



# Biotech Daily

Friday November 20, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: LIVING CELL UP 8%; MESOBLAST DOWN 7%**
- \* **CORRECTION: MESOBLAST EDITORIAL, 13-MONTH RUNWAY**
- \* **PSIVIDA FILES US SEC UP-TO-\$105m REGISTRATION STATEMENT**
- \* **ORTHOCELL RAISES \$4.3m, \$100k TO GO**
- \* **INNATE RAISES \$4m**
- \* **USCOM: 'US, AUSTRALIA REIMBURSEMENT TO DRIVE SALES'**
- \* **CORRECTION: BIONOMICS**
- \* **PRESCIENT RELEASES 4.6m ESCROW SHARES**
- \* **DEUTSCHE BANK BUYS, BORROWS TO 5% OF GENETIC TECHNOLOGIES**
- \* **SANDON CAPITAL TAKES 18% OF ALCHEMIA**

## MARKET REPORT

The Australian stock market climbed 0.26 percent on Friday November 20, 2015 with the ASX200 up 13.5 points to 5,256.0 points. Eleven of the Biotech Daily Top 40 stocks were up, 19 fell, eight traded unchanged and two were untraded.

Living Cell was the best, up 0.4 cents or eight percent to 5.4 cents with 679,805 shares traded.

IDT climbed 5.6 percent; Biotron was up 4.3 percent; Actinogen, Avita, Reva and Tissue Therapies rose more than two percent; Anteo, Circadian and Pro Medicus were up more than one percent; with Cochlear, CSL and Nanosonics up by less than one percent.

Mesoblast led the falls, to precisely half of its pre-Nasdaq foray, down a further 12.5 cents or 6.8 percent to \$1.705 with 2.1 million shares traded.

Antisense and Polynovo lost more than five percent; Benitec fell four percent; Orthocell, Prana, Prima and Universal Biosensors were down more than three percent; Atcor, Clinuvel, Pharmaxis and Psivida shed more than two percent; with Acrux, Admedus, Impedimed, Medical Developments, Osprey, Resmed, Sirtex and Starpharma down one percent or more.

### CORRECTION: MESOBLAST

Last night's edition calculated Mesoblast's runway as 18 months based on its most recent Appendix 4C Quarterly Report

Biotech Daily's vice-president of mathematical computations did not realize that the Appendix 4C for the three months to September 30 was the first following the company's change to reporting in US dollars.

With a spend of \$US28.1 million for the three months to September 30, 2015 and \$US77.8 million in cash at that time, Mesoblast had three quarters of cash.

The net proceeds from the Nasdaq initial public offer was \$US58.8 million, not the gross proceeds of \$A95.8 million used to calculate the reported "secure 18 month runway".

This means that with \$US136.6 million at the September quarter burn rate, Mesoblast had 14.6 months of cash, from September 30, now 13 months, and not 18 months.

The vice-president of mathematical computations and the sub-editor have been dismissed without pay.

Mesoblast fell a further 12.5 cents or 6.8 percent to \$1.705 with 2.1 million shares traded.

### PSIVIDA

Psivida has filed a US Securities and Exchange Commission registration statement for the issue of up to \$US75,000,000 (\$A105,152,000) in stock.

Psivida said that it "may offer from time to time, in one or more series or issuances and at prices and on terms that will be determined at the time of offering, up to \$US75,000,000 in gross proceeds ... of common stock, preferred stock, debt securities, warrants [and/or] units".

"We intend to use the net proceeds from the sale of the securities for our general corporate purposes, which may include funding our clinical trials, capital expenditures, acquisitions and working capital," Psivida said in the SEC filing.

"Pending use, the net proceeds also may be temporarily invested in short-term securities," the company said.

Psivida did not file a statement to the ASX about the potential capital raising.

Psivida fell 15 cents or 2.8 percent to \$5.15.

### ORTHOCELL

Orthocell says has raised \$4,326,862 through its placement to investors in the US and Australia and expects to raise a further \$100,000 from company directors and officers.

Orthocell said it had issued 8,776,597 shares at 49.3 cents a share to raise \$4,326,862 from institutional investors, with 11,848,403 attaching options (BD: Nov 17, 2015).

The company said that Roth Capital Partners acted as sole US placement agent and would receive 6.5 percent of the \$3.3 million raised from US investors.

Orthocell fell two cents or 3.9 percent to 49.5 cents.

### INNATE IMMUNOTHERAPEUTICS

Innate says it has raised \$4,073,600 in a placement of 23,962,355 shares at 17 cents a share.

In September, Innate said that it had commitments to raise a minimum of \$3,449,100 (BD: Sep 21, 2015).

Innate was untraded at 20 cents.

## USCOM

Uscom says that apart from China all of its sales so far have been without reimbursement and the application of US codes will drive increased sales.

Uscom executive chairman Prof Robert Phillips told Biotech Daily that the application of the American Medical Association-authorized common procedural terminology (CPT) codes would "drive sales significantly".

Prof Phillips said that Uscom acquired the Thor spirometry suite which was already covered by CPT codes and the tests were priced from \$US36 to \$US61 and following US Food and Drug Administration approval was expected to begin sales in 2016.

In a media release to the ASX, Uscom said that the Thor spirometer would retail in the US for about \$US2,000.

The company said that it was selling the Uscom 1A ultra-sonic cardiac output monitor in the US and preparing to sell the Uscom BP+ central blood pressure diagnostic.

The company said that all of its devices had FDA clearance and were either covered by CPT codes or under evaluation by the American Medical Association.

Uscom said that the BP+ would retail at about \$US3,000, competing with devices ranging in price from \$US5,000 to \$US20,000 and under the 93050 central blood pressure code would be entitled to \$US17.91 reimbursement per test.

The company said that the Uscom 1A was being evaluated by the AMA for consideration of a CPT code and it had sought inclusion of the Uscom 1A service under the code for unlisted ultrasound services 76999, valued at \$US76 per service.

The company said that the Uscom 1A was under review for funding in Australia, but had been reimbursed in China for about three years at about \$57 per test.

Uscom head of business development Stephen Wilson said that "while reimbursement is an important objective for Uscom to further strengthen our business and increase sales, all our current growth has come without US CPT code reimbursement".

"As BP+ and the Thor spirometers are released to market in early 2016 and new codes are recognised worldwide and doctors are made aware of these changes, the effect on operations is anticipated to be significant," Mr Wilson said.

Uscom was unchanged at 19.5 cents.

## CORRECTION: BIONOMICS

Last night's edition reported Bionomics director Dr Jonathan Lim's resignation, wrongly saying there was "no separate announcement of either his appointment or departure".

While Dr Lim's departure was announced in one sentence of the chairman's report to the annual general meeting on November 18 and in an Appendix 3Z Final Director's Interest notice, Dr Lim's appointment was announced as part of the 2012 Eclipse Therapeutics acquisition for drug candidates targeting cancer stem cells (BD: Sep 17, 2012).

Biotech Daily apologizes unreservedly for the mistake made by the sub-editor, who has already been dismissed (see above).

Bionomics was unchanged at 48.5 cents.

## PRESCIENT THERAPEUTICS

Prescient says that 4,583,338 shares will be released from ASX escrow on December 11, 2015 and following the release there will be no more securities in escrow.

The company said that following the release there would be 57,248,221 shares available for trading, not including shares in the current share purchase plan to raise \$1,201,500.

Prescient was up 0.4 cents or 5.9 percent to 7.2 cents.

## GENETIC TECHNOLOGIES

Deutsche Bank and related bodies corporate say they have primarily “borrowed”, “returned” as well as bought and sold to become substantial in Genetic Technologies. The Wilmington Delaware and Sydney based Deutsche Bank said that between July 20 and November 17, 2015 it had borrowed and returned shares at no cost, in about 200 transactions, as well as several purchases and sales at two and three cents, resulting in a holding of 579200 American depository receipts equivalent to 86,880,000 Australian shares or 5.07 percent to the company. Genetic Technologies was unchanged at 2.4 cents with 2.8 million shares traded.

## ALCHEMIA

The Sydney-based Sandon Capital says it has increased its substantial holding in Alchemia from 50,543,624 shares (15.6%) to 59,159,180 shares (18.2%). Sandon said it bought the 8,615,556 shares on-market, on November 19, 2015 for \$799,493 or an average price of 9.3 cents a share. Alchemia was unchanged at 9.2 cents.