



# Biotech Daily

Wednesday April 29, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: COMPUMEDICS UP 18%, ANALYTICA DOWN 9%**
- \* **BENITEC DOSES 5<sup>th</sup> TT-034 HEPATITIS C PATIENT**
- \* **ITL TO BUY RELATED-PARTY MYHEALTHTEST FOR SELF TESTING**
- \* **NOVOGEN PLACEMENT RAISES \$15m**
- \* **BIOTECH DAILY APPENDIX 4C QUARTERLY REPORTS POLICY**
- \* **CELLMID HAS LESS THAN TWO QUARTERS CASH**
- \* **PRESCIENT HAS LESS THAN TWO QUARTERS CASH**
- \* **TONY GRIST, DENLIN, OAKTONE INCREASE, DILUTED IN ACTINOGEN**
- \* **BRETT HEADING REPLACES INVION CHAIRMAN DR RALPH CRAVEN**
- \* **THOMAS FONTAINE REPLACES BPH DIRECTOR HOCK GOH**

## MARKET REPORT

The Australian stock market lost 1.85 percent on Wednesday April 29, 2015 with the S&P ASX 200 down 109.9 points to 5,838.6 points. Ten of the Biotech Daily Top 40 stocks were up, 20 fell, eight traded unchanged and two were untraded. All three Big Caps fell.

Compumedics was best, up 3.5 cents or 17.95 percent to 23 cents with 770,171 shares traded, followed by Antisense up 16.0 percent to 14.5 cents with 704,234 shares traded.

Actinogen, IDT and Prana climbed more than three percent; Medical Developments and Starpharma rose two percent or more; with Avita, Neuren and Osprey up more than one percent.

Analytica led the falls, down 0.2 cents or 9.1 percent to two cents with 1.9 million shares traded.

Patrys lost 8.3 percent; Ellex and Reva fell more than five percent; Benitec, Cellmid and Psivida fell four percent or more; Clinuvel, Oncosil and Sirtex were down more than three percent; Atcor, Bionomics, CSL, Genetic Technologies and Pharmaxis shed two percent or more; Acrux, Admedus, Cochlear, Impedimed, Optiscan and Resmed were down more than one percent; with Mesoblast and Nanosonics down by less than one percent.

## BENITEC BIOPHARMA

Benitec says it has dosed the fifth patient in its phase I/IIa dose escalation trial of TT-034 for hepatitis C at the Duke Clinical Research Unit.

Benitec said that the patient was the third and final patient in the second cohort and pending a review by the data safety monitoring board, the patients in the third cohort would be dosed at a potentially therapeutic dose.

The company said that the second cohort received a dose of its DNA-directed RNA-interference (ddRNAi) drug TT-034 of  $1.25 \times 10^{11}$  vector genome particle per kilogram (vg/kg), a concentration a half log higher than the doses administered in the first cohort. Benitec said that the second cohort dose was below the concentration expected to inhibit hepatitis C viral replication and data from the second cohort would serve primarily as a safety assessment.

The company said that the fifth patient would be monitored for six weeks and the data would be reviewed by the data safety monitoring board.

Benitec chief executive officer Dr Peter French told Biotech Daily the third cohort would be dosed at  $4.0 \times 10^{11}$  vg/kg TT-034, which was “the first potentially therapeutic dose cohort”. Benitec said it was screening patients for inclusion in the third cohort and had initiated a third site, the San Antonio-based Texas Liver Institute in San Antonio, which had started to pre-screen patients for the trial.

The company said it would “move to conventional clinical trial reporting for cohorts three through to five of the dose escalation study ... [and] provide an update to investors via [an] ASX announcement should a material event occur or when the trial is completed”.

Benitec fell 3.5 cents or 4.3 percent to 78.5 cents.

## ITL

ITL says it expects to acquire the related-party Myhealthtest Pty Ltd consumer pathology test provider, for up to \$3,350,000 through a series of milestone-based call options.

ITL said that Myhealthtest would enable customers to initiate the service online and receive their test kit at home, submit a sample in their own time back to Myhealthtest and obtain the results via a secure portal.

The company said that the first test kit would be for the HbA1c test for the diagnosis and management of diabetes, with a pipeline of tests in other chronic diseases.

ITL executive chairman Bill Mobbs said that Myhealthtest was “an important addition to the growth strategy of the ITL business model”.

The company said that Mr Mobbs owned 67 percent of Myhealthtest and the transaction would require ITL shareholder approval.

Mr Mobbs’ most recent substantial shareholder notice said that he held 38.63 percent of ITL (BD: Aug 14, 2014).

The company said that the transaction was structured “through a series of call options”, which would expire on December 31, 2016.

ITL said that a series of options would give it a minimum commitment of \$450,000 and a maximum commitment of \$1,350,000 in cash to Myhealthtest, “which on exercise potentially represents an approximate beneficial interest of between 19 percent and 40 percent, with funds to be used to fund ongoing growth of [Myhealthtest] and repay debt”.

A spokesman for ITL told Biotech Daily that ITL had the right to decline any of the three \$300,000 further options and end the deal and the final payment would be an additional \$2,000,000 composed of \$200,000 in cash and \$1,800,000 in ITL shares at the lesser of 24 cents and the five-day volume weighted average price prior to completion.

ITL was unchanged at 24 cents.

## NOVOGEN

Novogen says it has raised \$15,525,000 through the placement of 51,750,000 shares at 30 cents a share to US institutional investors (BD: Apr 21, 2015).

Last week, Novogen said it would offer a one-for-six non-renounceable rights issue at 30 cents a share to raise a further \$15,000,000 and that each placement and rights issue share would come with one attaching six-month option exercisable at 30 cents and half of one attaching five-year option exercisable at 40 cents.

Novogen said that HC Wainwright & Co was the exclusive placement agent.

Novogen fell 2.5 cents or 7.8 percent to 29.5 cents with 14.8 million shares traded.

## BIOTECH DAILY APPENDIX 4C REPORTS

Biotech Daily reports all the significant announcements to the ASX.

Biotechnology companies bleeding money is not news, unless the company involved has less than two quarters of cash.

When companies clearly explain that they have equity draw-down facilities or loans or are about to have a capital raising, Biotech Daily will not report their Appendix 4C statement.

Where there is no explanation or it is not clear and the company has less than six months of cash reserves, it will be reported, as will maiden revenues or profits.

Companies reporting after the close of business will be reported in the following edition.

**David Langsam, Editor**

## CELLMID

Cellmid says its net operating cash burn for the three months to March 31, 2015 was \$908,000 with cash at the end of the quarter of \$1,724,000.

Cellmid chief executive officer Maria Halasz told Biotech Daily that all options were under consideration including the reduction of expenditure in the coming months and the possibility of a potential fund raising in the future.

Cellmid fell 0.1 cents or four percent to 2.4 cents with 5.2 million shares traded.

## PRESCIENT THERAPEUTICS (FORMERLY VIRAX HOLDINGS)

Prescient says its net operating cash burn for the three months to March 31, 2015 was \$838,000 with cash at the end of the quarter of \$1,477,000.

Prescient managing director Dr Rob Crombie told Biotech Daily that expenditure in the coming months would be lower than in the previous quarter which included establishment costs associated with its clinical trials program.

Dr Crombie said that the company was considering all options including the possibility of a potential fund-raising in the future.

Prescient was unchanged at 8.4 cents.

## ACTINOGEN

The Perth, Western Australia-based Denlin and Oaktone Nominees say they have increased their holdings in Actinogen but have been diluted in last week's placement.

Last week, Actinogen said it had raised \$10.0 million at 9.5 cents a share and hoped to raise a further \$1.0 million through a share plan (BD: Apr 24, 2015)

Today, Tony Grist for Denlin and Oaktone said the companies increased from 20,000,000 shares to 34,717,184 shares but had been diluted from 7.91 percent to 5.8 percent.

Actinogen was up 0.3 cents or 3.1 percent to 10 cents with 2.3 million shares traded.

### INVION (FORMERLY CBIO)

Invion says that corporate lawyer and former Chemgenex chairman Brett Heading will replace chairman Dr Ralph Craven, effective immediately.

Invion said that Dr Craven was retiring from the company after three and a half years.

Dr Craven was appointed chairman of the then CBio along with Helen Cameron as interim managing director, having been nominated by a shareholder action group to replace founder and chairman Stephen Jones and directors Prof John Funder and James Greig and the company reduced directors fees by 30 percent (BD: Sep 5, 7, Dec 2, 2011).

Earlier in 2011, CBio's 155-patient phase IIa safety and efficacy trial of XToll, or recombinant chaperonin 10 (Cpn10), for moderate to severe rheumatoid arthritis failed to meet its primary endpoint, but met secondary endpoints (BD: Aug 1, 2011).

Today, Invion chief executive officer Dr Greg Collier said that "the entire board and staff of Invion are immensely grateful to Dr Craven for his considerable contribution to our company and credit him with the leadership and commitment that resulted in the successful merger between CBio and Inverseon in 2012, as well as the acquisition of new drug targets into the company's now expanded pipeline".

Invion said that Mr Heading had been a non-executive director of Invion since 2012 and was an experienced director and chairman.

Invion said that as well as his former role as Chemgenex chairman Mr Heading was previously a director of Peplin, which was sold to Leo Pharma in 2009 for \$348 million (BD: Sep 3, Nov 12, 2009).

The company said that Mr Heading continued as a senior partner of law firm McCullough Robertson and had experience in capital raisings, mergers and acquisitions, as well as having acted as a director of listed and unlisted companies in the life sciences, property, agribusiness and energy sectors, and continued as the chairman of Unity Pacific and as a director of Empire Oil and Gas.

Invion was unchanged at 2.4 cents with 1.8 million shares traded.

### BPH ENERGY

BPH says that Thomas Fontaine will replace Hock Goh as a director.

BPH said that Mr Goh had resigned "due to other business commitments".

The company said that Mr Fontaine was a reservoir engineer with more than 20 years experience in project evaluation management, development and capital raising.

BPH has interests in unlisted biotechnology companies Cortical Dynamics and Molecular Diagnostics.

BPH was untraded at 0.4 cents.