



Biotech Daily

Friday March 18, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN: PRANA UP 11%, BIOTRON DOWN 13%**
- * **BIOTA SELLS ANTIBIOTIC ASSETS TO SPERO**
- * **TISSUE THERAPIES \$15m 'KEY TO TURNAROUND'**
- * **CLARITY WINS \$1m FEDERAL COMMERCIALIZATION GRANT**
- * **COGSTATE WINS \$2.6m DEPRESSION EXTENSION STUDY CONTRACT**
- * **ANALYTICA \$1.8m PLACEMENTS SHARE PLAN**
- * **MEDADVISOR BEGINS TRIAL OF GP LINK TO MONITOR MEDICATION USE**
- * **NOVOGEN: 42% DISSENT AGAINST IAIN ROSS, 31% OPPOSE CEO OPTIONS**
- * **FIL TAKES 9.6% OF CLINUVEL**
- * **VIBURNUM, WYLLIE FUNDS TAKE 12% OF UNIVERSAL BIOSENSORS**
- * **SIRTEX LOSES AMERICAS HEAD MIKE MANGANO**

MARKET REPORT

The Australian stock market was up 0.29 percent on Friday March 18, 2016 with the ASX200 up 14.9 points to 5,183.1 points. Fifteen of the Biotech Daily Top 40 stocks were up, 16 fell, six traded unchanged and three were untraded. All three Big Caps fell.

Prana was the best, up 0.8 cents or 11.4 percent to 7.8 cents with 64,780 shares traded. Starpharma climbed 6.2 percent; Admedus rose 5.15 percent; Benitec, Impedimed, Pharmaxis and Universal Biosensors were up more than four percent; Pro Medicus was up 3.7 percent; Actinogen rose 2.6 percent; Bionomics, IDT, Medical Developments, Reva and Viralytics were up more than one percent; with Clinuvel up 0.3 percent.

Yesterday's best, Biotron, led the falls, down 1.1 cents or 13.1 percent to 7.3 cents with 2.3 million shares traded. Oncosil and Psivida lost more than nine percent; Osprey and Sirtex were down more than five percent; Anteo, Compumedics, Nanosonics and Tissue Therapies fell more than four percent; Mesoblast lost 3.6 percent; Acrux, Antisense, Neuren, Orthocell, Prima and Resmed shed more than two percent; CSL and Ellex were down more than one percent; with Cochlear down half a percent.

BIOTA PHARMACEUTICALS

Biota says it has sold the assets related to its broad spectrum antibiotic program to a subsidiary of the Cambridge, Massachusetts-based Spero Therapeutics.

Biota said that value of the deal was not disclosed.

Biota chief executive officer Dr Joseph Patti said that the transaction “gives us the opportunity to economically benefit from the antibiotic assets in our infectious disease portfolio and to fully focus our resources on our clinical-stage direct antiviral programs aimed at addressing infections with limited therapeutic options”.

On the Nasdaq last night, Biota was up two US cents or 1.31 percent to \$US1.55 (\$A2.025 equivalent to 25.3 cents before departing the ASX) with 172,348 shares traded.

TISSUE THERAPIES

Tissue Therapies says that its \$9.65 million placement and \$5.3 million two-for-five rights issue is “a key element of [its] turnaround strategy” (BD: Mar 17, 2016).

Tissue Therapies said that it was trading as Factor Therapeutics and in a “transition to a US Food and Drug Administration-centric development plan on the back of leadership team renewal”.

Tissue Therapies executive director Dr Christian Behrenbruch said that the financing “marks a major milestone in the restructuring of the company and paves the way for a clinical development program that we believe will restore investor confidence”.

Tissue Therapies chairman Dr Cherrell Hirst said the company had “undergone a major corporate transformation, from human capital to clinical and regulatory strategy”.

The company said that the funds would provide working capital and assist the execution of a US phase II trial under an FDA investigational new drug application expected to cost \$7.0 million, as well as the manufacture, material certification and stability testing to meet the needs of a phase III trial and beyond as a pharmaceutical expected to cost \$3.0 million and further development of core technology into new indication areas including ocular wound healing costing \$1.2 million.

Tissue Therapies fell 0.2 cents or 4.3 percent to 4.5 cents.

CLARITY PHARMACEUTICALS

Clarity says it won a \$1,000,000 Federal ‘Accelerating Commercialization’ grant to commercialize its Sartate radiopharmaceutical for treating cancer.

Clarity said the grant was part of the Australian Government’s Entrepreneurs’ Program and would be used for a phase IIa efficacy trial with the Australian Nuclear Science and Technology Organisation and University of Melbourne developed technology.

The company said that the technology was initially validated and commercialized through a service business and it developed the first product Sartate for pre-clinical testing.

Clarity said it received a grant from the then Commercialisation Australia to develop a proof-of-concept clinical trial to test Sartate as a novel cancer diagnostic for neuroendocrine tumors and completed that trial in 2015.

The company said that the \$1,000,000 Accelerating Commercialization grant would fund Sartate’s development as a cancer therapy.

Clarity said that the sarcophagine chelator platform technology (SAR) could be used more broadly for other cancers, such as neuroblastoma and prostate cancer.

Clarity chief executive officer Dr Matthew Harris said that the funds would “enable Clarity to commercialize our lead therapy asset”.

Clarity is a private company.

COGSTATE

Cogstate says it has a \$US1.96 million (\$A2.56 million) contract with an unnamed pharmaceutical company for cognitive testing in a phase III depression trial extension. Cogstate said it would provide the phase III trial services to an open label extension of the study, with the contract revenue to be recognised over five years. Cogstate was up two cents or 3.2 percent to 65 cents.

ANALYTICA

Analytica says it expects to raise \$1.8 million in placements including to an entity associated with chairman Dr Michael Monsour and offer a share plan.

Analytica said that a \$1 million placement at 0.3 cents a share to the unnamed entity associated with the Dr Monsour was subject to shareholder approval.

The company said that a further \$500,000 placement at 0.255 cents a share to a new cornerstone investor was conditional on the placement to Dr Monsour and the company would place a further a \$300,000 at 0.255 cents a share to other non-related parties. Analytica said that the placement to the Dr Monsour-related company would take his holding to about 25 percent of the company and the cornerstone investor would hold about 10 percent of the expanded capital base.

The company said it would offer a share purchase plan at 0.255 cents to all existing shareholders.

Analytica said that the funds raised would be used for working capital.

The company said that it expected to hold an extraordinary general meeting on April 22, 2016 to seek shareholder approval for the placement and the increase in Dr Monsour's holding in the company, with an independent expert report to be sent to shareholders on or about March 23, 2016.

Analytica said the new cornerstone investor was "a private investment fund in the biotechnology sector and is very supportive of the direction of the company".

The share purchase plan record date is March 17, the offer opens on March 23 and closes on April 15, 2016.

Analytica was unchanged at 0.3 cents with two million shares traded.

MEDADVISOR

Medadvisor says it has begun the first phase of its general practitioner link (GP Link) program for its mobile telephone application monitoring of medication use.

Medadvisor said that the first phase of the program would allow Medadvisor to gather data and feedback from doctors as they tested the two main functionalities of the system, patient adherence tracking and remote prescription re-issue.

Medadvisor chief executive officer Robert Read said that GP Link was "the final building block in our integrated health platform that connects patients, pharmacists and [general practitioners], with the goal of influencing superior individual health outcomes".

"GP Link will strengthen doctor-patient relationships, allowing doctors to access patients' medication adherence profiles, enabling more accurate consultation, and reinforcing the role of the patient's regular doctor as the primary healthcare provider," Mr Read said.

"It provides patients with convenient features including reminders to see their doctor for a new prescription and also being able to request repeat prescriptions from their chosen doctor via their smartphone," Mr Read said.

Medadvisor fell 0.2 cents or 5.7 percent to 3.3 cents with 1.6 million shares traded.

NOVOGEN

Novogen faced up to 42.29 percent opposition to the election of Iain Ross as a director and 31.44 percent against the issue of options to chief executive officer Dr James Garner. Novogen proposed to grant Dr Garner 7,500,000 options issued in two tranches, with the first tranche of 5,000,000 options exercisable at 19.88 cents, vesting over three years and the second tranche of 2,500,000 options exercisable at 26.05 cents vesting at four years from commencement (BD: Feb 16, 2016).

The company shareholders cast 64,595,306 votes (68.56%) in favor of issuing the options with 29,623,298 votes (31.44%) against the issue.

The election of former interim chief executive officer Mr Ross was opposed by 41,269,606 votes (42.29%) with 56,321,421 votes (57.71%) in favor.

Novogen withdrew a vote to increase the directors' remuneration pool by 60.7 percent to \$900,000 saying that "whilst there had been no intention of using the increased cap, the board accepts the concern this has caused shareholders" (BD: Mar 11, 2016).

The company's most recent Appendix 3B new issue announcement said Novogen had 429,733,982 shares on issue, meaning that the votes against Mr Ross amounted to 9.6 percent of the company, sufficient to requisition extraordinary general meetings.

Novogen was up half a cent or 4.55 percent to 11.5 cents with 1.8 million shares traded.

CLINUVEL

FIL Limited, formerly Fidelity Investments, says it has increased its substantial holding in Clinuvel from 3,406,049 shares (7.64%) to 4,531,171 shares (9.62%).

The Singapore-based FIL said it acquired 1,125,122 shares between January 14 and March 14, 2016 at prices ranging from \$2.70 to \$3.30 including in the recent placement at \$3.30 a share, which raised a total of \$8.3 million (BD: Mar 15, 2016).

Clinuvel was up one cent or 0.3 percent to \$3.49.

UNIVERSAL BIOSENSORS

Viburnum Funds says it has increased its holding in Universal Biosensors from 18,993,656 shares (10.82%) Chess depositary interests to 20,974,590 CDIs (11.94%).

The Perth, Western Australia-based Viburnum notice said that between February 12 and March 17, 2016 the funds acquired 1,980,934 shares for \$717,926 or 36.2 cents a share Universal Biosensors was up 1.5 cents or 4.9 percent to 32 cents.

SIRTEX MEDICAL

Sirtex says that the head of its Americas region Mike Mangano "has chosen to explore new challenges in his career" and will leave the company on June 30, 2016.

Sirtex said that Mr Mangano had worked for the company for more than six years and chief executive officer Gilman Wong said Mr Mangano had "done a tremendous job building and growing our Americas business, which has seen revenues more than triple from \$US35 million to \$US113 million between financial years 2010 and 2015".

Sirtex said it would conduct an executive search to replace Mr Mangano.

Sirtex fell \$1.81 or six percent to \$28.48 with 1.1 million shares traded.