



# Biotech Daily

Friday July 3, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX DOWN, BIOTECH EVEN: ANALYTICA UP 31%  
- GI DYNAMICS, POLYNOVO DOWN 9%**
- \* **VAST BUYS ALCHEMIA VAST PLATFORM, \$100k UPFRONT, ROYALTIES**
- \* **ANATARA PLACES \$4.4m, \$2.6m 2<sup>nd</sup> TRANCHE, SHARE PLAN**
- \* **BENITEC CONTINUES ddRNAi FOR OPMD**
- \* **ITL PROFIT WARNING**
- \* **'TAX' REDUCES CHAIR ANGUS HOLT, GRALAW TO 6% OF OPTISCAN**
- \* **GOODBYE NARHEX, WELCOME RESAPP**
- \* **ALL CHANGE AT SUN FOR DIMERIX**

## MARKET REPORT

The Australian stock market lost 1.1 percent on Friday July 3, 2015 with the ASX200 down 61.5 points to 5,538.3 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 14 fell, five traded unchanged and six were untraded. All three Big Caps fell.

Analytica was the best, bouncing back 0.4 cents or 30.8 percent to 1.7 cents with 9.1 million shares traded.

Neuren climbed six percent; Osprey was up five percent; Bionomics was up 4.7 percent; Biotron, Cellmid and Prana were up more than three percent; Pharmaxis and Tissue Therapies rose more than two percent; Admedus and Avita were up more than one percent; with Benitec, Clinuvel, Impedimed and Medical Developments up by less than one percent.

GI Dynamics and Polynovo led the falls, both down 9.1 percent to 15 cents and 10 cents, respectively, with one (1) share and 835,901 shares traded, respectively.

Optiscan lost 8.9 percent; Starpharma fell 5.3 percent; Nanosonics, Oncosil and Prima fell more than four percent; Anteo, Psivida and Universal Biosensors were down more than three percent; Atcor and Mesoblast shed more than two percent; Acrux, Cochlear and CSL were down more than one percent; with Resmed and Sirtex down less than one percent.

## ALCHEMIA, VAST BIOSCIENCE

Vast Bioscience says it has acquired Alchemia's versatile assembly on stable templates (VAST) drug discovery platform, for \$100,000 upfront and royalties.

Vast chairman Prof Peter Andrews told Biotech Daily that he was one of the patent holders on the VAST platform as well as a founder and former chairman of Alchemia.

The former Queensland chief scientist was previously the head of chemistry at the Victorian College of Pharmacy, now Monash Institute of Pharmaceutical Sciences.

Vast co-director Richard Marsden told Biotech Daily that he was a director of the Brisbane-based Implicit Bioscience and was a long term investor in Australian biotechnology companies.

In a media release, Vast said it was a "new private company funded by a group of Brisbane investors".

The company said that last year Alchemia "suffered a major setback when its cancer drug HA-irinotecan missed the primary endpoint of its phase III trial" and it had sought corporate partnerships for VAST and other technology platforms in order to return capital to shareholders (BD: Oct 27, 2014).

In December, Alchemia appointed the New York-based Evolution Life Science Partners "to assist with the execution of a strategic transaction" for the VAST drug discovery platform (BD: Dec 9, 2014).

Today, Prof Andrews said his company was "delighted by the opportunity to further develop and commercialize this great Australian technology".

"The remarkable diversity and selectivity of the VAST platform offers exceptional potential to develop better and safer drugs," Prof Andrews said.

"Indeed, that potential has already been validated by a multi-target deal with global pharmaceutical company Astrazeneca, with the potential to receive \$240 million in milestone payments," Prof Andrews said.

"We are looking forward to working with both Australian and international research organisations and pharmaceutical developers, including Astrazeneca, to develop drug candidates based on the VAST technology for the benefit of patients, whilst retaining in Queensland the core skills and knowledge of Alchemia employees responsible for VAST's development," Prof Andrews said.

In a media release, Alchemia said it would receive an upfront payment of \$100,000, a tiered royalty stream with an entitlement to 10 percent of net revenues from existing collaboration agreements and five percent of net revenues from other sources.

Alchemia said that Vast Bioscience would assume liability for any transaction fees and payable to Evolution Life Science Partners.

The company said that along with Astrazeneca there were collaboration agreements with the Institute of Molecular Bioscience and the Monash Institute of Pharmaceutical Sciences and the higher royalty rate for existing agreements was in recognition of its investment in these programs, and as a result of the transaction it would not incur any further expenditure on VAST beyond June 30, 2015.

The company said that the VAST platform "enabled the world's first systematic road map towards developing drugs with high [three-dimensional] complexity with improved selectivity and safety.

Alchemia said that drugs developed with more three-dimensional (3D) complexity delivered superior target selectivity and safety but were "typically found serendipitously and [were] therefore a rare event" and the platform allowed access to unique molecular shapes, to a diversity scanning array of 14,000 3D probes and to a suite of proprietary chemistries that provided the ability to optimize the molecules towards 3D drugs.

Alchemia was up 0.1 cents or 2.9 percent to 3.5 cents.

### ANATARA LIFESCIENCES

Anatara says it has placed \$4.4 million at 78 cents a share, hopes to raise a further \$2.6 million in a second tranche, pending shareholder approval, and offer a share plan.

Anatara said the funds were for registration trials of its pineapple stem bromelain-derived Detach pig diarrhoea treatment, proof-of-concept trials in calves and poultry, advance a pre-clinical program, safety studies and for working capital.

The company said that the placement was jointly managed by Wilson HTM Corporate Finance and Peloton Capital.

Anatara said that shareholders at the record date of July 2, 2015 could apply for parcels of shares up to \$15,000.

The company said that the share plan would close on July 23, 2015.

Anatara fell 10 cents or 10 percent to 90 cents.

### BENITEC BIOPHARMA

Benitec says that pre-clinical data shows that its ddRNAi technology can silence the mutant gene responsible for oculo-pharyngeal muscular dystrophy.

Benitec said that the in-vivo pre-clinical proof-of-concept data showed that using the DNA-directed RNA interference (ddRNAi) technology to silence the gene and replacement with the healthy gene could restore muscle strength to near normal levels.

The company said that the collaboration with the London's Royal Holloway University and the Paris-based Institut de Myologie would continue development of a ddRNAi based therapeutic for oculo-pharyngeal muscular dystrophy.

Benitec said that the two institutions would evaluate the efficacy and safety of a clinical construct in animal studies with the ultimate goal of generating sufficient data to advance the program to a clinical trial.

Benitec was up half a cent or 0.7 percent to 75 cents.

### ITL

ITL has revised its full year profit after tax down from "similar to the 2013-'14 level of \$2,076,000 ...[to] be in the order of \$1.6 million".

ITL said that factors included lower production given inventory build prior to shut-down and relocation to the new Malaysian manufacturing facility and one-off costs associated with the plant shutdown and relocation as well as an initial increase in costs with higher depreciation and overheads associated with the new factory and business development expenses related to new business ventures.

The company said that two other factors included significant legal costs relating to a key US patent and "provision for the write-off of certain inventories, which contain a defective component sourced from a supplier".

ITL said that action against the supplier and the possibility of recovery through insurance were being investigated.

The company said that the new Malaysian plant was operating efficiently and manufacturing operations were expanding and diversifying "as production of certain products is progressively transferred from Australia to Malaysia".

ITL fell two cents or 9.8 percent to 18.5 cents.

### OPTISCAN

Executive chairman Angus Holt says “tax optimization” has forced a reduction in his Optiscan holding from 13,883,729 shares (9.54%) to 11,981,383 shares (5.79%).

In his most recent change of substantial shareholder notice in 2012, Mr Holt said that Gralaw Pty Ltd increased its holding from 6,689,000 shares (5.16%) to 13,883,729 shares (9.54%) (BD: Aug 20, 2012).

The 2012 Gralaw notice said that Mr Holt had a direct interest and an indirect interest in the shares as a director of Gralaw, Carlisle Lavelle Pty Ltd and the Kwnauro Pty Ltd self-managed superannuation fund.

Today, Mr Holt said that “due to various movements, on and off-market, my reportable relevant interest in Optiscan has decreased”.

“This change has been implemented largely for tax optimization reasons,” Mr Holt said.

“It is important to note that I intend to take up my full entitlement in Optiscan’s current one-for-15 rights issue,” Mr Holt said.

Optiscan fell 0.5 cents or 8.9 percent to 5.1 cents.

### NARHEX LIFE SCIENCES, RESAPP DIAGNOSTICS

Narhex says it has completed the acquisition of Resapp Diagnostics, raising \$4 million, has changed its name to Resapp and ASX code to RAP.

The company said that Dr Tony Keating had been appointed as chief executive officer and managing director and Dr Roger Aston will replace non-executive director Dr Rob Ramsay.

The company said it was finalizing all outstanding ASX conditions for reinstatement and was awaiting a confirmed reinstatement date.

Narhex last traded at a post eight-to-three consolidation 2.13 cents

### SUN BIOMEDICAL, DIMERIX BIOSCIENCE

Sun says that following completion of the Dimerix acquisition it has appointed Dr James Williams as executive chairman and Dr Sonia Poli as a non-executive director.

Sun said that Evan Cross and Peter Webse had resigned as directors effective immediately, but Mr Webse would continue as company secretary and Howard Digby had stepped down from executive chairman to non-executive director.

Sun said that Dr Williams base salary was \$100,000 a year, plus statutory superannuation.

Dr Williams said the group was “resourced and focused on accelerating the recruitment for the phase II clinical trial for chronic kidney disease, in addition to further developing other assets in the group’s portfolio”.

Sun was unchanged at one cent with one million shares traded.