



Biotech Daily

Friday June 26, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: AVITA UP 5%; ANTISENSE DOWN 8%**
- * **RESONANCE LIVER, CARDIAC IRON MEASUREMENT TRIAL CONTRACT**
- * **OBJ FILES AUSTRALIAN EMULSION DESTABILIZING PATENT**
- * **LIVING CELL TRANSFERS DIABECCELL R&D TO US, REDUCES NZ STAFF**
- * **ALCHEMIA APPOINTS SPILL CONTENDER KEN POUTAKIDIS DIRECTOR**
- * **ALLAN GRAY INCREASES, DILUTED TO 17.5% OF ALCHEMIA**
- * **PAUL HOPPER, ASSOCIATES TAKE 16% OF PRESCIENT**

MARKET REPORT

The Australian stock market fell 1.54 percent on Friday June 26, 2015 with the S&P ASX 200 down 86.8 points to 5,545.9 points.

Ten of the Biotech Daily Top 40 stocks were up, 16 fell, 10 traded unchanged and four were untraded. All three Big Caps fell.

Avita was the best, up 0.4 cents or 5.3 percent to eight cents with 17,665 shares traded.

Living Cell and Neuren climbed four percent or more; Benitec and Optiscan rose two percent or more; Bionomics, Impedimed, Prima and Starpharma were up more than one percent; with Sirtex up 0.6 percent.

Antisense led the falls, down one cent or eight percent to 11.5 cents with 170,746 shares traded.

Cellmid and Genetic Technologies lost more than six percent; Acrux, Actinogen, Biotron and Prana fell four percent or more; Compumedics, IDT and Nanosonics were down more than three percent; Admedus and Atcor shed more than two percent; Clinuvel, CSL, Mesoblast and Psivida were down more than one percent; with Cochlear, Resmed and Viralytics down by less than one percent.

RESONANCE HEALTH

Resonance says it has signed a two-year agreement with an unnamed pharmaceutical company, for Ferriscan and cardiac iron services in a phase II multi-centre study.

Resonance said that the contract value was undisclosed but the trial was targeted to begin this year and would evaluate the efficacy and safety of a potential new treatment to address iron overload in patients with transfusion-dependent beta-thalassaemia.

In 2011, the US Food and Drug Administration gave Resonance 510(k) clearance to market its cardiac iron test, MRI-Q, in the US (BD: Aug 3, 2011).

Resonance said at that time that the test measured a magnetic resonance imaging parameter known as cardiac T2*, a measure of echo time, which was highly sensitive to cardiac iron loading.

Today, Resonance said it would receive magnetic resonance image data from about 30 sites across the world and would evaluate changes to patients' liver iron concentration at three stages during the trial, along with assessments of cardiac iron loading.

Resonance executive chairman Dr Martin Blake said that "the award of this significant contract is a further endorsement of Ferriscan's position as the gold standard in non-invasive measurement of liver iron concentration".

"It is widely used globally for accurate measurement of [liver iron concentration] in patients who are dependent upon regular blood transfusions in the treatment of a range of haemoglobinopathies and therefore accumulate excess iron which can ultimately be fatal," Dr Blake said. "Pharmaceutical companies are constantly researching new and improved treatments for patients suffering from iron overload as a result of their inherited conditions."

Resonance was up 0.1 cents or 2.4 percent to 4.2 cents with 1.4 million shares traded.

OBJ

OBJ says it has filed a patent entitled 'Method for in situ destabilization of mixtures', launching its third enhanced skin penetration technology.

OBJ chairman Glyn Denison told Biotech Daily that the patent was filed in Australia and related to a unique method of separating oil and water to penetrate skin.

Mr Denison said that the technology had application for drugs and cosmetics but the company was focussing on cosmetics.

In a media release, OBJ said that the dynamically configurable emulsion technology (DCE) was "the world's first technology for the management and control of emulsions during application to the skin".

The company said that the technology was developed to manipulate the structure and performance of emulsion-based products during application to the skin.

OBJ said that emulsions were the most common formulation used by pharmaceutical, skin care and cosmetic companies, favored for low manufacturing costs, long shelf life and even distribution of active ingredients, but the internal stability could limit the functionality of the emulsion and the bioavailability of active ingredients.

The company said its technology used a number of physical energy forms to interact directly with intermolecular bonds that gave emulsions stability and a second set of surface energies to orderly layer the components into benefited configurations during application to the skin by the consumer.

OBJ said the technology's ability to take a standard low-cost emulsion and transform it into a self-occluding, self-assembling, multi-layer product during consumer use was expected to have wide industry appeal.

OBJ was unchanged at 5.3 cents.

LIVING CELL TECHNOLOGIES

Living Cell says that it will transfer New Zealand research and development activities for its Diabecell encapsulated pig islets of Langerhans for type 1 diabetes to the US.

Living Cell said that it was a 50 percent owner of the joint venture company Diatranz Otsuka and there would be a reduction of staff at that company's headquarters in Auckland.

Living Cell said that the other 50 percent owner, Otsuka Pharmaceutical Factory was the full sponsor and funder of the US program, operating under an exclusive licence from company Diatranz Otsuka for US development and commercialisation of Diabecell.

Living Cell said that since securing the licence Otsuka Pharmaceutical had "made positive progress, establishing a solid partnership framework for the US development".

The company said that Diatranz Otsuka's know-how, research to date and clinical experience in pig islet transplantation would be combined with Otsuka Pharmaceutical's drug development expertise and partnerships to further strengthen and expedite the US development program.

Living Cell said the alignment of Diatranz Otsuka's expertise with the US program was part of a previously announced commitment to focus on the US development and US Food and Drug Administration approval of Diabecell.

The company said that once registered in the US, Diatranz Otsuka would retain a royalty-free right to commercialise the FDA-approved product in the rest of world.

Living Cell said it would continue research and manufacturing of NTCCell for Parkinson's disease at from Diatranz Otsuka's Auckland facilities using Auckland Island pigs, with a phase IIb study of NTCCell for Parkinson's disease planned to begin by the end of 2015.

In 2011, Living Cell raised \$3 million through the issue of 25,000,000 shares to its then new partner Tokushima, Japan-based Otsuka Pharmaceutical Factory and later that year Otsuka provided \$25 million to take 50 percent share in the spun-out Diatranz Otsuka (BD: Apr 12, Oct 19, 2011).

Living Cell was up 0.2 cents or 4.2 percent to five cents.

ALCHEMIA

Alchemia says it has appointed Dinimus Capital principal Ken Poutakidis as a director.

Last week, Alchemia said it had received a formal notice from 13.2 percent shareholder Sandon Capital Investments requisitioning an extraordinary general meeting for a board spill to replace directors Tim Hughes and Dr Tracie Ramsdale with Mr Poutakidis and Sandon Capital founder and managing director Gabriel Radzynski (BD: Jun 18, 2015).

The week before, Alchemia said that chairman Santo Costa and director Dr Susan Kelley had resigned with Mr Hughes assuming the role of chairman and Dr Ramsdale and Nathan Drona continuing as directors (BD: June 10, 2015).

Alchemia was unchanged at 3.3 cents.

ALCHEMIA

Allan Gray Australia says it has increased its holding in Alchemia from 26,228,717 shares to 56,755,167 shares but has been diluted from 18.63 percent to 17.48 percent.

The Sydney-based Allan Gray substantial shareholder notice said that between May 31, 2007 and June 23, 2015 it bought and sold large numbers of shares at a range of prices, including through capital raisings in 2009, 2011 and 2013, as well as disposals through the ceasing of association with shareholders.

[PRESCIENT THERAPEUTICS \(FORMERLY VIRAX HOLDINGS\)](#)

Executive director Paul Hopper and associated have increased their substantial holdings in Prescient from 6,232,002 shares (11.81%) to 8,905,002 shares (15.56%).

Mr Hopper also filed the becoming substantial shareholder notice today, saying that he and his wife Deborah Coleman, along with Kilinwata Investments and Moreglade Pty Ltd, controlled by Mr Hopper, became substantial with 6,232,002 shares (11.81%) on December 11, 2014.

The becoming substantial shareholder notice said that 4,450,002 shares were issued as consideration for the acquisition of Aktivate Therapeutics (BD: Dec 11, 2014).

The increasing substantial notice said that 2,673,000 shares were issued by Prescient as a milestone payment for Pathway Oncology (BD: May 13, 2014).

Prescient was unchanged at 6.2 cents.