



Biotech Daily

Wednesday July 8, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: POLYNOVO UP 16%; ANALYTICA DOWN 35%**
- * **AUSTRALIAN ETHICAL LAUNCHES BIOTECH, IT, RENEWABLES FUND**
- * **SLATER AND GORDON \$25k OH&S RESEARCH GRANTS OPEN**
- * **SENATE INQUIRY INTO MEDICAL RESEARCH FUTURE FUND**
- * **ADMEDUS CARDIOCEL PATIENT 7-YEARS CALCIFICATION-FREE**
- * **PRIMA 5c SHARE PLAN TO RAISE UP TO \$10m**
- * **ANALYTICA \$3.7m 1-FOR-2 RIGHTS ISSUE**
- * **OBJ: 'P&G SK-II EYE WAND LAUNCHES EXCEED EXPECTATIONS'**
- * **COMPUMEDICS: 'GERMAN TRADE MISSION HELPS \$5m IN DEALS'**
- * **IMMURON LOSES APRIL CEO DR LEEARNE HINCH**
- * **ITL PLEADS PROFIT WARNING, JOURNAL ARTICLE TO ASX 44% QUERY**
- * **PHOSPHAGENICS LOSES FOUNDER, CEO HARRY ROSEN**
- * **ANDREW CARTER REPLACES BIO-MELBOURNE'S ANDREW MACDONALD**
- * **BIO-MELBOURNE 'MASSIVE HEALTH DATA' BRIEFING**

MARKET REPORT

The Australian stock market fell 2.0 percent on Wednesday July 8, 2015 with the ASX200 down 111.9 points to 5,469.5 points. Eight of the Biotech Daily Top 40 stocks were up, 22 fell, five traded unchanged and five were untraded.

Polynovo was the best, up 1.5 cents or 15.8 percent to 11 cents with 272,695 shares traded. Uscom climbed 12.5 percent; Compumedics was up 11.1 percent; GI Dynamics was up 6.7 percent; Anteo, Circadian and Resmed rose more than two percent; Osprey was up 1.7 percent; with Acrux up 0.6 percent.

Analytica led the falls, down 0.6 cents or 35.3 percent to 1.1 cents with 15.0 million shares traded, followed by Prima down 32.8 percent to 5.8 cents with 54.3 million shares traded. Optiscan lost 13.3 percent; Starpharma fell 8.6 percent; Viralytics was down 7.5 percent; Antisense, Avita, Bionomics, IDT and Pharmaxis fell more than four percent; Neuren and Cellmid lost more than three percent; Atcor, Mesoblast and Reva shed more than two percent; with Admedus, Benitec, Clinuvel, Cochlear, Impedimed, Psivida and Sirtex down more than one percent.

AUSTRALIAN ETHICAL INVESTMENT

Australian Ethical says it has launched the Emerging Companies Fund for ethical investment in a diversified portfolio of micro and small capitalization companies.

Australian Ethical chief investment manager David Macri told Biotech Daily that the new fund would “focus on information technology, health care, biotech and renewable energy, the future drivers of our economy”.

“Australian Ethical will actively seek companies that have the potential to grow into much larger companies, all measured against the Ethical Charter, supporting a new generation of organizations with a focus on having a positive impact on the environment and people,” Mr Macri said.

Australian Ethical managing-director Phil Vernon said that the Emerging Companies Fund leveraged “the deep expertise of our investment team and 20-year track record in managing small cap stocks within our Australian Shares Fund, previously the Smaller Companies Trust”.

“Australian Ethical’s funds have regularly delivered top-quartile performance,” Mr Vernon said.

“Our track record shows that ethical investing is the right thing to do and the smart thing to do,” Mr Vernon said.

Australian Ethical said the new fund would reflect its investment approach guided by its Ethical Charter.

The company said that its growth in funds under management “continues to defy industry averages, reaching a milestone of \$1 billion in funds under management in November last year”.

Australian Ethical said it was making a number of changes to its products to deliver greater accessibility for investors and advisers with lower investment thresholds to allow more people to access the benefits of ethical investing.

The company said that the minimum investment for retail funds would be lowered to \$1,000 and investors with a regular investment plan could begin with an initial investment of \$500.

Australian Ethical said that its funds would list on the ASX managed funds (Mfunds) platform of the ASX, providing improved access for both financial advisers and investors.

“We believe these enhancements to our product suite position our investors to reap the rewards of ethical and responsible investments, and help us continue on our path of accelerated growth in this space,” said Mr Vernon.

“Our strong and consistent long-term performance hasn’t come about by chance,” Mr Vernon said.

“Rigorous investment discipline combined with uncompromising ethical commitment has led to significantly increased demand from investors for our ethical investment products,” said Mr Vernon.

“We continue to be focused on our position as a pioneer and industry leader in the responsible and ethical investing space,” Mr Vernon said.

“We do this by continuing to review and enhance our product suite and capitalising on where we believe we can deliver the best outcomes for our investors,” Mr Vernon said.

Australian Ethical said that its Smaller Companies Trust had changed its name to the Australian Shares Fund and at the time of publication had investments in Alchemia, Avita, Circadian, Cochlear, CSL, Ellex, IDT, Impedimed, Innate Immunotherapeutics, Pharmaxis, Resmed, Sirtex and Universal Biosensors.

Biotech Daily’s editor David Langsam is a long-term investor in Australian Ethical and the company subscribes to Biotech Daily.

For more information go to: www.australianethical.com.au.

SLATER AND GORDON

Law firm Slater and Gordon says applications for grants of up to \$25,000 are open for its Health Projects and Research Fund.

Slater and Gordon said the \$2 million Australia and UK Fund was in its second year and open for not-for-profit groups, health and rehabilitation organisations and research bodies. Slater and Gordon head of personal injury law Janine Gregory said the fund would support projects that had the potential to improve the treatment, care and quality of life of people with asbestos-related diseases, an occupation-caused cancer, or those who lived with the consequences of a catastrophic injury.

Ms Gregory said grants of up to \$3,000 were also available to support education initiatives of medical and allied health professionals seeking to enhance their expertise in caring for and treating patients in the Fund's priority areas.

"For 80 years now, Slater and Gordon has fought for the rights of people who have asbestos and occupation-caused cancer and those with significant injuries," Ms Gregory said.

"Our clients and their families are courageous people who have been hugely impacted by illness, injury and disability," Ms Gregory said. "We aim to make sure they can have the best possible quality of life."

"Advocating for social justice and law reform has long been part of our DNA and we are delighted to be able to make a contribution to important health projects and medical research," Ms Gregory said.

Slater and Gordon said that the Fund would "seed innovative projects that have the potential to make a difference to people's lives" with applications assessed by an advisory committee of members with extensive expertise in medicine, health, rehabilitation and support.

To register and receive a copy of the application guidelines call: +613 8644 8466 or email: researchfund@slatergordon.com.au.

FEDERAL GOVERNMENT, MEDICAL RESEARCH FUTURE FUND

The Australian Senate is holding an inquiry into the Medical Research Future Fund Bill 2015 and the Medical Research Future Fund (Consequential Amendments) Bill 2015

The Senate Community Affairs Legislation Committee said that the Bills had been referred to the Committee for inquiry and report by August 10, 2015 and has invited written submissions addressing issues of relevance by July 10, 2015.

The Biotech and Related Industries Leadership Group has previously written a detailed submission to the Senate Standing Committee on Economics inquiry into Australia's Innovation System saying that 25 percent of the proposed \$20 billion Medical Research Future Fund be set aside for commercialization of the discoveries.

"The Group believes that without a substantial commercialization mechanism any ground-breaking discoveries will continue to be picked up by off-shore pharmaceutical companies and Australia will lose the high-end value of marketing the drug, device and diagnostic discoveries," the BRIL Group submission said.

The submission is available at: <http://www.biotechdaily.com.au/pages/editorials.php>.

The Senate Committee said it preferred to receive submissions online as an attached document by accessing the committee website and selecting the Upload Submission link at: <https://senate.apf.gov.au/submissions/pages/logon.aspx> or they could be emailed to community.affairs.sen@aph.gov.au or by hard copy to: PO Box 6100, Parliament House, Canberra, Australian Capital Territory, 2600.

ADMEDUS

Admedus says that with 11 patients at five years post implantation, including one with more than seven years, Cardiocel shows no signs of calcification.

Admedus said that all patients implanted with its Adapt-treated bovine cardiac tissue Cardiocel were progressing well and “no repeat procedures have been required”.

The company said four patients had passed six years since implantation, six had passed five years and it was following four patients with more than four years since implantation. Last year, Admedus said the first South African phase II study patient had the six-year follow up and the results showed no detectable calcification of Cardiocel with no follow-up repair surgery required and no other issues (BD: Oct 9, 2008; May 1, 2014).

The company said the patient was initially implanted at three weeks of age and had successfully reached their sixth birthday with no implant issues.

Today, Admedus chief executive officer Lee Rodne said the long-term follow-up data “illustrates some of the key features of Cardiocel that we believe make it the bio-scaffold of choice for the repair of congenital heart disease defects”.

“Given that the first patient in this phase II clinical trial was treated over seven years ago and the patient is doing very well, we are particularly encouraged that there has been no requirement for repeat procedures and no evidence of calcification of the implanted device,” Mr Rodne said.

Admedus chief technical officer and inventor of the Adapt technology and Cardiocel Prof Leon Neethling said the results were “very exciting given the fact that Cardiocel show no signs of calcification after five plus years, especially since it is known that other tissues implanted in children tends to calcify rapidly, thus proving the effectiveness of the Adapt tissue engineering process to produce bio-scaffold implantable tissue products like Cardiocel”.

“These are very important data as we expand the use of Cardiocel into the adult cardiac and the peripheral vascular markets,” Prof Neethling said.

Admedus said that Cardiocel was used in more than 90 centers, of which 42 were in the US, “demonstrating a high level of adoption within the first 12 months [on] the market”.

Admedus fell 0.1 cents or 1.3 percent to 7.7 cents with 11.4 million shares traded.

PRIMA BIOMED

After the market closed late last night, Prima announced a share purchase plan at five cents a share to raise up to \$10 million.

Yesterday, Prima closed up 44.1 percent to 8.5 cents following an announcement saying the European Medicines Agency had “confirmed in writing its endorsement of the development program of IMP321 in metastatic breast cancer” (BD: Jul 7, 2015).

Today the company said that shareholders at the record date of July 6, 2015 could subscribe for up to \$15,000 worth of new shares at five cents a share, a 41.2 percent discount to last night’s closing price and a 20 percent discount to the 5-day volume-weighted average price to the close on July 6, 2015.

Prima said it was aiming to raise up to \$5 million but reserved the right to accept over subscriptions up to \$10 million.

The company said that funds would be used for a phase IIb chemo-immunotherapy trial of IMP321 in combination with paclitaxel to treat metastatic breast cancer in patients not eligible to receive trastuzumab, or Herceptin; a phase I trial of IMP321 in combination with an immune checkpoint inhibitor, as well as to progress research and development programs for IMP321 and LAG-3 in its Paris laboratory.

Prima fell 2.7 cents or 31.8 percent to 5.8 cents with 54.3 million shares traded.

ANALYTICA

Analytica says it hopes to raise up to \$3.7 million through a renounceable one-for-two share offer at 0.8 cents a share.

Analytica said that for every three new shares, investors would receive one option exercisable at 1.1 cents by February 29, 2016 and one option exercisable at 1.4 cents by February 28, 2018.

The company said that proceeds would be used to fund the marketing costs for the launch of the Pericoach System in the US and Europe and for general working capital.

Analytica said the record date would be July 16, the offer would close on July 30, 2015.

The company said that Patersons Securities had been appointed lead manager and it was finalizing arrangements with Patersons to partially underwrite the rights issue.

Analytica said that chairman Dr Michael Monsour had "indicated that he will subscribe directly for \$100,000 and sub-underwrite \$300,000 on a priority basis".

Analytica fell 0.6 cents or 35.3 percent to 1.1 cents with 15.0 million shares traded.

OBJ

OBJ says that the launch of the Proctor & Gamble Asian launch of the SK-II Eye Wand, which uses its technology, has "exceeded P&G expectations".

OBJ said that the "excellent overall consumer and business response" to its first product had resulted in a further expansion of the current relationship with SK-II and Proctor & Gamble to include the development of a new next-generation SK-II product based on OBJ technology, upgrading the SK-II Eye Wand product from its initial market launch status to a permanent feature of SK-II's expansion plans and the creation of a three to five year multi-product development and innovation program known as Lighthouse to use its technology as a platform across multiple future products.

Proctor & Gamble's head of SK-II research and development Dr Suda Sudarsana said that the beauty and skin care category was "very dynamic and it is critical that we innovate in distinctive yet meaningful ways to deliver delight to the discerning consumers we serve".

"Working in collaboration with OBJ has enabled us to leverage its expertise in diamagnetic physics, which in combination with P&G's chemistry and biology knowledge has resulted in us designing and delivering innovation that delights successfully to market in record speed," Dr Sudarsana said.

"The OBJ team have not only been true experts in the area of diamagnetism, but have also collaborated seamlessly with the P&G team and have been great partners in innovating together to create value for our consumers as well as our mutual businesses," Dr Sudarsana said.

OBJ said that the SK-II Magnetic Eye Wand was introduced at a product launch in South Korea in October 2014 and since the launch, it had been launched in Hong Kong, Taiwan, Japan and China.

OBJ director Glyn Denison said that locking his company's technologies into the future development plans of Proctor & Gamble and SK-II was "a major accomplishment for OBJ and one that we are all extremely proud of".

"The commitment from both parties to delivering true and meaningful product innovation, built upon OBJ world-class technology platforms, is a measure of the commitment and professionalism of the OBJ team over many years," Mr Denison said.

"We are now seeing significant investment from our global partners in products that incorporate OBJ's technologies," Mr Denison said.

OBJ climbed 0.6 cents or 12.2 percent to 5.5 cents with 5.1 million shares traded.

COMPUMEDICS

Compumedics says it has a tranche of deals totalling \$5 million over three years for its transcranial Doppler (TCD) ultrasound brain scanning systems in Germany.

Compumedics chairman Dr David Burton said the deals followed a German trade mission led by Federal Finance Minister Mathias Cormann.

The company said that it had committed further investment into the German region and expected to significantly expand trade across all sectors, including clinical sleep, neurology and research neurology sectors of its business.

Compumedics Germany chief executive officer Christoph Witte said the tranche of deals opened the way "to an enormous market opportunity comprising of the new generation 3D-transcranial color Doppler and duplex devices as well as new market fields like traumatic brain injury and general stroke treatment".

Compumedics was up three cents or 11.1 percent to 30 cents.

IMMURON

Immuron says that recently-appointed chief executive officer Dr Leeorne Hinch has resigned, effective from today.

In April, Immuron said that Dr Hinch replaced Amos Meltzer, who was appointed in 2013 and oversaw the \$9.7 million capital raising (BD: Feb 26, Dec 18, 2014; Apr 2, 2015).

Today the company said that Dr Hinch had agreed to remain as a consultant until the end of the month "to facilitate a smooth transition to new management".

Immuron said that director Peter Anastasiou and innovation head Dr Dan Ruben Peres would provide "short-term coverage until a new [chief executive officer] can be appointed whilst ensuring continued steady growth of Travelan and the on-going progression of the [non-alcoholic steato-hepatitis and alcoholic steato-hepatitis] trials as planned".

Through Grandlodge and the Anastasiou Superannuation Fund, Peter Anastasiou said he held 376,380,011 shares (12.61%) and in 2013, Peter Anastasiou's brother Stephen Anastasiou was appointed a director (BD: May 28, 2013; Mar 5, May 21, 2015).

In January, Immuron said it would develop IMM-124E for alcohol-induced liver toxicity with Immune Biologics, a company associated with Peter Anastasiou (BD: Jan 18, 2015).

Today, Immuron chairman Dr Roger Aston said the company would "seek to recruit a new chief executive officer whose primary focus will be to expand the company's flagship product Travelan into a truly globally available product and explore other new synergistic technologies in the hyperimmune colostrum space, whilst Dr Peres drives the clinical trials forward".

Immuron said it was currently recruiting for two other positions to strengthen the management team.

Immuron fell one cent or 4.35 percent to 22 cents.

ITL AUSTRALIA

ITL 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 4.4 percent from 18 cents on July 3 to 26 cents, today, July 26, 2015 and noted an increase in trading volumes.

ITL said that it had published a profit warning on July 3 and a journal article published last night mentioned the company, its related party Myhealthtest and positive results for a diabetes test (BD: Apr 29, 2015).

ITL closed up five cents or 26.3 percent to 24 cents with 747,992 shares traded.

PHOSPHAGENICS

After the market closed, Phosphagenics said that founder and former chief executive officer Harry Rosen will step down as president and executive director from today. Phosphagenics told Biotech Daily that Mr Rosen would not continue as a director. Phosphagenics was unchanged at 2.5 cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says Andrew Carter has been elected to succeed Andrew Macdonald as chair, effective from the July 1, 2015.

Bio-Melbourne said that Mr Carter was appointed a director in 2014 and had more than 25 years experience in the life sciences industry, with a “strong expertise and knowledge of pharmaceutical and medical technology commercialization”.

The Network said that Mr Carter recently concluded his tenure as chairman of Melbourne City Mission a charity focused on ending disadvantage.

The Bio-Melbourne Network said that Mr Macdonald had completed a distinguished period of service as chair, following his appointment to the role in 2010 and “provided strong leadership in overseeing the growth and diversification of the Network”.

Bio-Melbourne Network chief executive officer Dr Krystal Evans said that Mr Macdonald had shown “remarkable leadership as chair over the last five years, steering the Network through the post-[global financial crisis] landscape”.

“During this time the Bio-Melbourne Network has grown in membership, activity and influence, with Andrew overseeing the diversification of the membership to serve both biotech and medtech companies here in Melbourne,” Dr Evans said.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says tomorrow’s Bio-Briefing will discuss what it takes to realise the benefits of the massive amounts of healthcare data available.

The Bio-Melbourne Network said that at the briefing, entitled ‘Hype or reality? Applied data transforming health’, Victorian Comprehensive Cancer Centre corporate development director Shmuley Goldberg would lead a panel discussion on how advances in technology, cognitive computing, smart connected devices, wearables and sensors, software platforms and new business partnerships were transforming health care, including discovery, the delivery of care and health management.

Bio-Melbourne Network chief executive officer Dr Krystal Evans said that health care produced massive amounts of data, in health facilities, from medical devices, personal devices and sensors, but questioned whether the data equated to improved access to care, more efficient care or better outcomes and what it would take to realize the benefits of data.

The July 9, 2015 Bio-Briefing will be held at The Cox Walford Meeting Room, Level 5, Murdoch Children’s Research Institute, Royal Children’s Hospital, Flemington Road, Parkville, with registration from 3.45pm for the Bio-Briefing and panel discussion from 4pm followed by a networking session.

To register go to: <http://www.biomelbourne.org/events/view/370>.