



Biotech Daily

Friday October 30, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: NANOSONICS UP 17%; LIVING CELL DOWN 6%**
- * **OBJ: 'MAGNETIC MICROARRAY DOUBLES DISINFECTANT KILL POWER'**
- * **NANOSONICS Q1 TROPHON SALES UP 56% TO \$6.5m**
- * **HEARTWARE Q3 REVENUE DOWN 5% TO \$92m**
- * **MESOBLAST TWO WEEK 'CAPITAL RAISING' SUSPENSION**
- * **PRIMA PLACES \$2m**
- * **CIRCADIAN NAME CHANGE TO OPTHEA AGM**
- * **NUSEP NAME CHANGE TO MEMPHASYS, SPILL, DIRECTORS STOCK AGM**
- * **CFO ALICESON ROURKE REPLACES CELLMID CO SEC LUCY ROWE**
- * **BIOTECH DAILY REVIEW OF APPENDIX 4C FILINGS**

MARKET REPORT

The Australian stock market fell 0.52 percent on Friday October 30, 2015, with the ASX200 down 27.5 points to 5,239.4 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 13 fell, eight traded unchanged and three were untraded. All three Big Caps rose.

Nanosonics was the best, up 23 cents or 16.8 percent to \$1.60 with 1.5 million shares traded.

Antisense climbed nine percent; Compumedics and Osprey were up more than seven percent; Oncosil rose 6.1 percent; Genetic Technologies improved 5.9 percent; Prana was up 4.55 percent; Bionomics, Starpharma and Uscom rose more than two percent; Atcor, Clinuvel, Impedimed, Sirtex and Viralytics were up more than one percent; with Cochlear, CSL, Psivida and Resmed up by less than one percent.

Living Cell led the falls, down 0.3 cents or 5.7 percent to five cents with 1.3 million shares traded. Admedus, Anteo and Pharmaxis fell more than four percent; Benitec, Ellex, Orthocell, Polynovo and Universal Biosensors were down more than three percent; Acrux and IDT shed two percent or more; with Neuren and Reva down more than one percent.

OBJ

OBJ says that preliminary study results show that an applicator containing its magnetic microarray technology killed more bacteria than traditional methods.

OBJ said the University of Western Australia's department of microbiology and immunology study showed "further progress in the company's surface hygiene development program that commenced in 2010 to explore the impact of magnetic microarrays on the microfluidic flow conditions in hard surfaces that limit the penetration by antiseptic agents".

The company said the study by Prof Tom Riley "demonstrated that the OBJ technology almost doubled the kill rate of *Staphylococcus aureus* ... on stainless steel, compared with traditional cleaning and disinfectant methods".

OBJ said its technology altered the surface wetting conditions at a microscopic level, allowing common disinfectants such as triclosan to better penetrate surface cracks and fissures that harbored bacteria commonly found in hospitals, households and industry.

OBJ hygiene project leader Phil Russell said that "by increasing the penetration of common disinfectants into the surfaces ... we hope to significantly increase hygiene without the need for harsher or more toxic chemistry in disinfectants".

"By tackling the barriers to effective surface penetration using a low-cost cloth-based technology, we hope to contribute to the global fight against antibiotic resistant bacteria," Mr Russell said.

OBJ said that it began work on surface hygiene in 2010 and lodged patent protection applications in 2011, following work by Bradford University which showed that the OBJ microarray technology could increase the penetration of common materials.

The company said that surface hygiene was "a multi-billion dollar commercial sector involving household cleaning, hospital disinfection and industrial cleaning applications".

OBJ fell 0.2 cents or 3.45 percent to 5.6 cents with 4.2 million shares traded.

NANOSONICS

Nanosonics says Trophon EPR sales increased 56.3 percent to \$6,457,000 for the three months to September 30, 2015, compared to the previous quarter.

Nanosonics said that revenue from the ultrasound probe disinfection systems was up 7.4 percent compared to the three months to September 30, 2014.

The company said that the increase on the previous three months indicated that North American direct sales were beginning to gain momentum.

Nanosonics said that the installed base in North America continued to grow strongly with more than 5,700 units in use.

Nanosonics chief executive officer Michael Kavanagh said that "adoption of Trophon continues to grow strongly as awareness of the risk of cross contamination with ultrasound probes becomes prominent in risk assessments in healthcare facilities".

"In September the US Centers for Disease Control and Prevention issued an alert emphasising that reusable medical devices must be properly maintained, cleaned and disinfected, and urges healthcare facilities to immediately review current practice to protect patients," Mr Kavanagh said.

"This is coupled with recent evidence demonstrating that the commonly used disinfectants in soaking methods, Gluteraldehyde and Cidex OPA, are ineffective against human papillomavirus, the primary cause of cervical cancer," Mr Kavanagh said.

"The trophon EPR is the only system proven to be effective against cancer causing [human papillomavirus]," Mr Kavanagh said.

Nanosonics was up 23 cents or 16.8 percent to \$1.60 with 1.5 million shares traded.

HEARTWARE INTERNATIONAL

Heartware says revenue for the three months to September 30, 2015 fell five percent to \$US65.2 million (\$A91.8 million) compared to the previous corresponding period. Heartware said that the fall reflected “completion of enrolment in [the] destination therapy clinical trial and international currency weakness”.

The company said that international unit sales increased 18 percent compared to the same period in 2014 with a total of 697 Heartware ventricular assist devices sold worldwide, an increase of 3.3 percent on the three months to September 30, 2014. On the Nasdaq last night, Heartware fell 51 US cents or 1.18 percent to \$US42.79 (\$A60.29 equivalent to \$1.72 when it left the ASX) with 872,073 shares traded.

MESOBLAST

Mesoblast has requested a voluntary suspension, pending an announcement “in connection with a potential international capital raising”.

Mesoblast said that it expected to announce the results of the capital raising on November 13, 2015.

Mesoblast last traded at \$3.41.

PRIMA BIOMED

Prima says it has raised \$2.0 million through a placement at five cents a share to an unnamed Australian institutional investor.

Prima said that the proceeds would be used to fund its IMP321 clinical trial program and provide additional working capital to fund operations into 2017.

Prima was unchanged at 5.7 cents with three million shares traded.

CIRCADIAN TECHNOLOGIES

Shareholders of Australia’s first listed biotechnology company will vote to change its name from Circadian Technologies to Opthea.

Circadian listed to develop a melatonin-agonist treatment for jet-lag, later becoming an incubator for several companies and in 2006 acquired the vascular endothelial growth factor assets from the Ludwig Institute, for cancer and ocular disease (BD: May 1, 2006).

Circadian was involved in the establishment of, or had interests in, Antisense, Avexa, Metabolic, Optiscan and Zenyth.

The company said that the change of name was “consistent with its strategic focus on its lead molecule OPT-302 and the treatment of eye diseases [and] makes commercial sense for effective marketing and product development and more closely aligns the principal activities of the company with its corporate identity”.

Circadian said that other resolutions to the meeting included the re-election of chair Dominique Fisher and adoption of the remuneration report.

The meeting will be held at Computershare, Yarra Falls, 452 Johnson Street Abbotsford, Melbourne, on November 30, 2015 at 11am (AEDT).

Circadian was untraded at 24.5 cents.

[NUSEP HOLDINGS](#)

Nusep says its shareholders will vote on a change of name to Memphasys, the issue of 12,000,000 options for executive chair Alison Coutts and a potential spill motion.

Nusep said that the annual general meeting would vote to issue shares to the value of \$135,000 to Ms Coutts and \$83,300 each to directors Mark Gell and Michael Graham in lieu of cash payments.

The company said that Memphasys was “a play on the words ‘membranes’, ‘emphasis’ and ‘systems’ [and] the new emphasis is on membranes and innovative biological separation systems”.

Nusep said that Ms Coutts 12,000,000 options would vest in three annual tranches exercisable at 150 percent of the 15-day volume-weighted average price to November 30, 2015 and expiring on December 5 2020, 2021 and 2022.

Last year’s meeting saw controversy over several issues with some resolutions being withdrawn before the meeting and the company recording a “first strike” with 20,510,822 votes (31.78%) against the remuneration report and 44,027,564 votes (68.22%) in favor (BD: Dec 19, 2014).

The Corporations Act (Section 250U) provides for a ‘two strikes and re-election’ process if a company’s remuneration report is opposed by more than 25 percent of votes on two consecutive occasions, taking the company to a vote on a board spill motion.

Nusep said that other resolutions to the meeting included the amendment of the employee share option plan, approval of the 10 percent placement capacity and the re-election of Ms Coutts.

The meeting will be held at Nusep, 30 Richmond Road, Homebush, New South Wales, on November 30, 2015 at 11am (AEDT).

Nusep was untraded at 4.1 cents.

[CELLMID](#)

Cellmid says that chief financial officer Aliceson Rourke will replace company secretary Lucy Rowe, effective from November 1, 2015.

Cellmid said that Ms Rourke was appointed chief financial officer in March and previously had experience as company secretary.

In March, the company appointed Ms Rowe company secretary replacing joint company secretaries Nicholas Falzon and Jillian McGregor (BD: Mar 31, 2015).

Cellmid was unchanged at 3.1 cents.

[BIOTECH DAILY APPENDIX 4C REPORTS](#)

Biotech Daily has read 31 Appendix 4C Quarterly Reports today and it is pleasing to report that all but a handful had more than six months of cash.

More importantly, the few that reported less than two quarters cash clearly explained in covering notes that they had unusual expenditure in the previous three months or expected the imminent receipt of funds to cover the coming six months.

Any Quarterly Reports filed after 5pm AEDT today that do not have six months cash and do not clearly explain how the issue will be resolved will be published in Monday’s edition.

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