was available at: <http://www.nature.com/jid/journal/v135/n4/full/jid201516a.html>.

Clinuvel said that Scenesse was approved under exceptional circumstances by the European Medicines Agency in December 2014 for the prevention of phototoxicity in adult patients with erythropoietic protoporphyria (EPP).

The editorial concluded that “the approval of afamelanotide by the European Medicines Agency in late 2014 can be regarded as a breakthrough for alpha-MSH in clinical medicine”.

“This success is based on the year-long commitment of many scientists but also on the critical input of others (Clinuvel) at later stages,” the authors said.

“Indeed, EPP still cannot be cured by afamelanotide, and thus a long-term or even a lifelong management strategy for these patients is mandatory,” the editorial said.

“Additional studies will be needed to further define the mode of action of afamelanotide in the skin of patients with EPP,” the authors said. “For example, is the beneficial effect of afamelanotide in EPP patients due simply to increased epidermal pigmentation or is it related to reduced oxidative stress and nociception ... [and] is porphyrin metabolism perhaps directly targeted by alpha-MSH?”

Clinuvel was unchanged at \$3.50.

GENETIC SIGNATURES

Genetic Signatures says its initial public offer has raised \$7.5 million at 40 cents a share and will list on the ASX on March 31, 2015, under the code GSS.

The Sydney-based Genetic Signatures technology, to screen for a wide array of infectious diseases or pathogens, was developed by former Commonwealth Scientific and Industrial Research Organisation head of molecular biology Dr Geoffrey Grigg who was also a founder of Cambridge Antibody Technology and Peptech, which later became Arana Therapeutics (BD: Oct 22, Nov 20, 2014).

Genetic Signatures chief executive officer Dr John Melki has previously said that the company's screening products were "platform agnostic", thereby maximizing the addressable market by reducing the need for capital expenditure by customers.

The company originally planned to raise \$15 million in the initial public offer.

INVION

Invion says it has raised \$895,000 in a placement at 2.5 cents a share and expects to raise \$4.1 million in a fully underwritten, non-renounceable, two-for-seven rights issue. Invion said that the share price was a 36 percent discount to the 3.9 cents closing price on March 11, 2015, the last trading day prior to commencement of the placement.

The company said that eligible shareholders at the record date of March 26 would be able to apply for additional shares above their entitlement through a top-up facility, and the offer would open on March 30 and close on April 17, 2015.

Invion said that as part of this capital raising, it would conclude a draw-down equity facility the New York-based Lind Partners Australian Special Opportunity Fund.

Invion managing director Dr Greg Collier said the conclusion of the Lind agreement and the capital raising was part of a broader strategy to position the company for a near term strategic partnership.

"The company is grateful for the contribution that the Australian Special Opportunity Fund has provided in assisting with bridging the company's funding requirements since November 2014," Dr Collier said.

"The new capital raised will be immediately deployed to core activities and to aggressively progress our lead programs," Dr Collier said.

"In particular, we are working towards important results from our phase II clinical trials for INV103 and INV102, which are both expected around the middle of this year, which we hope will be significant catalysts for the company," Dr Collier said.

"All funds raised will underpin this endeavor," Dr Collier said.

Invion said that Morgans Corporate and Patersons Securities had been appointed as joint lead managers and underwriters for the capital raising.

Invion fell 0.1 cents or 25.6 percent to 2.9 cents with 6.7 million shares traded.

PHARMAXIS

Alan Gray says it has increased its shareholding in Pharmaxis from 43,816,936 shares to 56,302,797 shares but has been diluted from 19.19 percent to 18.06 percent.

It is the first substantial shareholder notice from Alan Gray relating to Pharmaxis since 2011 when the then Orbis Investment Management increased its substantial shareholding from 40,729,893 shares (17.84%) to 43,816,936 shares (19.19%) (BD: Jun 22, 2011).

Alan Gray said it bought and sold shares between June 20, 2011 and March 17, 2015 with the single largest acquisition 1,397,522 shares for \$1,467,398 or \$1.05 a share.

Pharmaxis fell one cent or 7.1 percent to 13 cents with 1.9 million shares traded.

NANOSONICS

The Delaware-based Goldman Sachs Group says it has become a substantial shareholder in Nanosonics with 14,925,513 shares or 5.34 percent of the company. The substantial shareholder notice said the shares were held by subsidiaries, Rothesay Life, JP Morgan Chase, RBC Dexia Australian, HSBC Custody Nominees Australia and the Bank of New York Mellon, with some of the holdings relating to Goldman Sachs and JP Morgan Chase subject to an "overseas securities lender's agreement", as well as Rothesay Life and Morgan Stanley as parties to a "global master securities lending agreement".

Goldman Sachs said the shares were acquired between December 3, 2014 and March 17, 2015 with 808,641 shares bought for \$1,334,258 or \$1.65 a share, but Rothesay Life acquired 1,521,852 shares on March 17, 2015 with the payment described as "not applicable", implying they were "borrowed".

Nanosonics was up half a cent or 0.3 percent to \$1.835 with 4.8 million shares traded.

SIRTEX MEDICAL

The Singapore-based UBS AG and related bodies corporate have become substantial in Sirtex with 3,028,395 shares or 5.36 percent

UBS AG said that between November 26, 2014 and March 17, 2015, in more than 600 separate trades, it bought, sold, borrowed and returned shares for institutions, including Citibank NA, the Bank of New York Mellon, State Street Bank & Trust Co, BNP Paribas, the National Bank of Australia, Barclays, Global Investment and Regal Funds Management; and the shares were held for various custodians and were held with the "power to control disposal over shares pursuant to stock borrowing and lending activities". Sirtex fell 38 cents or 1.7 percent to \$21.49 with 1.0 million shares traded.

SIRTEX MEDICAL

The National Australia Bank says it has become substantial in Sirtex with 2,922,193 shares or 5.169 percent

The Bank said that between November 18, 2014 and March 17, 2015, it bought, borrowed and returned shares for a large range of holders including MLC Investments, Antares Capital Partners, Navigator Australia and BNP Paribas Nominees and under securities borrowing agreements with clients Unisuper and Vicsuper with counterparties UBS Securities, Macquarie Bank, Merrill Lynch Equities and Instinet Australia.

MEDICAL AUSTRALIA

The Sydney based YZJ Trading for the SMK Trust says it has reduced its holding in Medical Australia from 25,680,636 shares to 19,260,477 shares and has been diluted through a capital raising from 25.1 percent to 14.1 percent.

The substantial shareholder notice was signed by YZJ director Shaneel Khan of Blacktown, Sydney.

A Medical Australia executive told Biotech Daily that YZJ Trading acquired the shares in the Medivet acquisition in 2013 and was subsequently diluted in last year's capital raising (BD: Dec 10, 2013; Nov 10, 2014).

The substantial shareholder notice said that the reduction in shares was through the transfer of 6,420,159 shares to a "beneficiary".

Medical Australia was up 0.9 cents or 9.4 percent to 10.5 cents.

MEDIBIO (FORMERLY BIOPROSPECT)

Medibio says it has completed its one-for-100 share consolidation and as a result has 35,148,947 shares on issue.

Medibio said that it was “in the process of finalizing the acquisition of Invatec ... and the restructure” and expects this will be completed by April 3, 2015.

Medibio was up half a cent or 1.5 percent to 33 cents.

PHYTOTECH MEDICAL

Phytotech has requested a trading halt “pending the release of details of a material acquisition transaction”.

Trading will resume on March 24, 2015 or on an earlier announcement.

Phylogica last traded at 30.5 cents.