



# Biotech Daily

Friday April 24, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH EVEN: ACRUX UP 12%, ACTINOGEN DOWN 23%**
- \* **ACTINOGEN RAISES \$10m, \$1m PLAN; XANAMEM ETHICS APPROVAL**
- \* **SUDA: '2 ARTICLES BACK SUBLINGUAL ARTIMIST FOR MALARIA'**
- \* **RESMED Q3 REVENUE UP 6% TO \$543m**
- \* **ACRUX, ELI LILLY AXIRON SALES SLIP 1%, FOREX PUSHES ROYALTY UP**
- \* **ANATARA TO RELEASE 8m ESCROW SHARES**
- \* **NARHEX BECOMES RESAPP EGM**

## MARKET REPORT

The Australian stock market climbed 1.51 percent on Friday April 24, 2015 with the S&P ASX 200 up 88.5 points to 5,933.3 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 15 fell, 10 traded unchanged and one was untraded.

Acrux was the best, up 10.5 cents or 12.4 percent to 95 cents with 1.5 million shares traded.

Oncosil climbed 7.9 percent; Antisense, Cellmid, Medical Developments and Uscom were up more than four percent; Osprey was up 3.2 percent; Atcor, Bionomics, Genetic Technologies, Mesoblast and Viralytics rose more than two percent; CSL was up 1.5 percent; with Clinuvel and Sirtex up by less than one percent.

Actinogen led the falls, down 3.5 cents or 23.3 percent to 11.5 cents with 16.8 million shares traded, followed by Resmed down 9.7 percent to \$8.46 with 20.8 million shares traded.

Biotron fell 7.7 percent; Circadian and Universal Biosensors lost more than six percent; Compumedics fell 4.55 percent; Avita, Living Cell and Starpharma were down more than three percent; Pharmaxis shed 2.9 percent; Admedus, Anteo, Benitec, Impedimed and Nanosonics were down more than one percent; with Cochlear and Psivida down by less than one percent.

## ACTINOGEN MEDICAL

Actinogen says its “heavily over-subscribed” placement at 9.5 cents a share has raised \$10.0 million and it hopes to raise a further \$1.0 million through a share purchase plan. Actinogen said that proceeds from the placement to sophisticated and institutional investors would be used to support the investigational new drug application to the US Food and Drug Administration and the planned phase II study of Xanamem for early Alzheimer’s disease planned to start in 2016.

The company said that the placement was co-lead by KTM Capital and Forrest Capital. Actinogen said that the record date for the share plan capped at \$1.0 million was April 23, 2015 and it would be available to shareholders on a first-come first-served basis.

Separately, the company said it had ethics approval for the second stage of its phase I study of Xanamem, a “fed-fasted” study of 12 participants at 35mg oral Xanamem twice daily for nine days (BD: Mar 31, 2015).

Actinogen said that the primary endpoint of the study was to confirm how the body absorbed and metabolized Xanamem with and without food, at the highest drug dose.

Actinogen fell 3.5 cents or 23.3 percent to 11.5 cents with 16.8 million shares traded.

## SUDA

Suda says that two journal articles support the pharmacokinetic profile of its Artimist sublingual drug for paediatric malaria.

Suda said that both articles were published in Antimicrobial Agents and Chemotherapy, a journal of the American Society for Microbiology.

The company said that the first article, entitled, ‘Pharmacokinetics of a novel sublingual spray formulation of the anti-malarial drug artemether in healthy adults’, found that Artimist “provided greater bioavailability of artemether compared to tablets and suggested that the majority of artemether delivered by Artimist is absorbed prior to reaching the gastrointestinal tract”.

An abstract is available at: <http://www.ncbi.nlm.nih.gov/pubmed/25801553> and said that “sublingual artemether is more rapidly and completely absorbed than equivalent doses of artemether tablets in healthy adults”.

“Its disposition appears complex with two absorption phases, the first representing pre-gastrointestinal absorption, as well as dose-dependent bioavailability and auto-induction of metabolism with multiple dosing,” the abstract said.

Suda said that the second article was entitled, ‘Pharmacokinetics of a novel sublingual spray formulation of the antimalarial drug artemether in African children with malaria’ and an abstract is available at <http://www.ncbi.nlm.nih.gov/pubmed/25801552>.

The abstract said that the “findings suggest that sublingual artemether could be used as pre-referral treatment for sick children before transfer for definitive management of severe or moderately severe malaria”.

Suda chief executive officer Stephen Carter said the company was “pleased to see these important clinical data published in a prestigious journal for novel anti-malarials”.

“The articles further raise the profile of Artimist with the scientific and medical community and reaffirm its therapeutic advantages in children with malaria,” Mr Carter said.

“There remains a serious unmet need for novel anti-malarial treatments for children, particularly in the pre-referral setting,” Mr Carter said.

Suda said that there were about 200 million cases of malaria globally with more than 500,000 deaths from the disease.

Suda was up 0.2 cents or 5.3 percent to four cents with 1.3 million shares traded.

## RESMED

Resmed says that revenue for the three months to March 31, 2015 was up 6.2 percent to \$422,497,000 (\$A543,073,055) with net profit after tax up 1.1 percent to \$US90,983,000. Resmed said that diluted earnings per share for the three months to March 31, 2015 was up one US cent or 1.6 percent to 64 US cents 1.6, compared to the previous corresponding period.

The company said that research and development expenses fell 8.5 percent to \$US27,024,000 or 6.4 percent of revenue compared to 7.4 percent for the three months to March 31, 2014.

Resmed chief executive officer Mick Farrell said the company was “pleased to report excellent progress with our new product launches, as we continued to see double-digit revenue growth”.

“Strong demand for our new flow generator launches in the US and continued growth in our Asia Pacific and Europe regions drove our results in the quarter,” Mr Farrell said.

Resmed fell 91 cents or 9.7 percent to \$8.46 with 20.8 million shares traded.

## ACRUX

Acrux says Axiron net sales for the three months to March 31, 2015 eased 1.0 percent to \$US39.1 million (\$A50.2 million) compared to the previous corresponding period.

Last year, Acrux said net Axiron sales for the three months to March 31, 2014 was \$US39.5 million (\$A42.5 million) down 26.7 percent compared to the three months to December 31, 2013, following a US Food and Drug Administration announcement that it was investigating the risk of stroke, myocardial infarction, and death in men taking testosterone products (BD: Feb 4, Apr 28, 2014).

Today, Acrux said that royalties for the three months to March 31, 2015 were expected to be favorable compared to the previous year due to exchange rate movements.

In February, Acrux reported Axiron net sales of \$US47.6 million (\$A61.115 million) for the three months to December 31, 2014, compared to \$US53.9 million for the three months to December 31, 2013 (BD: Feb 2, 2015).

The company has previously said that it would be entitled to a \$US50 million royalty milestone, believed to be when global sales reached more than \$US200 million in one calendar year (BD: Jan 31, 2014).

Acrux climbed 10.5 cents or 12.4 percent to 95 cents with 1.5 million shares traded.

## ANATARA LIFESCIENCES

Anatara says that 8,170,000 shares will be released from escrow on May 8, 2015.

Anatara said that 4,980,000 shares were under ASX escrow and 3,190,000 shares were under voluntary escrow.

The company said it had a total of 37,750,000 shares on issue, of which 12,926,095 shares were subject to a 24 month escrow period from the date of Anatara's listing on October 16, 2014, meaning that 24,823,905 shares were available for trading.

Anatara fell 2.5 cents or 3.6 percent to 67 cents.

## NARHEX LIFE SCIENCES

Narhex shareholders will vote on 13 resolutions to transform the company from developing HIV treatments to mobile telephone respiratory diagnoses applications. The resolutions include the renaming of the company Resapp Health as well as the election of Dr Tony King as a director and the issue of 20,000,000 incentive options to Dr King.

Other resolutions include a three-for-eight consolidation; a change in the nature and scale of the company; the approval of performance shares; the issue of 500,000,000 consideration and performance shares to the Resapp vendors and Uniquet; 200,000,000 shares at 2.0 cents each for a capital raising; 50,000,000 related party and unrelated party facilitation shares; 80,000,000 placement shares; and 35,000,000 placement options.

Last year, said it would acquire Resapp which had an exclusive licence from the University of Queensland to develop mobile telephone medical applications for the diagnosis and management of respiratory disease (BD: Oct 2, 2014)

The company said at that time that 91-patient clinical proof of concept study demonstrated 96 percent and 90 percent accuracy for the diagnosis of pneumonia and asthma, respectively and Resapp would target pneumonia, bronchitis, chronic obstructive pulmonary disease and asthma.

Narhex was developing DG17 and DG35 for HIV, but was suspended from trading in March, 2008 for failing to lodge its half-yearly accounts (BD: Jul 17, 2009).

In 2010, administrators were appointed and in 2011 Narhex said it would go coal mining in Central Queensland, announcing later that year that it had a joint venture for DG17 with China's Academy of Medical Science (BD: Feb 10, 2010, May 19, Nov 17, 2011).

In 2012 and 2013, Narhex acquired gold and diamond mining interests in Liberia and Guinea.

The meeting will be held at Trident Capital, Level 24, 44 St Georges Terrace, Perth, Western Australia on May 27, 2015 at 10am (AWST).

Narhex last traded at 0.9 cents.