



# Biotech Daily

Thursday June 18, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: PATRYS UP 8%, BIOTRON DOWN 13%**
- \* **PARADIGM \$8m IPO FOR PPS FOR BONE BRUISING, HAY FEVER**
- \* **BIOTRON TO PLACE \$2m, SHARE PLAN FOR \$2m MORE**
- \* **CSL PAYS \$44m UPFRONT FOR BIOCRYST'S RAPIVAB 'FLU DRUG**
- \* **SINGAPORE APPROVES ADMEDUS CARDIOCEL REPAIR SCAFFOLD**
- \* **SANDON CALLS FOR ALCHEMIA BOARD SPILL**
- \* **ANATARA BEGINS 2<sup>nd</sup> PIVOTAL DETACH TRIAL FOR PIGLET DIARRHOEA**
- \* **BVF PARTNERS, MARK LAMPERT TAKE 9.5% OF PHARMAXIS**
- \* **USCOM RELEASES 1.2m ESCROW SHARES**

## MARKET REPORT

The Australian stock market fell 1.26 percent on Thursday June 18, 2015 with the S&P ASX 200 down 70.5 points to 5,524.9 points.

Ten of the Biotech Daily Top 40 stocks were up, 16 fell, 11 traded unchanged and three were untraded. All three Big Caps fell.

According to Commsec Iress, Patrys was the best, up 0.7 cents or 7.7 percent to 0.7 cents with 100,000 shares traded, followed by GI Dynamics up 7.1 percent to 15 cents with 156,206 shares traded.

Avita climbed 6.4 percent; Admedus was up three percent; Acrux, Pharmaxis and Tissue Therapies rose more than two percent; Impedimed was up 1.2 percent; with Mesoblast and Psivida up by less than one percent.

Biotron led the falls, down two cents or 13.3 percent to 13 cents with 3.1 million shares traded.

Optiscan lost 7.8 percent; Bionomics, Oncosil and Osprey fell four percent or more; Actinogen, Anteo and Compumedics were down more than three percent; Benitec, IDT and Prima shed more than two percent; Clinuvel, CSL and Resmed lost more than one percent; with Cochlear, Medical Developments, Nanosonics, Sirtex and Starpharma down by less than one percent.

## PARADIGM BIOPHARMACEUTICALS

Paradigm hopes to raise up to \$8 million for phase IIa trials of pentosan polysulphate sodium for bone marrow oedema and allergic rhinitis and list on the ASX.

Paradigm said that the initial public offer was underwritten to the minimum \$5 million by lead manager Lodge Corporate.

Paradigm chairman Graeme Kaufman told Biotech Daily that pentosan polysulphate sodium, or PPS, was an existing drug with non-steroidal anti-inflammatory properties that was being repurposed to treat several conditions associated with inflammation.

The company said that bone marrow oedema was a common sports injury characterized by constant bone pain, cartilage degeneration and blood clotting and if left untreated often led to long-term cartilage damage and in severe cases to joint replacement.

Paradigm said that recent studies had shown that unresolved bone marrow oedema progressed to osteoarthritis and there were no existing therapies.

The company said its intellectual property rights also encompassed the use of PPS to treat respiratory conditions such as allergic rhinitis, or hay-fever, and allergic asthma.

Paradigm said the funds raised would be used to complete the 60-patient, open-labelled phase IIa trial in bone marrow oedema due to be completed in 2016 and proceed with an allergic rhinitis phase IIa trial also in 2016.

Paradigm said that based on the full subscription amount, its post-raising market valuation would be \$30.6 million.

The company said that the offer would close on July 10 2015 and it expected to list on the ASX under the code PAR on July 24, 2015.

Paradigm said that along with Mr Kaufman, the board included managing director Paul Rennie and non-executive directors Christopher Fullerton and John Gaffney

Paradigm said that Mr Kaufman was formerly CSL's chief financial officer and a senior executive at Mesoblast and was currently the chairman of Bionomics and IDT as well as a director of Cellmid.

The company said that Mr Rennie was the inaugural chief operating officer at Mesoblast and most recently was Mesoblast's head of new product development.

Paradigm said that Mr Fullerton was an accountant and previously a director of Bionomics and Cordlife and that Mr Gaffney was a lawyer with 30 years' experience.

## BIOTRON

Biotron says it has placement commitments to raise \$2 million at 11.52 cents a share and is offering a share plan to raise a further \$2 million.

Biotron said it had that Patersons Securities had received firm commitments for the \$2.0 million placement and shareholders at the record date of June 17, 2015 could subscribe for up to \$15,000 in shares at the same price.

The company said that the placement was expected to be settled on June 23 and the share plan would close on July 10, 2015.

Biotron said it was "currently well-funded to complete its state objectives" relating to development of BIT225 for hepatitis C.

The company said it was finalizing plans for the further development of BIT225 for HIV and preparing documentation for regulatory and ethics submissions for a phase 2 HIV trial and the funds raised would support that trial, strengthen the balance sheet and improve its position to engage in the negotiation of a commercialization transaction.

Biotron fell two cents or 13.3 percent to 13 cents with 3.1 million shares traded.

## CSL

CSL says that it will pay \$US33.7 million (\$A43.5 million) upfront for exclusive rights to the Durham North, Carolina Biocryst Pharmaceuticals' influenza treatment Rapivab.

CSL said that Biocryst could receive up to \$US12 million for regulatory milestones and it would be entitled to tiered royalties contingent on net sales thresholds and a payment on proceeds from stockpiling purchases outside the US.

CSL said that Rapivab, or peramivir injection, was a single-dose intravenous treatment for acute uncomplicated influenza, which was developed under contract with the US Government as part of pandemic preparedness efforts.

The company said that Rapivab was approved for use in the US in December 2014 and was also licenced for use in Japan and South Korea and that about one million patients had been treated with Rapivab.

CSL said Rapivab would be commercialized by subsidiary, Bio-CSL, which specialized in influenza prevention through the supply of seasonal and pandemic vaccines.

CSL said that Bio-CSL would obtain exclusive worldwide rights to commercialise Rapivab, with the exception of Japan, Korea, Taiwan and Israel, while Biocryst would retain responsibility for pandemic stockpiling of Rapivab in the US and Bio-CSL would have exclusive rights to pursue pandemic stockpiling outside the US.

of Bio-CSL general manager Dr John Anderson said that Rapivab was a specialty pharmaceutical that addressed an unmet medical need for the treatment of acute influenza in hospital emergency rooms.

"It provides us with the opportunity to extend our influenza franchise to include both prevention and treatment options in seasonal and pandemic settings," Dr Anderson said.

CSL fell \$1.23 or 1.4 percent to \$85.97 with 2.4 million shares traded.

## ADMEDUS

Admedus says that Singapore has approved its Adapt-treated bovine cardiac tissue Cardiocel bio-scaffold.

Admedus said that the Singapore approval was based on the submission for US Food and Drug Administration approval, which included indications for use in cardiovascular repairs, suture buttressing and vascular and vessel repairs in both adults and children.

The company said that Cardiocel had been used in Singapore under a special access program since last year and the approval would accelerate market penetration in the region.

Admedus chief executive officer Lee Rodne said the Singapore approval "caps off a very productive 12 months for the Admedus team, which is translating into growing sales momentum for Cardiocel, the flagship product from our Adapt platform".

"In addition to our already strong base in Europe, we have gained several new approvals for the product while also expanding our presence in the US, where Cardiocel is now available in 40 centres," Mr Rodne said.

Admedus said that Cardiocel was being used in more than 80 treatment centers in Europe, the US, Canada, Hong Kong and Singapore.

The company said that it was pursuing additional approvals in Asia and had partnered with the Maharashtra, India-based Genpharma International Pvt Ltd for distribution in North African and Middle East markets.

"Cardiocel is being increasingly utilised by leading surgical groups and continues to show compelling results and patient outcomes with respect to its ease of use, high tensile strength, low immunogenicity and strong anti-calcification properties," Mr Rodne said.

Admedus was up 0.2 cents or three percent to 6.8 cents with 8.4 million shares traded.

## ALCHEMIA

Alchemia says it has received a formal notice from Sandon Capital Investments requisitioning an extraordinary general meeting for a board spill.

In its most recent substantial shareholder notice, Sandon said it held 42,932,484 shares or 13.2 percent of Alchemia (BD: Jun 1, 2015).

Alchemia said that the section 249D of the Corporations Act 2001 requisition asked the company to consider resolutions to replace directors Tim Hughes and Dr Tracie Ramsdale with Dinimus Capital principal Ken Poutakidis and Sandon Capital founder and managing director Gabriel Radzynski.

The company said it would determine the dates of the meeting and advise the ASX and shareholders accordingly.

Alchemia said the board would “continue to act in the best interests of all Alchemia shareholders pending the outcome of the resolutions put to any such meeting, including continuing to pursue and implement the strategic initiatives to cut costs, divest assets and maximize revenues from its FDA-approved drug fondaparinux as outlined in its ASX announcement dated June 10, 2015”.

Last week, Alchemia said that chairman Santo Costa and director Dr Susan Kelley had resigned effective immediately, with Mr Hughes assuming the role of chairman and Dr Ramsdale and Nathan Drona continuing as directors, with “significant pay cuts” reducing total board remuneration by 59 percent. (BD: June 10, 2015).

Alchemia was unchanged at 3.5 cents.

## ANATARA LIFESCIENCES

Anatara says it has begun the second pivotal field trial of its non-antibiotic Detach to prevent and treat diarrhoea, in weaned pigs.

In February, Anatara said the first field trial of the pineapple stem-derived non-antibiotic Detach reduced piglet mortality by 47.8 percent, reduced severe morbidity and increased weight gain (BD: Feb 18, 2015).

The company has previously said it intended to develop Detach for human use.

Anatara said that the second field trial was a placebo controlled, parallel group, randomized and blinded study and was being conducted “in a major commercial piggery and will support Anatara’s application to register Detach for sale in Australia with the Australian Pesticides and Veterinary Medicines Authority”.

The company said that approval for sale of the product in Australia would open the opportunity to quickly register Detach for sale in major Asian markets.

Anatara said that a minimum of 560 piglets had been enrolled in the second study which would investigate the ability of Detach to reduce the incidence, severity and duration of diarrhoea, otherwise known as scour, compared to placebo.

The company said that other trial endpoints included increases in average daily weight gain and the reduction in antibiotic treatments, with results expected by October 2015.

Anatara chief scientific officer Dr Tracey Mynott said that Detach had been effective in preventing scour in piglets both in the first trial reported earlier this year and in earlier Australian and international field trials.

“Assuming this new trial data supports the existing data, Anatara expects to submit its registration application for Detach in pigs with the APVMA in the fourth quarter 2015,” Dr Mynott said.

Anatara said that planning for the registration of Detach in Europe and the US was “well advanced”.

Anatara climbed 10 cents or 12.5 percent to 90 cents.

### PHARMAXIS

BVF Partners and Mark Lampert say they have increased their substantial holding in Pharmaxis from 26,800,500 shares (8.52%) to 30,000,000 shares (9.54%).

The San Francisco, California-based BVF Partners and Mr Lampert said they acquired the shares in 16 trades between June 11 and 16, 2015, with the single largest purchase 626,206 shares for \$143,787 or 23 cents a share.

BVF Partners and Mr Lampert also hold 13.12 percent of Circadian and 13.55 percent of Viralytics (BD: Nov 25, 28, 2014).

Pharmaxis was up half a cent or 2.2 percent to 23.5 cents with 2.9 million shares traded.

### USCOM

Uscom says that 1,209,560 shares were released from voluntary escrow on June 17, 2015.

Uscom executive chairman Prof Robert Phillips told Biotech Daily that following the release of the shares, the company had 81,709,490 shares available for trading.

Uscom was untraded at 21 cents.