Biotech Daily

Friday May 22, 2015

Daily news on ASX-listed biotechnology companies

*** ASX EVEN, BIOTECH UP: PATRYS UP 8%, PRIMA DOWN 43%**

*** MALAYSIAN HIGH COURT FINES EX-GORDAGEN'S NURUL ATHIRAH $27k**

*** REVA FANTOM PILOT TRIAL INITIAL DATA POSITIVE**

*** IM MEDICAL FAILS TO BECOME SYNCOM DATA CENTRE SERVICES**

*** REPRODUCTIVE HEALTH SIGNS RUSSIA, IRAN, UAE DISTRIBUTORS**

*** PRANA PLEADS SCHULTZ, EU ORPHAN ADVICE TO ASX 19% QUERY**

*** ALCHEMIA PLEADS SCHULTZ, SHARE TRADING TO ASX 34% QUERY**

*** ALCHEMIA REQUESTS FONDAPARINUX ROYALTY TRADING HALT**

*** OKS INCREASES TO 10% OF AGENIX**

*** IQ3 APPOINTS DR GEORGE SYRMALIS CEO**

*** REGISTRATION OPENS FOR AUSBIOTECH OCTOBER 2015 CONFERENCE**

MARKET REPORT

The Australian stock market edged up 0.04 percent on Friday May 22, 2015 with the S&P ASX 200 up 2.4 points to 5,664.7 points. Fifteen of the Biotech Daily Top 40 stocks were up, 13 fell, nine were unchanged and three traded unchanged.

Patrys was the best, up 0.1 cents or 7.7 percent to 1.4 cents with 15.7 million shares traded, followed by Circadian up 7.1 percent to 15 cents with 17,600 shares traded.

Compumedics climbed 5.9 percent; Biotron, GI Dynamics and Neuren rose four percent or more; Pharmaxis was up 2.2 percent; Acrux, Admedus, Clinuvel, Impedimed, Reva and Tissue Therapies were up more than one percent; with Nanosonics and Starpharma up by less than one percent.

Prima, biotech's best for three days in a row, retreated 6.9 cents or 43.1 percent to 9.1 cents with 147.2 million shares traded, followed by Prana down 13.2 percent to 16.5 cents with 708,300 shares traded. Medical Developments lost five percent; Antisense, Atcor, Benitec and Living Cell fell four percent or more; Anteo, Optiscan and Sirtex were down three percent or more; Actinogen and Avita shed more than two percent; Osprey lost 1.5 percent; with Cochlear and CSL down by less than one percent.

GORDAGEN PHARMACEUTICALS

Gordagen says the Malaysian High Court has fined former employee Nurul Athirah binti Sufi $26,579 and ordered her to return documents and not disclose company information.

Gordagen said that Justice Hajah Azizah binti Haji Nawawi ordered Nurul Athirah binti Sufi, known as Ms Athirah, to pay Gordagen MYR40,000 for ex parte and inter partes injunctions, MYR8,000 for the summary judgment application and MYR27,578.70 as out of pocket expense, which was the total sum claimed, a total of MYR75,578.70 ($A26,579) with interest at five percent from the filing of the writ.

The company said that decision were “as per our claims in breach of confidentiality and copyright infringement” and the Judge found that the defendant owed a duty of fidelity to Gordagen based on the letter of appointment and her contract.

Gordagen said that Felda Wellness Corp became a cornerstone investor and nominated Felda deputy director general Muhammad Sufi Mahbub (Mr Sufi), a high profile Malaysian company director, to be a director of Gordagen in January 2014, and he remained a director until his removal by a unanimous shareholder vote on January 12, 2015.

The company said that Mr Sufi recommended his daughter Ms Athirah be employed as its finance manager because she was an accountant who could assist in dealings with Malaysian investors and Mr Sufi arranged for Felda to meet all the expenses relating to the employment of his daughter, including a salary of $128,000, a company car and a luxury apartment.

Gordagen said it accepted the recommendation from Mr Sufi on good faith, because it wanted to strengthen its relationship with a new Malaysian-based investor and seek future funding from other Malaysian-based investors.

The company said that Ms Athirah undertook key financial duties and was privy to highly confidential information.

Gordagen said that Ms Athirah resigned on November 13, 2014 and left the company on the next day.

The company said that on November 18, 2014, it discovered that Ms Athirah had sent a large volume of highly confidential information to her private email account, including documents from board meetings, financial accounts and reports, as well as documents related to the company’s financings.

Gordagen said that following an initial request by chief executive officer Dr Glenn Tong to return the materials, to which there was no response, its Australian solicitors served a letter of demand on November 19, 2014 to Ms Athirah to return the materials and to refrain from disclosing the information to anyone.

The company said that there was no response and Ms Athirah returned to Malaysia.

Gordagen said its Malaysian counsel, Zaid, Ibrahim & Co, sought an interlocutory injunction in the High Court of Malaysia to restrain Ms Athirah from disclosing any of the confidential information to third parties and to return the information, and the High Court issued an injunctive order against Ms Athirah on December 15, 2014.

The company said that Ms Athirah returned the necessary information and undertook not to make any disclosures to third parties, but attempts at settlement were rejected and Ms Athirah elected to proceed with legal proceedings.

“The High Court judgment is a strong vindication of Gordagen’s case against this former employee,” Dr Tong said. “This judgment affirms the fact that there was an egregious breach of confidentiality and copyright infringement committed by Ms Athirah.”

Dr Tong said that Gordagen was pleased to have secured its intellectual property and its relationship with its cornerstone investor remains strong.

Gordagen is a private company.

REVA MEDICAL

Reva says that initial data on patients treated with the Fantom stent have shown 100 percent technical and procedural success and no reported major adverse cardiac events.
Reva said that the data on its Fantom sirolimus-eluting bioresorbable scaffold was presented at the Paris Course on Revascularization by Sao Paulo, Brazil-based Institute Dante Pazzanese of Cardiology director of invasive cardiology and co-principle investigator Dr Alexandre Abizaid on May 21, 2015.
The company said that the Fantom I pilot clinical trial, enrolled patients at two clinical sites in Brazil and Poland and was designed to provide early clinical data on the device.
Reva said that along with technical and procedural success and no reported major adverse cardiac events to date, there was no incidence of ischemic target lesion revascularization, myocardial infarction, or heart attack, or stent thrombosis.
Reva said it was currently enrolling patients in the Fantom II trial, designed to provide the necessary data for a Conformité Européenne (CE) mark application, with initial data, along with continued follow-up data from the pilot clinical trial, planned to be presented at the Transcatheter Cardiovascular Therapeutics to be held in October 2015 in San Francisco, California.
Reva was up one cent or 2.0 percent to 52 cents.

IM MEDICAL

IM Medical says its attempt to acquire data centre service provider Syncom Australia Pty Ltd through a reverse takeover has failed (BD: Jan 18, 2015).
IM said that “despite extensive efforts by the parties to the proposed transaction, the due diligence requirements and the conditions set out in the heads of agreement between IMI and Syncom have not been met to the satisfaction of the company” and the extraordinary general meeting to be held on May 25, 2015 to approve the conversion of the convertible loans for $300,000 had now been cancelled.
The company said it was in discussion with the holders of the convertible loans to restructure the terms of the loans which were repayable on May 31, 2015.
IM Medical said it was working on the terms of a capital raising to repay the loans with associated fees and interest, and provide additional general working capital.
IM Medical had been attempting to commercialize cardiac testing.
IM was unchanged at 0.1 cents.

REPRODUCTIVE HEALTH SCIENCE

Reproductive Health says it has signed three-year distribution agreements for Russia, Iran and the United Arab Emirates for its Embryocellect pre-implantation genetic screening kit.
Reproductive Health said that the Moscow-based Biochemmack JSC would distribute Embryocellectin the Russian Federation, Belarus and Kazakhstan.
The company said that the Russian in-vitro fertilization (IVF) market had 138 centres conducting an estimated 80,000 cycles in 2014.
Reproductive Health said that the Tehran-based Vitco was establishing a business arm in Melbourne, Australia and distributed IVF products in the Iranian market of about 83 IVF clinics as well as a wider range of molecular genetics products to other end users.
Reproductive Health said that Reprolab would distribute Embryocellectin United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Bahrain and Oman and the territory had about 100 IVF centres.
Reproductive Health was up half a cent or 3.7 percent to 14 cents.

PRANA BIOTECHNOLOGY

Prana 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 16 cents on May 20 to 19 cents, an 18.75 percent increase, on May 21, 2015, but did not note an increase in trading volumes.

Prana said that on April 28, 2015 the European Medicines Agency's Committee for Orphan Medicinal Products recommended its compound PBT2 be granted orphan designation for Huntington's disease.

In a separate media release Prana said that the Committee found that the intention to treat the condition with the medicinal product containing 5,7-dichloro-2-dimethylaminomethyl-8-hydroxyquinoline hydrochloride (PBT2) "was considered justified based on preclinical in vivo data and preliminary clinical data showing improvement in parameters associated with the condition".

The company said the Committee described the condition as "life-threatening and chronically debilitating due to severe behavioral and cognitive disturbances, progressive motor dysfunction and potentially fatal complications ... [and] was estimated to be affecting approximately one in 10,000 persons in the European Union".

Prana said that the Committee found that "although satisfactory methods of treatment of the condition have been authorised in the European Union, the sponsor has provided sufficient justification for the assumption that the medicinal product containing 5,7-dichloro-2-dimethylaminomethyl-8-hydroxyquinoline hydrochloride may be of significant benefit to those affected by the condition".

The company said the Committee found that it had "provided preliminary clinical data that demonstrate an improvement in a relevant parameter when the product is used in combination with tetrabenazine".

"A positive opinion for containing 5,7-dichloro-2-dimethylaminomethyl-8-hydroxyquinoline hydrochloride, for treatment of Huntington's disease, was adopted by consensus," Prana quoted the Committee saying.

Prana executive chairman Geoffrey Kempler said the Committee minutes "support our strategy to gain orphan disease status for PBT2 to treat Huntington disease and I am optimistic that the European Commission will review the recommendation and grant approval for orphan drug designation for PBT2 in the near future".

Prana fell 2.5 cents or 13.2 percent to 16.5 cents.

ALCHEMIA

Alchemia 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 6.5 cents on May 20 to 8.7 cents, a 33.85 percent increase on May 21, 2015, but did not note an increase in trading volumes.

Alchemia said that Australian Ethical Smaller Companies Trust and Sandon Capital had become substantial on May 20, 2015 with Sandon increasing from 6.2 percent to 10 percent and the changes "may explain the recent trading in its securities" (BD: May 20, 21, 2015).

Alchemia last traded at 8.3 cents.

ALCHEMIA

Alchemia has requested a trading halt pending an announcement "regarding its profit share on sales of its generic anti-coagulant drug fondaparinux".

Trading will resume on May 26, 2015 or on an earlier announcement.

AGENIX

The Singapore-based OKS AGX Inc says it has increased its substantial holding in Agenix from 41,666,666 shares (9.78%) to 54,906,666 shares (10.0%).
In March, Agenix said it had agreed with OKS AGX Inc to settle Supreme Court proceedings relating to a $5 million share subscription agreement (BD: Mar 13, 2015).
In 2008, Agenix raised $5 million through the placement of 41,666,666 shares at 12 cents a share to OKS-AGX, a British Virgin Islands vehicle "backed by Middle Eastern interests" but with no further information on the identity of the company (BD: Mar 19, 2008).
In March, the company said that it would provide and maintain OKS with a 10 percent shareholding for two years or until a point immediately preceding a merger or acquisition transaction by Agenix, whichever occurred first and OKS would be assigned all rights, title and interest in the Thromboview project, pending conditions, including shareholder approval.
Agenix was unchanged at 1.5 cents.

IQ3CORP

IQ3 says it has appointed major shareholder Dr George Syrmalis as its chief executive officer.
A substantial shareholder notice filed on May 19, 2015 said that Dr Syrmalis and associated companies, Derivative Investments Pty Ltd and Life Science Investments Pty Ltd, held 20,495,112 shares (20.13%) (BD: Apr 23, 2015)
IQ3 fell two cents or 3.5 percent to 55.5 cents.

AUSBIOTECH

Ausbiotech says that registration has opened for its October conference to be held at the Melbourne Convention Centre October 7 to 9, 2015.
Ausbiotech said the 2015 conference would feature a one-day regenerative medicine program focusing on the potential "to fully-heal damaged tissues and organs, offering solutions and hope for people who have conditions that today are beyond repair".
The industry organization said that Ausbiotech 2015 would include the business matching program, for delegates to request and accept meetings with other delegates.
Ausbiotech said that the Bio-Industry Exhibition Hall at Ausbiotech 2015 would "provide more options for exhibitors and offer valuable networking opportunities for delegates".
The industry organization said that Australia Biotech Invest 2015 was scheduled to run concurrently, on October 6 and 7, 2015.
For more information, go to: www.ausbiotechnc.org.