



# Biotech Daily

Tuesday November 3, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH FLAT: VIRALYTICS UP 6%, TISSUE THERAPIES DOWN 8%**
- \* **MESOBLAST US SEC FORM, IMPLIES \$98m NASDAQ IPO**
- \* **SOMNOMED BUYS CANADA'S STRONG DENTAL FOR \$743k**
- \* **IMPEDIMED, HARVARD CARDIAC BIO-IMPEDANCE SPECTROSCOPY**
- \* **BIOTA APPOINTS MARK COLONNESE CFO**

## MARKET REPORT

The Australian stock market recovered 1.4 percent on Tuesday November 3, 2015, the Melbourne Cup Day public holiday, with the ASX200 up 73.4 points to 5,239.2 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 13 fell, seven traded unchanged and six were untraded. All three Big Caps were up.

Viralytics was the best, up 3.5 cents or 6.4 percent to 58 cents with 92,000 shares traded.

Genetic Technologies and Prima climbed more than five percent; IDT was up 3.85 percent; CSL, Living Cell, Medical Developments and Starpharma rose more than two percent; Actinogen, Admedus, Impedimed and Orthocell were up by more than one percent; with Cochlear, Ellex, Pro Medicus, Resmed and Sirtex up by less than one percent.

Tissue Therapies led the falls, down 0.4 cents or 8.3 percent to 4.4 cents with 473,751 shares traded followed by Oncosil down 8.1 percent to 17 cents with 2.4 million shares traded.

Optiscan lost 7.3 percent; Atcor fell 4.55 percent; Cellmid, Nanosonics and Osprey were down more than three percent; Pharmaxis shed 2.2 percent; with Acrux, Anteo, Benitec, Bionomics and Neuren down by more than one percent.

## MESOBLAST

Mesoblast says it has filed a registration statement to the US Securities and Exchange Commission offering 5,742,510 American depositary shares and to list on the Nasdaq. Mesoblast said it had applied to list its American depositary shares (ADSs) on the Nasdaq Global Select Market under the symbol 'MESO' where they will trade in US dollars, with each ADS equivalent to five Australian shares (BD: Oct 30, Nov 2, 2015).

The company said that the number of American depositary shares and the issue price, in US dollars would be determined by Mesoblast in conjunction with the underwriters at the conclusion of the offer process.

When Mesoblast requested a suspension for the capital raising it closed at \$3.41, implying the US shares would be priced about \$17.05 pending discounts or premium pricing, implying a total raise of \$97,909,796.

Mesoblast said the registration statement was subject to completion and amendment. The company said it intended to use the proceeds for clinical programs, research and development expenses, commercial manufacturing requirements and general and administrative purposes.

Mesoblast said that JP Morgan and Credit Suisse were the joint book-running managers of the offer and the representatives of the underwriters.

Mesoblast last traded at \$3.41.

## SOMNOMED

Somnomed says through subsidiary Somnomed Canada it has acquired the business of the Leamington, Ontario-based Strong Dental for \$C700,000 (\$A743,334).

Somnomed said the acquisition included the transfer of lease liabilities and covered Strong Dental's assets, an exclusive licence to all patents linked to Strong Dental devices for sleep disordered breathing and the employment of key staff.

The company said that Strong Dental owner Patrick Strong would be a consultant responsible for the day-to-day operations of Somnomed Canada.

Somnomed said that Mr Strong was the inventor of the mouth-guard-style Strong Upper Airway Dilating (Suad) device, distributed in the US and Canada.

The company said the Suad appliances for sleep disordered breathing were "well-known amongst dentists treating obstructive sleep apnoea patients and are used especially for patients whose health conditions require a specialized device".

Somnomed said that Strong Dental used digital technology in the production process of making models and components, which strengthened its oral appliances.

Somnomed executive chairman Dr Peter Neustadt said that Canada was "the last major OECD market where Somnomed distributed its products primarily through licencees".

"It is our policy to have our own distribution in all our core markets and thus directly control marketing and sales of our Somnodent devices," Dr Neustadt said.

"The acquisition of [Strong Dental] in Canada will not only add a highly reputable device to our line of products, which we can offer globally, but it will also give Somnomed its own service and logistic hub, which is a precondition for selling our Somnodent products directly in Canada," Dr Neustadt said.

Dr Neustadt said that as the continuous open airway therapy (Coat) was "becoming an increasingly accepted medical treatment for obstructive sleep apnoea, the sale of oral appliances has transitioned from a dental to a medical device business".

"Adding an operation in Canada should allow us, at the same time, to build the direct sales of Somnodent devices in Canada more aggressively," Dr Neustadt said.

Somnomed was up one cent or 0.4 percent to \$2.77.

## IMPEDIMED

Impedimed says it has an agreement with the Harvard Clinical Research Institute to advance research for the use of bio-impedance spectroscopy in fluid detection.

Impedimed said that initial activities with the Boston, Massachusetts-based Institute would be to organize and manage a medical advisory board to assess the use of bio-impedance spectroscopy in chronic heart failure patients.

Impedimed chief executive officer Richard Carreon said the company's bio-impedance spectroscopy technology "could provide a cost effective solution for better management of fluid detection and accumulation in chronic disease management".

The company's first bio-impedance spectroscopy product was the L-Dex U400 for measuring arm lymphoedema following breast cancer surgery (BD: Oct 16, 2008).

Impedimed was up 1.5 cents or 1.5 percent to \$1.00.

## BIOTA PHARMACEUTICALS

Biota says it has appointed Mark Colonnese as chief financial officer and executive vice-president, effective immediately.

Biota said that Mr Colonnese was previously chief financial officer at Transgenomic and Atherogenics and held executive positions at Schering-Plough Corp.

The company said that Mr Colonnese held a Bachelor of Science from Ithaca College, New York and a Masters of Business Administration from Fairleigh Dickinson University, New Jersey.

Biota did not state whether or whom Mr Colonnese was replacing, but its website said that Peter Azzarello was the finance vice-president.

The company's annual report did not use the term chief financial officer but said that executive chairman Russell Plumb was the "principal financial officer" with Mr Azzarello the finance vice-president and chief accounting officer.

Last night on the Nasdaq, Biota was up nine US cents or 4.66 percent to \$US2.02 (\$A2.82 equivalent to 35.2 cents before it departed the ASX) with 35,864 shares traded.