



Biotech Daily

Friday August 28, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN: CLINUVEL UP 14%, POLYNOVO DOWN 13%**
- * **LIVING CELL WINS \$2m NZ GRANT FOR NTCELL FOR PARKINSON'S**
- * **RHINOMED MUTE, TURBINE PRODUCTION UP TO 4m PACKS A YEAR**
- * **MAYNE REVENUE DOWN 1.3%, PROFIT DOWN 64%, \$91m US PLANT**
- * **ALCHEMIA REVENUE DOWN 25% TO \$12m, LOSS UP 128% TO \$16m**
- * **ADMEDUS REVENUE UP 29% TO \$10m, LOSS UP 282% TO \$25m**
- * **ALLEGRA REVENUE DOWN 8% to \$7m, LOSS UP 1262% TO \$855k**
- * **GENETIC TECHNOLOGIES REVENUE DOWN 44% TO \$3m, LOSS DOWN 13%**
- * **AVITA SALES UP, REVENUE DOWN 9% TO \$3m, LOSS UP 38% TO \$7m**
- * **AVITA TAKES 'EQUITY PLACEMENT' TRADING HALT TO SUSPENSION**
- * **PHARMAUST REVENUE UP 21% TO \$2.4m, LOSS UP 46% TO \$2m**
- * **INVION REQUESTS CAPITAL RAISING TRADING HALT**
- * **ONE FUNDS (BIOSCIENCE MANAGERS) TAKES 17% OF ADHERIUM**
- * **BRIAN MAYO-SMITH, K ONE W ONE TAKE 8% OF ADHERIUM**
- * **OCH-ZIFF LIGHTENS TO 18.7% OF BRAIN RESOURCE**
- * **REPRODUCTIVE HEALTH EMBRYOCOLLECT FOR IVF TRAINING COURSE**
- * **BIO-MELBOURNE TOURS THE RED CROSS BLOOD BANK**

MARKET REPORT

The Australian stock market climbed 0.58 percent on Friday August 28, 2015 with the ASX200 up 30.3 points to 5,263.6 points. Fourteen of the Biotech Daily Top 40 stocks were up, 14 fell, nine traded unchanged and three were untraded. All three Big Caps fell.

Clinuvel was the best, up 37 cents or 14.4 percent to \$2.94 with 48,895 shares traded. Starpharma climbed 6.5 percent; Genetic Technologies and Mesoblast were up five percent or more; Oncosil, Optiscan and Osprey rose four percent or more; Biotron was up 3.1 percent; with Bionomics, Impedimed, Reva and Universal Biosensors up more than two percent.

Polynovo led the falls, down 1.5 cents or 13.0 percent to 10 cents with 100,000 shares traded. Actinogen lost 8.1 percent; Admedus and Nanosonics fell more than six percent; Orthocell was down 3.2 percent; Atcor, Benitec, Cellmid, Living Cell, Neuren, Prima and Psivida shed two percent or more; with Cochlear, Ellex and Prima down more than one percent.

LIVING CELL TECHNOLOGIES

Living Cell says it will receive a \$A2 million New Zealand Government Callaghan Innovation research and development growth grant.

The Callaghan Innovation website said that it was a New Zealand Government department named after physics Prof Paul Callaghan.

Living Cell said that the grant would reimburse 20 percent of eligible New Zealand research and development expenditure over the next three years.

The company said that it would conduct a confirmatory clinical trial to support an application for provisional consent from Medsafe to market NTCell for Parkinson's disease in New Zealand, the transfer of NTCell production to an automated process for commercial quantities and additional research into the mechanism of action of NTCell, as well as research into further indications for NTCell and other cell therapies to identify other potential pipeline products for the future.

Living Cell chief executive Dr Ken Taylor said the grant would accelerate the development of NTCell to product launch as a regenerative treatment for Parkinson's disease and reduce future funding requirements.

"We have finalized and submitted for approval, the protocol for the phase IIb study which will define the most effective dose of NTCell for Parkinson's disease," Dr Taylor said.

Living Cell fell 0.1 cents or 2.6 percent to 3.8 cents.

RHINOMED

Rhinomed says it has increased its production line capacity at the Shenzhen-based Chinamed production facility to 3.9 million three-pack units per year.

Rhinomed said that the investment in the Mute and Turbine production was "in response to changes in forecast demand in line with the recent distribution guidance".

The company said that further production capacity increases were being scoped in parallel to US and Asian distribution discussions.

Rhinomed was up 0.2 cents or 5.3 percent to four cents with 3.2 million shares traded

MAYNE PHARMA GROUP

Mayne Pharma says that revenue for the 12 months to June 30, 2015 fell 1.3 percent to \$141,420,000 reducing net profit after tax 63.6 percent to \$7,759.

In the annual report, Mayne chairman Roger Corbett said the results were down "due to the underperformance of products sold via third party US distributors".

"The lack of Doryx and oxycodone sales in the first half [year] reflected sustained poor performance of our distributors and the company has subsequently taken full control of these products by bringing distribution in-house," Mr Corbett said.

Mayne said that net tangible assets per share was constant at 3.0 cents, with diluted earnings per share down 68.1 percent to 1.15 cents and cash and cash equivalents of \$59,201,000 at June 30, 2015, compared to \$14,813,000 at June 30, 2014.

Separately, Mayne announced a \$US65 million (\$A90,695,600) expansion of its operations in Greenville, North Carolina "to support projected growth of US products and metrics contract services".

The company said that investment would fund a "greenfield" 11,700 square metre oral-dose commercial manufacturing facility on land it owned adjacent to its existing facility and would more than double US manufacturing capacity and repurpose existing space to expand contract analytical and formulation development services capacity.

Mayne was up five cents or 4.6 percent to \$1.14 with 3.4 million shares traded.

ALCHEMIA

Alchemia says that revenue for the 12 months to June 30, 2015 fell 18.9 percent from \$14,699,000 to \$11,925,000 with net loss after tax up 128.4 percent to \$15,816,000. Last year, Alchemia said that revenue for the year to June 30, 2014 was \$15,811,000 implying a revenue drop of 24.6 percent (BD: Aug 29, 2014)

Today, Alchemia said that the decrease in income "was predominantly driven by a decrease of \$2.6m in profit share income from Dr Reddy's" for its generic fondaparinux. The company said diluted loss per share increased 133.3 percent from 2.1 cents at June 30, 2014 to 4.9 cents at June 30, 2015, with net tangible asset backing per share down 21.4 percent from 4.2 cents at June 30, 2014 to 3.3 cents at June 30, 2015, with cash and equivalents of \$5,021,000 at June 30, 2015 compared to \$7,949,000 at June 30, 2014. Alchemia fell 0.1 cents or 2.9 percent to 3.3 cents.

ADMEDUS

Admedus says that revenue for the year to June 30, 2015, was up 28.8 percent to \$10,224,000 with net loss after tax up 281.7 percent to \$25,254,000.

Admedus said that its Cardiocel sales in Europe reached \$2.5 million with increased research and development expenses relating to both the Cardiocel bovine cardiac patch and the therapeutic vaccine business.

Admedus said that its net tangible asset backing per share fell 6.7 percent to 1.94 cents, with basic loss per share up 198.6 percent to 1.648 cents.

Admedus said that it had cash and cash equivalents of \$24,025,859 at June 30, 2015 compared to of \$19,582,972 at June 30, 2014.

Admedus fell half a cent or 6.7 percent to 6.9 cents with 7.3 million shares traded.

ALLEGRA ORTHOPAEDICS (ADVANCED SURGICAL DESIGN & MANUFACTURE)

Allegra says revenue for the year to June 30, 2015, fell 8.1 percent to \$7,326,925 with net loss after tax up 1261.9 percent to \$855,056.

Allegra said that revenue was from the sale of orthopaedic goods.

The company said that diluted loss per share increased 964.3 percent to 1.49 cents at June 30, 2015 and net tangible assets per share fell 31.2 percent to 6.22 cents.

Allegra said it had \$1,083,145 in cash and cash equivalents at June 30, 2015, compared to \$26,000 at June 30, 2014.

Allegra was untraded at 25 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says revenue for the 12 months to June 30, 2015 fell 44.0 percent to \$3,039,069, with net loss after tax down 13.0 percent to \$8,810,170.

Genetic Technologies said that the result was "directly reflective of the repositioning of the business".

"Non-core business was sold, operations have been appropriately scaled back and equity has been raised to set the company up for future success," the company said.

The company said that diluted loss per share fell 53.4 percent from 1.76 cents at June 30, 2014 to 0.82 cents at June 30, 2015 with cash and equivalents of \$18,341,357 at June 30, 2015 compared to \$2,831,085 million at June 30, 2014.

Genetic Technologies was up 0.1 cents or five percent to 2.1 cents with one million shares traded.

AVITA MEDICAL

Avita says that revenue for the year to June 30, 2015 fell 9.1 percent to \$2,979,164, with net loss after tax up 38.1 percent to \$7,107,496.

Avita says that Recell wound repair sales rose 2.5 percent to \$2,750,176.

The company said diluted loss per share was up 27.2 percent from 1.58 cents at June 30, 2014 to 2.01 cents at June 30, 2015, with net tangible asset backing per share down 41.2 percent from 1.7 cents at June 30, 2014 to 1.0 cent at June 30, 2015, with cash and equivalents of \$2,966,555 at June 30, 2015 compared to \$3,648,390 at June 30, 2014.

Separately, Avita requested a voluntary suspension to follow the trading halt pending an announcement regarding "an equity placement" (BD: Aug 26, 2015).

Avita last traded at 7.2 cents.

PHARMAUST

Pharmaust said that revenue for the year to June 30, 2015 was up 20.6 percent to \$2,420,000, with net loss after tax up 46.1 percent to \$1,925,091.

Last year, Pharmaust said that its wholly-owned subsidiary Epichem had record revenue of \$1.89 million, from its manufacture and sale of synthetic and medicinal chemistry, falling for the 12 months to June 30, 2015 by 0.6 percent to \$1,869,204.

The company said that its net tangible asset backing per share was up 11.1 percent from 0.18 cents at June 30, 2014 to 20 cents at June 30, 2015, with diluted loss per share up 30 percent to 0.13 cents, with cash and cash equivalents of \$3,411,767 at June 30, 2015 compared to \$2,304,323 at June 30, 2014.

Pharmaust was unchanged at 0.6 cents.

INVION

Invion has requested a trading halt "pending an announcement regarding a proposed capital raising".

Trading will resume on September 1, 2015 or on an earlier announcement.

Invion last traded at 1.8 cents.

ADHERIUM

One Funds Management as trustee for Asia Pacific Healthcare Fund II says it has become a substantial shareholder in Adherium with 23,823,832 shares (17.02%).

The substantial shareholder notice, filed by the Melbourne-based Bioscience Managers said that 21,823,832 shares were acquired under a share swap agreement, with a further 2,000,000 shares acquired on August 24, 2015 for \$1,000,000 in the 50 cent a share initial public offer (BD: Aug 27, 2015).

Bioscience Managers previously told Biotech Daily that One Funds was the Bioscience Managers trustee and Bioscience Managers was part of the Phillip Capital Group.

Adherium was up two cents or three percent to 69 cents.

ADHERIUM

The Auckland New Zealand-based K One W One Ltd says it has become a substantial shareholder in Adherium with 10,990,860 shares or 7.85 percent of the company.

The substantial shareholder notice, signed by director Brian Mayo-Smith said that the shares were acquired under a share swap agreement.

BRAIN RESOURCE

The New York-based Och-Ziff Holding Corp has reduced its substantial shareholding in Brain Resource from 25,616,651 shares (19.73%) to 25,072,526 shares (18.72%).

Och-Ziff became substantial in 2013, when it said it represented associated companies based in New York, Delaware, the Cayman Islands and the British Virgin Islands, acquiring 6,734,185 shares for \$2,018,832 or 30 cents a share (BD: Aug 19, 2013).

In 2014, Och-Ziff increased shares, primarily in a placement of 15,870,000 shares at 25 cents a share (BD: Aug 27, 2014)

Today, Och-Ziff said that between July 21 and August 26, 2015 it sold 231,574 shares for \$54,672 or 23.6 cents a share.

Brain was up one cent or 5.9 percent to 18 cents.

REPRODUCTIVE HEALTH SCIENCE

Reproductive Health says it has conducted its first Embryocollect training course at its Adelaide facilities.

Reproductive Health said that the four-day course on pre-implantation genetic screening for in-vitro fertilization was attended by 15 representatives from 11 clinics in Australia, China, Indonesia, Russia and Turkey.

Reproductive Health was untraded at 15 cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says its September Bio-Briefing will tour the manufacturing plant and "lean" journey of the Australian Red Cross Blood Service.

The Network said the briefing and facility tour, entitled 'Lean in the Blood Service' will showcase the state-of-the-art processing facility in West Melbourne responsible for processing 40 percent of Australia's blood supply.

The Network said the Australian Red Cross Blood Service Melbourne Processing Centre won the 2012 Master Builders and Environmental Design Awards.

Bio-Melbourne Network chief executive officer Dr Krystal Evans said the Australian Red Cross Blood Service "collects, tests, processes and distributes blood products in Australia and has served the community for over 80 years".

The Network said that the Bio-Briefing presenters include Australian Red Cross Blood Service's manufacturing manager Shane Winzar and business process improvement manager Chris Dixon.

The industry organization said that the speakers would share stories of past experiences and provide examples of their "lean" journey.

The September 17, 2015 Bio-Briefing will be held at the Australian Red Cross Blood Service, 100-154 Batman Street, West Melbourne, with registration from 3.45pm and the Bio-Briefing and tour from 4pm to 5.30pm followed by a networking session.

To register go to: <http://www.biomelbourne.org/events/view/376>.