



Biotech Daily

Wednesday March 25, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH EVEN: PHOSPHAGENICS UP 19.5%**
- **TISSUE THERAPIES DOWN 12%**
- * **NHMRC \$123.5m FOR 113 PROJECTS**
- * **PHOSPHAGENICS 2nd VITAMIN E LICENCE FOR ANIMAL PRODUCTS**
- * **ANTEO TRIALS MIX&GO ON COOK MEDICAL DEVICES**
- * **CAPITAL GROUP TAKES 8% OF MESOBLAST**

MARKET REPORT

The Australian stock market edged up 0.07 percent on Wednesday March 25, 2015 with the S&P ASX 200 up 4.2 points to 5,973.3 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 14 fell, 10 traded unchanged and two were untraded.

Phosphagenics was the best, up 0.8 cents or 19.5 percent to 4.9 cents with six million shares traded.

Ellex climbed 6.45 percent; Bionomics and Pharmaxis rose more than four percent; both Genetic Technologies and Optiscan were up 3.03 percent; Anteo rose 2.1 percent; Acrux, Alchemia, Cochlear, Impedimed, Universal Biosensors and Viralytics were up more than one percent; with Medical Developments and Psivida up by less than one percent.

Tissue Therapies led the falls, down 2.5 cents or 11.9 percent to 18.5 cents with one million shares traded.

Clinuvel and Living Cell fell more than six percent; Admedus lost five percent; Analytica and Antisense fell more than four percent; Neuren was down three percent; both Atcor and Benitec shed 2.5 percent; Avita, CSL, Resmed and Starpharma were down more than one percent; with Mesoblast, Nanosonics and Sirtex down by less than one percent.

NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL, FEDERAL GOVERNMENT

The Federal Minister for Health Sussan Ley has announced \$123.5 million in National Health and Medical Research Council grants for 113 projects.

“Australia’s research sector continues to produce the knowledge, techniques and products that save lives and improve quality of life both today and for years to come,” Ms Ley said.

“It has been estimated that every \$1 spent on health and medical research generates a health benefit valued at over \$2,” Ms Ley said.

A Health Department media release said that the NHMRC would provide: \$98.3 million for 11 Program Grants, bringing together researchers from diverse fields to collaborate on projects that are at an advanced stage of discovery; \$15.2 million for 26 Development Grants to take research projects from the laboratory to commercialization; \$6.4 million to support 69 early career researchers working towards their Master’s degrees or Doctorates of Philosophy through postgraduate scholarships; \$2.4 million to support five collaborations between researchers, organisations and governments through the Partnership Projects scheme; and \$1.3 million to fund two NHMRC-UK National Institute for Health Research collaborative research grants.

The complete details of the NHMRC grant outcomes announced today are available at:

<http://www.nhmrc.gov.au/grants-funding/outcomes-funding-rounds>.

The media release noted that the University of Melbourne’s Prof Samuel Berkovic had been awarded a \$16,110,300 Program Grant to continue work on epilepsy by combining genetics, imaging, physiology and pharmacology with deep phenotyping to characterize the causes and mechanisms of epilepsy to develop personalized therapies.

The NHMRC said that Macquarie University’s Prof Richard Kefford would receive \$14,663,120 to improve the prevention, treatment and detection of melanoma by conducting a large-scale genomic analysis of people with melanoma and people who are predisposed to developing the cancer.

The Council said that the University of Melbourne’s Prof David Bowtell would receive \$7,088,520 for research taking a genetic approach to improving outcomes for women with ovarian cancer and reducing the risk to others of developing ovarian cancer.

The NHMRC said that Prof Bowtell and his team would seek to develop novel therapies for ovarian cancer based on analysis of somatic mutations, and identify better methods for reducing risk of developing the cancer through genetic analysis.

The media release said that the joint NHMRC-NIHR Collaborative Research Grants included a grant to the Anti Cancer Council Victoria’s Prof Ron Borland and colleagues in the UK of \$913,218 to test the effectiveness of two strategies to help cigarette smokers quit smoking for at least one year.

The NHMRC said that the Centre for Eye Research Australia’s Dr Hong Zhang had been awarded a \$584,165 Development Grant for research to support the development of a non-invasive treatment for the degenerative eye condition keratoconus.

The Council said that current treatment involved lifting the protective layer of the cornea to apply riboflavin to the central region of the cornea, which could be painful and carried risks of complications.

The NHMRC said that Prof Zhang would work with Seagull Technologies to develop a polymer gel that, combined with a delivery device invented by the company, could release riboflavin into the cornea safely and without the need for any incision.

The Council said that the University of Melbourne’s Dr Peter Savas had been awarded a Postgraduate Scholarship valued at \$80,614 to use DNA sequencing to compare genetic changes in patients with incurable breast cancer over time, which could enable some patients to receive therapies better targeted to their tumor and prevent cancer from reaching an advanced stage.

PHOSPHAGENICS

Phosphagenics says it has licenced its vitamin E phosphate tocopheryl phosphate mixture (TPM) technology to Integrated Animal Health for animal nutrition products.

Phosphagenics said the four-year licence would allow the Kansa City Kansas based Integrated Animal Health, formerly based in Noosaville, Queensland, to incorporate the technology in the manufacture and sale of the products, in the United Kingdom and the Republic of Ireland.

The company said that Integrated Animal Health already had a licencing arrangement for these products in Australia and New Zealand through Integrated Health's subsidiary Mastitis Management Australia (BD: Dec 12, 2013).

Phosphagenics said the animal nutrition products would be marketed under Integrated Animal Health's Feed-Mate brand, target reductions in the signs of with mastitis in dairy cows, and were intended to decrease antibiotic use and increase the quality of milk.

The company said that the products were also believed to provide general improvements to herd health associated with heat stress and fertility difficulties.

Phosphagenics said that Integrated Animal Health intended to appoint the Devon, UK-based Denis Brincombe Group as its distributor for the products.

The company said that Integrated Animal Health would buy minimum quantities of its TPM to maintain exclusivity, starting at \$550,000 revenue to Phosphagenics in the first year, climbing to \$1.8 million for the final year, as well as royalties on sales.

Phosphagenics said that with Integrated Animal Health it had demonstrated "in a number of trials that the use of TPM in animal feeds imparts numerous benefits for animal health generally, and in the reduction of the symptoms of mastitis in particular".

Integrated Animal Health chief executive officer Rob Neely said the deal was "an important next step in [the company's] expansion".

"The deal represents the first agreement with Phosphagenics for animal health products for dairy cows outside of Australia and New Zealand," Mr Neely said.

Phosphagenics chief executive officer Dr Ross Murdoch said he was "optimistic that the arrangements with [Integrated Animal Health] and UK industry specialist Denis Brincombe Group will open the door to similar commercial agreements for other territories".

Phosphagenics rose 0.8 cents or 19.5 percent to 4.9 cents with six million shares traded.

ANTEO DIAGNOSTICS

Anteo Diagnostics says its will undertake a feasibility study of its Mix&Go technology in in-vivo medical devices with William A Cook Australia.

Anteo said that the trial would be conducted by its wholly-owned subsidiary Anteo Technologies in cooperation with the Australian division of the Bloomington, Indiana-based Cook Medical.

The company said that Cook Australia manufactured a range of medical devices and was Queensland's largest exporter of non-mining products.

Anteo chief executive officer Dr Geoff Cumming said that "Cook's history of innovation and invention that meets and exceeds customers' expectations is very much aligned with our philosophy at Anteo Technologies and we are very pleased to be collaborating with Cook Australia on this feasibility study."

"Anteo will be formally assessing an opportunity to apply Anteo's patented Mix&Go technology to one of Cook's portfolio applications," Dr Cumming said.

"This is a fully funded program and our first commercial foray into the in-vivo medical devices sector," Dr Cumming said.

Anteo was up 0.2 cents or 2.1 percent to 9.7 cents with 2.1 million shares traded.

MESOBLAST

The Los Angeles, California-based Capital Group Companies has increased its substantial holding in Mesoblast from 21,466,599 shares (6.683%) to 25,488,187 shares (7.856%). Capital Group said that between January 31, 2014 and March 23, 2015, it bought 4,021,588 shares at an average price of \$4.084 a share. Mesoblast fell two cents or 0.5 percent to \$3.86 with 857,220 shares traded.