



Biotech Daily

Tuesday September 15, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: CLINUVEL UP 14%; PRIMA DOWN 6.5%**
- * **ORTHOCELL STUDY BACKS CELL FACTORY FOR BONE HEALING**
- * **AUSBIOTECH WANTS PM MALCOLM TURNBULL TO SPEED TAX REFORM**
- * **CORRECTION: FEDERAL BIOTECH GRANTS**
- * **IMUGENE AGM FOR DIRECTORS, COO STOCK, INCREASE POOL TO \$400k**
- * **NICHOLAS MCDONALD DILUTED TO 7.6% IN BIOTECH CAPITAL**
- * **GENETIC SIGNATURES APPOINTS DR TONY RADFORD DIRECTOR**

MARKET REPORT

The Australian stock market fell 1.53 percent on Tuesday September 15, 2015 with the ASX200 down 78.1 points to 5,018.4 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 12 fell, nine traded unchanged and four were untraded. All three Big Caps fell.

Clinuvel was the best, up 37 cents or 14.1 percent to \$2.99 with 19,462 shares traded, followed by Oncosil up 13.0 percent to 13 cents with 7.96 million shares traded.

Orthocell climbed 9.4 percent; Anteo was up 7.1 percent; Polynovo rose five percent; Medical Developments and Osprey were up more than three percent; Antisense and Avita rose more than two percent; Impedimed, Nanosonics, Tissue Therapies and Viralytics were up more than one percent; with Acrux and Sirtex up by less than one percent.

Prima led the falls, down 0.4 cents or 6.45 percent to 5.8 cents with 2.95 million shares traded, despite chair Lucy Turnbull's husband (Malcolm) being appointed Prime Minister.

Neuren and Pharmaxis lost more than four percent; Cellmid and Mesoblast were down more than three percent; Admedus and Ellex shed more than two percent; Actinogen, Bionomics, Biotron, CSL, Reva, Resmed and Starpharma were down more than one percent; with Cochlear down 0.8 percent.

ORTHOCELL

Orthocell says a study has further validated the potential of combining its 'cell factory' derived bioactive molecules with an antibiotic containing bone substitute.

Orthocell said that the cell factory data was presented at the European Bone and Joint Infection Society in Estoril, Portugal September 10-12, 2015.

The company said that its cell factory-derived bioactive molecules from bone might enhance regeneration of slow healing bone defects common in chronic osteomyelitis

Orthocell said that the data was a result of a collaboration with institutes in Sweden, Australia, Denmark, India and UK and supported its intellectual property around the generation of tissue-specific growth factors for the regeneration of cartilage and bone.

In July, the company said that a rabbit study had shown that the intra-articular injection of "bioactive molecules along with chondrocyte-seeded scaffolds further enhance the repair" of sub-chondral cartilage defects (BD: Jul 16, 2015).

Today, Orthocell said that the new study "supported the role of growth factors and extracellular matrix proteins which were derived by the researchers from bone cells cultivated in a cell factory, to be combined with scaffolds, to regenerate serious bone defects".

Orthocell chief executive officer Paul Anderson said that unhealed fractures, particularly those involving infections, were one of the most difficult orthopaedic conditions to treat "and this work holds great promise for an effective solution".

"This has the potential to be a clinically effective and cost effective approach for the regeneration of chronic bone defects," Mr Anderson said.

Orthocell climbed five cents or 9.4 percent to 58 cents with 1.5 million shares traded.

AUSBIOTECH

Ausbiotech says it welcomes Malcolm Turnbull's appointment as Prime Minister and hopes he will expedite tax reform to support innovation.

Ausbiotech said it hoped "the Government can overcome a period of inertia and fast-track tax reform to support Australia's strengths and future in [research and development] based innovation".

Ausbiotech chief executive officer Dr Anna Lavelle said that "public funding will not be able to fully leverage Australia's innovation to gain economic and social benefit, we need instead to look to tax reform".

"The first step would be to abandon current attempts in the Senate to undermine the successful Research and Development Tax Incentive with a 1.5 percent cut," Dr Lavelle said.

"International competition for intellectual property and investment is extreme and it is increasing in pace," Dr Lavelle said. "The serious investment occurring in many other countries is not currently occurring in Australia."

"Australia now needs to decide the importance of innovation in its economic future, its role in productivity and jobs and make an appropriately serious commitment to deriving those desired outcomes," Dr Lavelle said.

Ausbiotech said that in submissions to the Innovation Inquiry and the Tax Review, it had been arguing the case for tax reform as the most effective lever to support and increase innovation, to benefit from the jobs, exports and economic gains.

The industry organization said it advocated the preservation of the R&D Tax Incentive, the introduction of an Australian innovation and manufacturing incentive, to provide a lower tax rate on profit derived from intellectual property-related manufacturing and commercialization and an incentive for investors to invest for longer periods.

FEDERAL GOVERNMENT

Last night's edition reported that medical research companies won three of 24 Federal Government grants worth \$2,379,466 of \$14.6 million under the Entrepreneurs' Program. The sub-editor overlooked the Townsville, Queensland-based Coral Sunscreen Pty Ltd which was awarded \$819,000 for coral-based ultra-violet photo-protective filters for human and material ultra-violet light protection, taking the total to four biotechnology research companies being granted \$3,198,466 of the \$14.6 million total. The Monday sub-editor was distracted by the blindingly bright sunshine in Melbourne and the challenge for the Prime Ministership by the husband of Prima chairman Lucy Turnbull. Biotech Daily apologizes for the error.

IMUGENE

Imugene will vote to issue directors and management shares and options and increase directors remuneration 33 percent to \$400,000. Imugene said that it proposed to issue chief operating officer Leslie Chong shares to the value of \$20,000 at the closing price on the day prior to issue, equivalent to 2,500,000 shares at today's price of 0.8 cents, as well as 27,000,000 options in three tranches. The company said that proposed to issue former chief executive officer and director Charles Walker 1,500,000 shares at 0.75 cents a share and 750,000 options, as well as 25,000,000 options for director Dr Axel Hoos in four tranches. Imugene said that the meeting would vote to increase the aggregate fee pool for non-executive directors from \$300,000 to \$400,000. The company said that investors would vote to approve the issue of 367,166,666 shares at 0.75 cents a share and 183,583,333 options exercisable at 1.5 cents by March 31, 2017 in a planned capital raising, as well as ratify the issue of 210,000,000 shares in a prior placement (BD: Nov 13, Dec 9, 2014). Imugene said that shareholders would vote to approve the issue of 31,333,334 shares at 0.75 cents a share and 15,666,667 options to director Otto Buttala in the planned capital raising, as well as elect directors Dr Hoos and Mr Walker. The meeting will be held at Giorgios Restaurant Function Room, 1235 High Street, Armadale, Victoria on October 15, 2015 at 10.30am (AEDT). Imugene was unchanged at 0.8 cents with 1.6 million shares traded.

BIOTECH CAPITAL

Nicholas McDonald says he has increased his holding in Biotech Capital from 7,371,455 shares to 7,456,990 shares, but has been diluted to 7.56 percent. The substantial shareholder notice said the shares were held by the Sydney-based Mr McDonald directly and as a director of Pritdown Pty Ltd. Mr McDonald said he acquired 85,545 shares on September 10, 2015 but did not specify the consideration. Earlier this month, Biotech Capital raised \$1,028,847 through the issue of 12,860,583 shares at eight cents each to the Auckland Trust Co (BD: Sep 1, 2015). Biotech Capital fell 1.5 cents or 10.7 percent to 12.5 cents.

GENETIC SIGNATURES

Genetic Signatures has appointed former Cellestis chief executive officer Dr Tony Radford as a director, effective immediately.

Genetic Signatures said that Dr Radford was a member of the Commonwealth Scientific and Industrial Research Organisation team that invented the Quantiferon method for cellular immune-based diagnostics.

The company said that Dr Radford joined Amrad in pharmaceutical research and was its head of development in 2000 when he left to co-found Cellestis, which listed on the ASX in 2001 to develop Quantiferon Gold to diagnose tuberculosis.

Cellestis was sold to Qiagen in 2011 for \$365.3 million (BD: Jul 11, Aug 10, 2011).

Dr Radford holds a Doctorate of Philosophy from La Trobe University in Melbourne.

Genetic Signatures was up two cents or 4.4 percent to 47 cents.