



Biotech Daily

Thursday August 20, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ANALYTICA UP 17%, TISSUE THERAPIES DOWN 15%**
- * **NSW AWARDS 17 CANCER RESEARCH GRANTS WORTH \$5.5m**
- * **STAT ANAEMIA TEST WINS VICTORIA, STC MEDTECH PRIZE**
- * **CLARIFICATION: EDITORIAL**
- * **NANOSONICS REVENUE DOWN 1% to \$25m, LOSS UP 110% TO \$5.5m**
- * **PROBIOTEC REVENUE DOWN 3% to \$66m, PROFIT TO \$25m LOSS**
- * **SIMAVITA REVENUE UP 123% to \$779k, LOSS DOWN 10% TO \$9m**
- * **DORSAVI 12-MONTH VISAFE CONTRACT WITH FRANCE'S SODEXO**
- * **EX-EMPLOYEE ENDS LEGAL CASE, APOLOGIZES TO UNILIFE**
- * **MMJ PHYTOTECH BOAZ WACHTEL, BENAD GOLDWASSER RESIGN**

MARKET REPORT

The Australian stock market fell 1.7 percent on Thursday August 20, 2015 with the ASX200 down 91.6 points to 5,288.6 points. Thirteen of the Biotech Daily Top 40 stocks were up, 19 fell, six traded unchanged and two were untraded. All three Big Caps fell.

Analytica was the best, up 0.1 cents or 16.7 percent to 0.7 cents with 1.15 million shares traded. Biotron climbed five percent; Oncosil and Polynovo rose more than four percent; IDT and Reva were up more than three percent; Acrux and Cellmid climbed more than two percent; Antisense, Medical Developments, Neuren and Psivida were up more than one percent; with Starpharma up 0.7 percent.

Tissue Therapies led the falls, down 0.9 cents or 15.25 percent to five cents with 333,724 shares traded.

Nanosonics lost 8.2 percent; Living Cell fell 7.3 percent; Impedimed and Orthocell were down more than six percent; Universal Biosensors was down 5.1 percent; Atcor and Osprey fell more than four percent, Benitec and Compumedics were down more than three percent; Circadian, Cochlear, Mesoblast, Optiscan, Pharmaxis and Prima shed more than two percent; Actinogen, Bionomics, CSL, Resmed and Viralytics were down more than one percent; with Sirtex down 0.3 percent.

NEW SOUTH WALES GOVERNMENT

The New South Wales Government has awarded 17 Cancer Institute Research Equipment Grants worth \$5.5 million.

New South Wales Health Minister Jillian Skinner said that funds would provide researchers from eight institutions with tools to gain new insights into cancer and novel treatments.

A media release from Ms Skinner said that the research equipment ranged from high-powered computers to precision microscopes and sophisticated specimen preparation and identification tools.

“Through these grants, we are providing our best research minds with the technologies they need to make ground-breaking discoveries, including personalised drug treatments, new therapies to block cancer growth and greater understanding of how cancer genes behave,” Ms Skinner said.

The media release said that Cancer Institute New South Wales was the state’s cancer control agency and stipulated that grant recipients must share any unused capacity with scientists from other universities and research bodies across the state.

Cancer Institute NSW chief executive Prof David Currow said that the State “remains at the forefront of cancer discovery and this investment supports our scientists to enhance the quality of their research and broaden the scope of their work”.

The media release said that recipients included the Asbestos Diseases Research institute, the Children’s Medical Research Institute, the Garvan Institute, Macquarie University, the University of Newcastle, the University of New South Wales, The University of Sydney and the University of Western Sydney.

VICTORIA GOVERNMENT, SMALL TECHNOLOGIES CLUSTER

The Victoria Government says that Stat Innovations has won the \$40,000 Small Technologies Cluster ‘Medtech’s Got Talent’ prize for its Eynaemia anaemia test.

Victoria’s Minister for Small Business, Innovation and Trade Philip Dalidakis said the prize would help Stat Innovations fast-track the Eynaemia screening tool that enabled a ‘selfie’ to detect the risk of anaemia, a condition that affects about two billion people worldwide.

A Victoria Government media release said that Stat was co-founded by Monash University graduate and Alfred Health’s Dr Jennifer Tangand and Monash University medical student Jarrel Seah.

The media release said that any camera-enabled smart device could take a photo of the inner lining of the eyelid and use a cloud-based algorithm to determine anaemia risk.

Mr Dalidakis said that the simple, non-invasive and easily accessible product was “a perfect example of what promising entrepreneurs can achieve with mentoring, training and access to seed funding”.

The Victoria Government said it had committed to support start-ups and entrepreneurs through its \$60 million start-up initiative, helping Victorian companies gain the tools and skills needed to make their ideas a commercial reality.

“We know how valuable start-up initiatives are to our economy and will provide whatever support is needed for our best and brightest entrepreneurs to develop innovative new products and services,” Mr Dalidakis said.

The Small Technologies Cluster said that each of the five finalist teams pitched to a panel of early-stage advanced technology investors and were evaluated on innovation, market, pathway, sustainability and soft skills, with judges choosing the ‘most investable’ start-up.

STC chief executive officer Dr Buzz Palmer said that the “talent of the finalist entrepreneurs is self-evident, and each of the five projects pitched is investable”.

CLARIFICATION: BIOTECH DAILY EDITORIAL

Last night's editorial mentioned a number of companies that had either Nasdaq listings or Over-The-Counter facilities saying that "Resmed had a New York Stock Exchange listing and Cochlear has an Over-The-Counter Nasdaq facility, but CSL has not bothered".

In fact, CSL has an OTC facility, as does Mesoblast.

Both Cochlear and CSL executives have told Biotech Daily that the facilities are there to allow US investors to buy shares more easily, as stated in the editorial, but are not major focuses for their companies.

The editorial was directed at companies that chase full Nasdaq listings, incurring double the compliance costs, rather than a definitive list of which companies have which facilities. Biotech Daily apologizes for any confusion.

NANOSONICS

Nanosonics says revenue for the year to June 30, 2015, was down 0.6 percent to \$25,450,000 with net loss after tax up 109.6 percent to \$5,460,000.

Nanosonics said that full year sales to June 30, 2015 were up 3.4 percent to \$22.2 million "in line with [the] plan which foreshadowed significantly lower purchases from GE Healthcare during the transition to a non-exclusive partnership and our direct sales model in North America".

The company said that during the year it made a strategic decision to invest in the establishment of a direct sales operation in North America and a move to upgraded corporate, research and development and manufacturing facilities and the investment resulted in an increase in operating expenses to \$23.4 million.

Nanosonics said diluted loss per share increased 90.0 percent to 1.9 cents at June 30, 2015, net tangible assets per share rose 105.3 percent to 15.6 cents and it had \$45.7 million in cash at June 30, 2015, compared to \$21.2 million at June 30, 2014.

Nanosonics fell 14 cents or 8.2 percent to \$1.56 with 662,671 shares traded.

PROBIOTEC

Probiotec says that revenue for the year to June 30, 2015 fell 3.1 percent to \$66,105,000 with last year's profit turning to a net loss after tax of \$24,742,000.

Probiotec said that net tangible asset per share fell 46.3 percent to 40.0 cents and diluted loss per share was 46.7 cents for the year to June 30, 2015 compared to diluted earnings per share of 1.7 cents for the previous corresponding period.

The company said it had in cash and cash equivalents of \$120,296 at June 30, 2015 compared to \$1,116,587 at June 30, 2014.

Probiotec was untraded at 23 cents.

SIMAVITA

Simavita says revenue for the year to June 30, 2015, was up 122.5 percent to \$778,574 reducing net loss after tax by 9.8 percent to \$9,463,209.

Simavita said that the revenue increase was from the roll-out of its smart incontinence management (SIM) system.

The company said that diluted loss per share fell 64.7 percent to 12 cents at June 30, 2015, net tangible assets per share was constant at 11 cents and it had \$9,027,722 in cash at June 30, 2015, compared to \$6,844,197 at June 30, 2014.

Simavita fell one cent or 1.9 percent to 51 cents.

DORSAVI

Dorsavi says the Paris, France-based Sodexo services and labour hire company has signed a 12 month Visafe contract to assess employees in remote areas of Australia. Dorsavi said it was “the third and most significant project” it had undertaken with Sodexo, which employed more than 420,000 employees, with 4000 based in Australia.

The company said that Sodexo delivers integrated services lines including facilities management, food services, concierge services, security, asset maintenance and hospitality services, operating in a range of sectors including mining, oil and gas, corporate, education, and aged care.

Dorsavi said that Sodexo would lease its Visafe technology to test and assess workers involved in manual handling activities and tasks in remote sites in Australia, with Dorsavi responsible for data analysis, producing insights and action points to allow Sodexo to make informed decisions.

The company said it was in discussions with Sodexo about the rollout of the Visafe program across Australia and overseas, which would “position Sodexo as an innovator in workplace safety and culture globally and establish best practice in reducing workplace injury”.

Dorsavi said it was unable to disclose the specific contractual terms of the agreement, but said it was the first contract where Visafe and Dorsavi would be used to provide on-going maintenance and support a large multi-site organisation over a 12 month period.

Dorsavi occupational health and safety and compliance business manager Mark Heaysman said this was “the third project we’ve done with Sodexo, which has the potential to expand to other sites in Australia and overseas”.

“I see Sodexo is taking a strong leadership position in tackling workplace safety and applying state of the art technology to not only protect its workers from injury but improve the day-to-day work environment,” Mr Heaysman said.

Dorsavi was up two cents or 7.3 percent to 29.5 cents.

UNILIFE CORP

Unilife says that a former employee has agreed to dismiss all of his claims against the company and has issued a public apology for bringing his claims.

Unilife said the case, Talbot Smith versus Unilife Corp, was filed in the US District Court for the Eastern District of Pennsylvania and had been “dismissed in its entirety with prejudice”.

The company said that the former employee issued the apology saying: “I now understand that there were no violations of FDA regulations during my tenure at Unilife,” the employee said. “In addition, in the summer of 2011, Unilife issued press releases which stated that they had begun shipments of validated Unifill product to customers.”

“I now understand that the production process was in fact validated,” he said. “Claims I brought were made in error and I apologize to Unilife, its shareholders, business partners and employees,” the employee said.

In 2013, Unilife chief executive officer Alan Shortall said that the former employee claimed that he was terminated “in retaliation for reporting alleged regulatory violations by Unilife” (BD: Nov 7, 2013).

“However, the former employee was in fact terminated due to poor performance and we believe filed the lawsuit in retaliation after Unilife refused to comply with his demand for severance payments, which he was not entitled to due to the reasons for his termination,” Mr Shortall said in 2013.

Unilife fell half a cent or 1.5 percent to 32 cents.

MMJ PHYTOTECH

MMJ Phytotech says that following the Phytotech MMJ merger executive directors Boaz Wachtel and Benad Goldwasser have resigned effective from August 20, 2015.

MMJ said that Mr Goldwasser would continue as chairman of the Israel subsidiary Phytotech Therapeutics.

The company said that the following the merger the board comprised chairman Peter Wall, managing-director Andreas Gedeon and non-executive directors Winton Willesee, Jason Bednar and Ross McKay.

MMJ Phytotech fell 1.5 cents or 4.55 percent to 31.5 cents.