



Biotech Daily

Wednesday August 5, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ANALYTICA UP 12.5%, BIOTRON DOWN 9%**
- * **PHARMAXIS, SYNAIRGEN WORK ON LOXL2 FOR PULMONARY FIBROSIS**
- * **LIVING CELL PLANS 18-PATIENT NTCELL PARKINSON'S TRIAL**
- * **PRIMA ENDS BERGEN FACILITY WITH RIDGEBACK FUNDS, SHARE PLAN**
- * **UBS AG BUYS, SELLS, BORROWS, RETURNS ACRUX SHARES TO 6.5%**
- * **AMPLIPHI OTC 1-FOR-50 CONSOLIDATION TO LIST ON NYSE-MKT**
- * **MAYNE APPOINTS EXECUTIVES PETER PALTOGLOU, ERIC EVANS**

MARKET REPORT

The Australian stock market fell 0.42 percent on Wednesday August 5, 2015 with the ASX200 down 23.9 points to 5,674.0 points.

Eight of the Biotech Daily Top 40 stocks were up, 20 fell, eight traded unchanged and four were untraded. All three Big Caps fell.

Analytica was the best, up 0.1 cents or 12.5 percent to 0.9 cents with 615,010 shares traded, followed by Benitec up 10.9 percent to 96.5 cents with 844,860 shares traded.

Orthocell climbed 5.4 percent; Starpharma was up 4.4 percent; Bionomics and Genetic Technologies were up more than three percent; with Impedimed and Osprey up two percent or more.

Biotron led the falls, down one cent or 9.1 percent to 10 cents with 247,434 shares traded.

Prima and Tissue Therapies lost six percent or more; Antisense and Viralytics fell five percent or more; Anteo, Mesoblast, Oncosil and Pharmaxis fell four percent or more; Acrux and Admedus were down three percent or more; Atcor, Optiscan, Resmed and Universal Biosensors shed more than two percent; Actinogen, Compumedics, Nanosonics, Psivida and Sirtex were down more than one percent; with Cochlear, CSL and Medical Developments down by less than one percent.

PHARMAXIS

Pharmaxis says it will collaborate with Synairgen Plc to develop a selective inhibitor to the lysyl oxidase type 2 enzyme to treat the lung disease idiopathic pulmonary fibrosis. Pharmaxis said that idiopathic pulmonary fibrosis was a potentially fatal disease that affected about 100,000 people in the US.

The company said that the lysyl oxidase type 2 (LOXL2) enzyme was being targeted because it was known to promote scar tissue which hardened and irreparably damaged the lungs of idiopathic pulmonary fibrosis patients.

Pharmaxis said it was hoped that the inhibition of LOXL2 would slow the build-up of scar tissue and improve survival rates that were worse than for many cancers.

The company said that the LOXL2 inhibitor program came from the same Pharmaxis chemistry platform as the semicarbazide-sensitive amine oxidase (SSAO) inhibitor that was recently acquired by Boehringer Ingelheim (BD: May 18, 2015).

Pharmaxis said that the Southampton, England-based Synairgen would fund further activity of the program at Pharmaxis, use its bio-bank and in vitro lung model platform, and collaborate with the idiopathic pulmonary fibrosis research team at the University of Southampton to complete pre-clinical and early clinical development.

The company said that the idiopathic pulmonary fibrosis program would be managed by a joint steering committee through to the end of phase I or phase IIa clinical trials, at which time the collaboration would seek a licence partner.

Pharmaxis said that the two companies would share any licencing revenues in the ratio of total investment by each company, with the share expected to be about equal for a compound licenced for idiopathic pulmonary fibrosis after early clinical development.

Pharmaxis said it would continue to develop compounds outside the collaboration for other indications where LOXL2 inhibitors had shown potential such as liver and kidney fibrosis and metastatic cancer.

The company said that the agreement did not allow for collaboration licences for multiple indications.

Pharmaxis chief executive officer Gary Phillips said the company had made progress in its preclinical lysyl oxidase inhibitor program and in particular on LOXL2 small molecule inhibitors to treat diseases where fibrosis was a major problem.

"The significant interest among leading clinicians and pharmaceutical companies in the role of LOXL2 in a number of different diseases has highlighted the need for us to collaborate for selected indications in order to fully exploit the potential value of our intellectual property," Mr Phillips said.

"Synairgen has a demonstrated excellence in respiratory drug development, having successfully licenced its inhaled IFN-beta phase II program to Astrazeneca," Mr Phillips said.

"We believe our collaboration with Synairgen will accelerate the development of a highly competitive, once-a-day, oral treatment for patients with IPF and enable Pharmaxis to develop LOXL2 inhibitors for other potential indications such as liver and kidney fibrosis, and cancer," Mr Phillips said.

Synairgen chief executive officer Richard Marsden said that Pharmaxis had "a proven competence in the discovery and development of novel molecules, making it an ideal partner".

"Using existing financial resources from our fundraising in 2014, we will apply our bio-bank platform of advanced human tissue models and understanding of respiratory biology to develop the LOXL2 inhibitor," Mr Marsden said.

Pharmaxis fell one cent or 4.55 percent to 21 cents with 1.1 million shares traded.

LIVING CELL TECHNOLOGIES

Living Cell says it expects to begin an 18-patient, placebo controlled, phase IIb dose-ranging trial of its encapsulated pig choroid NTCell for Parkinson's disease this year.

Living Cell said the final trial design was to be determined, but it intended to recruit patients under the age of 65 who had Parkinson's disease for at least five years.

In a June poster presentation, the company said that in the phase I/II trial 40 NTCell microcapsules with about 40,000 choroid plexus cells were implanted "into the putamen on the side contralateral to that of the greatest clinical deficit in each of the four patients" (BD: Jun 15, 2015).

Today, the company said that the phase I/IIa study's best responder was the youngest patient who was diagnosed most recently.

Living Cell said that the primary endpoint of the phase IIb study would be the efficacy of NTCell for Parkinson's disease and that each cohort would receive bilateral implants of NTCell at a range of doses, with one patient per group receiving a placebo.

Living Cell said that at the end of the study, the patients who received the placebo would receive an NTCell implant at the dose determined to be most effective.

The company said it expected to complete the study in 2017, and if positive it would apply for provisional consent to treat patients in New Zealand, which would generate revenue.

Living Cell said that once 100 people had been treated with NTCell for Parkinson's disease it could begin discussions with US and European regulators.

Living Cell was untraded at 4.5 cents.

PRIMA BIOMED

Prima says it has terminated its \$US37.4 million (\$A50.8 million) draw down equity facility with New York's Bergen Global Opportunity Fund by mutual consent.

Prima said the facility was established in October 2014 to assist funding the acquisition of Immutep SA, which was completed in December 2014 (BD: Oct 2, Dec 17, 2014).

The company said that the facility provided about \$US4 million to bridge it to its recent Ridgeback Capital investment and share purchase plan (BD: May 14, Jul 27, 2015).

Prima chief executive officer Marc Voigt said that Bergen Asset Management "proved to be a helpful funding partner for Prima" and thanked the company for its support "at what was a critical turning point for our company during 2014 and early 2015".

The company said it had received cleared funds from Ridgeback and would issue a total of 379,921,226 warrants to the company (BD: May 14, 2015).

Prima said that it was "well-funded for further development of its lead compound, IMP321 ... expected to enter its phase IIb study in metastatic breast cancer ... this year".

Prima fell 0.3 cents or six percent to 4.7 cents with 13.1 million shares traded.

ACRUX

The Singapore-based UBS AG and related bodies corporate have reduced their holding in Acrux from 13,647,140 shares (8.20%) to 10,771,754 shares (6.47%).

UBS AG said that between February 18 and July 31, 2015, in more than 950 mainly very small trades, it bought, sold, borrowed and returned shares for institutions, including Citibank, Citigroup, JP Morgan Chase Bank, Macquarie Bank, Morgan Stanley, the Northern Trust Company, Brown Brothers Harriman, BMO Capital Markets Corp and State Street Bank & Trust Co.

Acrux fell two cents or 2.96 percent to 65.5 cents with 1.2 million shares traded.

AMPLIPHI BIOSCIENCES CORPORATION

The Richmond Virginia-based Ampliphi says it will conduct a one-for-fifty consolidation and apply to list on the New York Stock Exchange-MKT.

The NYSE website said that the MKT division was the exchange for small-capitalization companies.

Ampliphi developing bacteriophage-based antibacterial therapies to treat drug resistant infections and has a facility in Sydney.

Ampliphi chief executive officer Scott Salka said that "by listing on a national exchange we will significantly increase the marketability of the company's common stock among both institutional and retail investors focused on national exchange-listed securities".

"Following our recent successful financing round in March 2015, Ampliphi remains in a solid financial position to execute on its near-term corporate objectives and we expect that the [consolidation] split will encourage greater interest in our common stock by the financial community and the investing public," Mr Salka said.

Ampliphi said that the consolidation would be effective from the market open on August 7, 2015 and it would trade from that time on the US Over-the-Counter QB market under the symbol APHBD.

Last night, Ampliphi closed unchanged on the OTCQB market at 18 US cents, with 1,269,740 shares traded.

MAYNE PHARMA GROUP

Mayne Pharma says it has appointed Peter Paltoglou as head of corporate and business development and Eric Evans as chief financial officer of Mayne Pharma USA.

Mayne said that Mr Paltoglou would be responsible for mergers and acquisitions, strategic planning, licencing and third party partnerships.

The company said that Mr Paltoglou had more than 15 years experience in public and private mergers and acquisitions, capital management and corporate strategy across a range of market sectors.

Mayne said that Mr Paltoglou was previously Credit Suisse Emerging Companies Australia investment banking managing director where he advised Mayne on the acquisitions of Metrics and Doryx, the recently completed debt refinancing and other enterprise and product deals.

The company said that Mr Evans had more than 30 years experience in financial leadership roles in the pharmaceutical and contract services sectors.

Mayne said that Mr Evans was previously chief financial officer at AAI Pharma Services and prior to that was chief financial officer at Patheon Inc and Sandoz US.

Mayne was up two cents or 1.65 percent to \$1.23 with 2.05 million shares traded.