



# Biotech Daily

Thursday July 9, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX FLAT, BIOTECH DOWN: STARPHARMA UP 10%  
- GENETIC TECHNOLOGIES DOWN 11%**
- \* **BENITEC BUYS-OUT BIOMICS STAKE IN HEPBARN FOR HEP B**
- \* **CLARIFICATION: AUSTRALIAN ETHICAL, ATCOR**
- \* **DORSAVI SIGNS NORTH AMERICAN SPORTS TEAMS FOR VIPERFORM**
- \* **ANTEO, IMRA MIX&GO, GOLD DIAGNOSTICS PROOF-OF-CONCEPT**
- \* **NUSEP: 'ASIC CONCLUDES INVESTIGATION, TAKES NO ACTION'**
- \* **UNIVERSAL BIOSENSORS RECEIVES \$8.2m FEDERAL R&D TAX REFUND**
- \* **ORTHOCELL \$430k ARC GRANT FOR LABORATORY TENDONS**
- \* **CELLMID FORECASTS \$2m 2014-'15 REVENUE**
- \* **JASON PETERSON, CELTIC, ASSOCIATES DILUTED BELOW 5% IN SUN**
- \* **ALCHEMIA CHAIRMAN TIM HUGHES GOES**
- \* **GENETIC TECHNOLOGIES APPOINTS BRIAN MANUEL JOINT CO SEC**

## MARKET REPORT

The Australian stock market edged up 0.03 percent on Thursday July 9, 2015 with the ASX200 up 1.5 points to 5,471.0 points. Eleven of the Biotech Daily Top 40 stocks were up, 15 fell, 11 traded unchanged and three were untraded.

Starpharma was the best, up 6.5 cents or 10.2 percent to 70.5 cents with 332,664 shares traded, followed by Osprey up 10 percent to 66 cents with 55,000 shares traded. Avita and Cellmid climbed more than six percent; both Biotron and Pharmaxis up 4.55 percent; Universal Biosensors was up 3.2 percent; Circadian rose 2.6 percent; Anteo and Bionomics were up more than one percent; with Cochlear and Nanosonics were up by less than one percent.

Genetic Technologies led the falls, down 0.3 cents or 11.1 percent to 2.4 cents with one million shares traded. Ellex lost 6.25 percent; Compumedics, Prima and Tissue Therapies fell five percent or more; Antisense and Viralytics fell more than four percent; Optiscan, Prana and Psivida lost more than three percent; with Admedus, Clinuvel, Impedimed and Resmed were down more than one percent.

### BENITEC BIOPHARMA

Benitec says it has bought China's Biomics Biotechnologies rights to the hepatitis B therapeutic program Hepbarna for up to \$5 million and potential royalties.

Benitec said that the DNA-directed RNA interference (ddRNAi) preclinical program was previously under development as a joint venture between the two companies.

The company said that over the past 12 months, the program had advanced significantly and based on promising in-vitro data it had taken the decision to develop Hepbarna as a solely-owned lead program by acquiring Biomics share.

Benitec said it would pay Biomics \$2.5 million upfront with a further \$3.5 million on commercialization of the program and Biomics would receive a single-digit royalty on net sales once the product was marketed.

Benitec chief executive officer Dr Peter French said that the joint venture allowed his company to enter the hepatitis B field and the partnership was "extremely valuable".

"Benitec has enjoyed an excellent working relationship with Biomics and plans to continue to explore opportunities to work with Biomics in utilizing RNA interference to target other important diseases," Dr French said.

Benitec was unchanged at 74 cents.

### AUSTRALIAN ETHICAL INVESTMENT, ATCOR MEDICAL

Last night's article on Australian Ethical's new Emerging Companies Fund listed the company's current biotechnology investments but inadvertently omitted Atcor Medical.

The list of companies was obtained from the Australian Ethical webpage which was last updated on June 30, 2014: <https://www.australianethical.com.au/companies-we-invest-in>.

Australian Ethical became substantial in Atcor late last month (BD: Jun 25, 2015).

No sub-editors have been hurt in making this clarification.

### DORSAVI

Dorsavi says it has signed the New Orleans Saints and Cleveland Browns US National Football League teams to use its Viperform wearable sensor movement diagnostics.

Dorsavi said there was growing awareness of its products from the adoption by high profile elite sports clubs and health professionals.

The company said that the two teams had been incorporating the technology in team training protocols during the off-season and would use the sensor technology during the 2015-'16 season to assess and monitor players and guide recovery from injuries.

Dorsavi said that the National Football League had 32 teams and an additional 400 college teams closely monitored technology adoption at the elite levels.

The company said that there were more than 2,700 sports medicine physicians in the US who look to elite sporting teams to validate emerging technology before adopting it into their own practice.

Dorsavi said that it had also signed agreements with the Toronto Football Club in the New York-based Major League Soccer and the US National Basketball Association champion, Golden State Warriors.

The company said that "when professional sports teams trust Viperform data to assess their multi-million dollar athletes, doctors take notice".

Dorsavi said that Viperform consisted of small wireless sensors placed on the body to provide immediate analysis of movement and muscle activity by recording and sending data to a computer, tablet or small recording device for review.

Dorsavi was unchanged at 29 cents.

## ANTEO DIAGNOSTICS

Anteo says its collaboration with IMRA America has demonstrated proof-of-concept to develop a Mix&Go activated gold particle coupling kit for in-vitro diagnostics.

Anteo said that the collaboration began last year to develop a Mix&Go molecular adhesive for the Ann Arbor, Michigan-based IMRA activated gold particle coupling kit for IMRA's colloid gold product range for the diagnostics industry (BD: Jan 18, 2014).

Anteo said the feasibility study demonstrated "excellent results" with a combination of Mix&Go activation reagent with IMRA's proprietary gold colloids and yielded high purity, high quality pre-activated gold particles that were ready-to-use.

The company said the project demonstrated that the concept would deliver a number of novel functions not available to the market, including ease-of-use, with single buffer, fast protein coupling and shortened assay product development cycles for manufacturers.

Anteo said that the two companies had agreed to take the collaboration to a funded product development agreement and the resultant products were expected to deliver improvements to the colloidal stability and functionality of gold particles, leading to cheaper, improved assays and more accurate results.

The company said that during the next six months, the partnership would work "with the clear objective of delivering products ready for sale", beginning with validating the proof-of-concept product built during the feasibility study.

Anteo head of commercialization Rachel de las Heras said that Mix&Go with IMRA's gold particles and understanding of metal chelation had "allowed a strong mutual relationship that is reflected in this next stage of our partnership".

IMRA head of research and development Dr Makoto Yoshida said the first stage of the collaboration was "fruitful ... with encouraging outcomes".

"We expect to push this relationship further and develop outstanding products contributing to the biomedical and other societies," Dr Yoshida said.

Anteo was up 0.1 cents or 1.4 percent to 7.4 cents.

## NUSEP HOLDINGS

Nusep says the Australian Securities and Investments Commission has concluded its investigation and decided not to take any further enforcement action.

Last year Nusep said it had an enforceable undertaking with ASIC relating to potential contraventions of the Corporations Act 2001 between 2009 and 2012 and the company had been bound to a standard of governance and compliance with conditions set out in the undertaking (BD: Dec 18, 2014).

The company said at that time that ASIC had concerns that it might have breached its continuous disclosure obligations in relation to acquiring shares in itself by issuing and holding shares in a suspense account.

Nusep said ASIC had concerns over record keeping, the issuing of bonuses to former executives and a range of other suspected breaches of the Corporations Act that conduct took place prior to 2012 and the appointment of the current board and there had been a significant change to the composition of the board, following the resignation of the executive chairman [John Manus] and managing director [Prakash Patel] in November 2013 and the appointment of new directors.

Today, Nusep said it was "pleased that the investigation is now concluded as it has required a great deal of attention and resources".

"The company is now free to devote its resources to developing its core business, Spermsep," Nusep said.

Nusep was up 0.4 cents or 16.0 percent to 2.9 cents.

## UNIVERSAL BIOSENSORS

Universal Biosensors says it has received \$8,224,349 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Universal Biosensors said the rebate related to research and development expenditure in its financial year to December 31, 2014

Universal Biosensors chief executive officer Paul Wright said the company welcomed the research and development tax incentive from the Australian Government.

"It provides a valuable boost for our efforts to drive innovation in the point-of-care diagnostics market," Mr Wright said.

Universal Biosensors was up one cent or 3.2 percent to 32 cents.

## ORTHOCELL

Orthocell says it has received a \$430,000 Australian Research Council grant to investigate tendon tissue and develop the laboratory fabricated tendon project.

Orthocell managing-director Paul Anderson said the ARC linkage grant was in collaboration with Griffith University in New South Wales, the University of Western Australia and Melbourne's La Trobe University.

Mr Anderson said the grant "demonstrates the scientific quality of our collaborative research and the relevance to finding new and innovative ways of solving the serious challenge of tendon injury and degeneration".

"Being able to successfully demonstrate the growth of human tendon outside of the body has already generated a significant amount of international interest from scientists and life science companies," Mr Anderson said.

Orthocell said that there were no approved technologies for the fabrication of human tendon outside the body for full tendon replacement.

The company said that when tendons were required to be substantially replaced, due to congenital, accidental or chronic issues, existing tendons were harvested and re-used which were not ideally suited to the application and often resulted in significant donor site morbidity.

Orthocell said that synthetic tendon replacements had a history of failure and had been banned in many jurisdictions.

The company said that its laboratory fabricated human tendon project potentially provided a solution to the challenges and would meet a significant unmet need.

Orthocell said that more than 150,000 anterior cruciate ligament ruptures occurred each year in the US alone and the laboratory fabricated tendon would be a suitable solution to many of these surgical repairs.

The company said that there were many additional tendon replacements in the hand, shoulder and hamstring that were also suitable targets for Orthocell and were a significant market opportunity.

Orthocell was up 1.5 cents or 3.95 percent to 39.5 cents.

## CELLMID

Cellmid says it has upgraded its revenue guidance for the financial year ending June 30, 2015 to \$2 million.

Cellmid said that the improved performance was "largely the result of increased sales of the company's consumer health products in Australia and Japan".

The company markets the Advangen range of hair growth products.

Cellmid was up 0.2 cents or 6.45 percent to 3.3 cents with 12.2 million shares traded.

### SUN BIOMEDICAL

Jason Peterson and associates have increased their holding in Sun Biomedical from 56,457,209 shares to 65,257,209 shares but have been diluted to 4.93 percent.

Mr Peterson said that with Lisa Peterson and through the J & L Peterson Superannuation Fund account, he acquired 8,800,000 shares at one cent each in the recent placement related to the Dimerix acquisition, taking that holding to 48,757,209 shares (BD: Jun 30, 2015).

Mr Peterson said that 10,000,000 shares were held by Celtic Capital and 6,500,000 shares were held by Professional Payment Services.

Mr Peterson and Celtic Capital have previously invested in Helicon Group, later Consegna Group, now Rhinomed, as well as Imugene, Acuvax and Narhex Life Sciences.

Sun was untraded at 1.0 cents.

### ALCHEMIA

Alchemia says that Tim Hughes has resigned as chairman and a director and the board would meet "as soon as possible to appoint a new chairman".

Earlier this week, Sandon Capital withdrew its requisition for an extraordinary general meeting to spill the board (BD: Jul 7, 2015).

Last month Sandon requested a meeting to replace directors Tim Hughes and Dr Tracie Ramsdale with Dinimus Capital principal Ken Poutakidis and Sandon Capital founder and managing director Gabriel Radzynski (BD: Jun 18, 2015).

One week later, the company appointed Mr Poutakidis as a director (BD: Jun 26, 2015).

Today, Alchemia said that no meeting in relation to the resolutions would be called.

Alchemia was unchanged at 3.3 cents.

### GENETIC TECHNOLOGIES

Genetic Technologies says that chief financial officer Brian Manuel has been appointed as joint company secretary, effective immediately.

Last month, Genetic Technologies appointed Mr Manuel as its chief financial officer (BD: Jun 15, 2015).

Genetic Technologies fell 0.3 cents or 11.1 percent to 2.4 cents with one million shares traded.