



Biotech Daily

Thursday April 14, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: UNIVERSAL BIOSENSORS UP 7%, AVITA DOWN 7%**
- * **SIRTEX COMPLETES RESIRT KIDNEY CANCER TRIAL ENROLMENT**
- * **COMPUMEDICS \$2m US, SYDNEY SLEEP, NEURO DIAGNOSTIC DEALS**
- * **UNISEED PROVIDES \$950k OF \$4m FOR PERKII LIVE PROBIOTICS**
- * **UNIVERSAL BIOSENSORS Q1 SERVICE FEES UP 68% TO \$5m**
- * **IMMURON SIGNS CVS FOR TRAVELAN US DISTRIBUTION**
- * **PROTEOMICS EXPANDS IN INDIA, HIRES SREEJA SONY FOR SALES**
- * **BIONOMICS WORKING GROUP FOR BOARD RENEWAL**
- * **ALLAN GRAY TAKES PROFIT TO 7% OF NANOSONICS**

MARKET REPORT

The Australian stock market was up 1.26 percent on Thursday April 14, 2016 with the ASX200 up 63.9 points to 5,118.6 points.

Sixteen of the Biotech Daily Top 40 were up, 14 fell, eight traded unchanged and two were untraded.

Universal Biosensors was the best, up two cents or 7.3 percent to 29.5 cents with 453,431 shares traded.

Bionomics climbed 6.25 percent; both Antisense and Tissue Therapies were up 5.6 percent; Acrux and IDT were up more than four percent; Actinogen, Atcor, Compumedics, Impedimed, Medical Developments and Oncosil climbed more than three percent; Orthocell rose 2.6 percent; Cochlear was up 1.2 percent; with Ellex, Prana, Resmed and Viralytics up by less than one percent.

Avita led the falls, down one cent or 7.1 percent to 13 cents with 929,473 shares traded.

Biotron lost 6.1 percent; Pharmaxis fell 5.6 percent; Neuren and Opthea were down more than four percent; Clinuvel fell three percent; Mesoblast, Prima and Reva shed more than two percent; Living Cell, Polynovo, Pro Medicus and Starpharma were down one percent or more; with CSL and Sirtex down by less than one percent.

SIRTEX MEDICAL

Sirtex says it has completed patient recruitment in its 21-patient, dose-escalation study of SIR-Spheres for primary renal cell carcinoma, the most common kidney cancer.

Sirtex said that the Resirt study was an Australian-based, multi-centre, single arm, study of SIR-Spheres Y-90 resin microspheres in patients with renal cell carcinoma that were not suitable for curative therapy by surgical re-section, ablation or other conventional techniques.

The company said that the patients were recruited into six dose-escalating cohorts of 75Gray (Gy), 100Gy, 150Gy, 200Gy and 300Gy of intended radiation dose to tumor.

Sirtex said that the sixth cohort allowed the delivery of SIR-Spheres microspheres until cessation of blood flow in the renal artery.

The company said that SIR-Spheres microspheres were administered once only with each patient receiving one allocated radiation dose.

Sirtex said that the primary endpoint of the study was safety and toxicity at 30 days, with secondary endpoints of tumor response rates, progression-free survival, overall survival and quality of life, with initial results expected by the end of 2016.

Sirtex chief medical officer Dr David Cade said that Resirt was the first clinical study investigating the use of SIR-Spheres microspheres outside the liver.

"While partial or complete surgical removal of the kidney remains the standard treatment approach for primary kidney cancer, we believe SIR-Spheres microspheres may ultimately offer a minimally invasive treatment alternative for patients unable or unwilling to be treated surgically," Dr Cade said.

Sirtex said that there were about 61,560 new cases of kidney cancer in the US in 2015, representing 3.7 percent of all cancer cases and was the thirteenth most common cancer worldwide, with about 338,000 cases globally in 2012.

Sirtex fell 14 cents or 0.5 percent to \$30.09 with 146,108 shares traded.

COMPUMEDICS

Compumedics says it has won contracts worth \$1,825,000 to supply sleep and neuro diagnostic equipment to a US hospital and Sydney's Westmead Children's Hospital.

Compumedics said that the US university hospital was in Wisconsin.

The Wisconsin University Hospital is based at Madison, Wisconsin.

The company said that the contracts were in-line with the company's goal of increasing its core businesses, including neuro diagnostics and in particular, US states such as Wisconsin, where it previously did not have a significant market presence.

Compumedics said that the \$700,000 Westmead Children's Hospital contract "further validates [its] world leading credentials in both sleep and neuro diagnostics".

Compumedics executive chairman Dr David Burton said the company had spent "almost 30 years building its global sleep and neurology diagnostic businesses and has spent more than a decade building its US business [but] to-date ... [had] a relatively small market share in neuro diagnostics".

"With this win and other company activities in neuro diagnostics across the US the company is committed to growing its presence in this large global market," Dr Burton said.

"With these key reference sites, Compumedics is well positioned to continue to grow its neuro diagnostic business in the US and around the world," Dr Burton said.

"The company is pleased these new contracts build strongly on our growing presence in the US and around the world, built from a loyal base of existing customers and staff, Dr Burton said.

Compumedics was up 1.5 cents or 3.9 percent to 40 cents.

UNISEED

Uniseed says it has provided \$950,000 of \$4 million raised for probiotic drink company Perkii to commercialize its non-milk, live encapsulated probiotic drink.

Uniseed, a commercialization fund operating with the Universities of Melbourne, New South Wales, Queensland, Sydney and the Commonwealth Scientific and Industrial Research Organisation said that the share of “functional drinks” market continued to increase with Woolworths stocking Perkii in its petrol and convenience shops.

The fund said that the Perkii investment was the first from its third and largest \$50 million fund launched in November 2015 to help commercialize Australian research, and was made with a number of high net-worth investors including those represented by the Brisbane Angels and Melbourne Angels Groups, with the total raised \$4 million.

Uniseed said that Perkii used its Progel technology developed by the University of Queensland’s Prof Bhesh Bhandari to protect and improve probiotic stability by encapsulating the live bacteria in micro-gels.

The investment fund said that the micro-gels kept the probiotics alive in drinks and the acidic stomach, resulting in improved benefits for consumers.

Uniseed said that “each bottle of Perkii contained one billion live *Lacobacillus casei* 431, a probiotic strain with proven health benefits” in a 26 calorie drink.

The investment fund claimed that Perkii “helps consumers control weight, improve gut health and boost immunity”.

Uniseed chief executive officer and Perkii chairman Peter Devine said the fundraising would “help the company achieve sales on a much greater scale”.

“Uniseed’s investment in Perkii is a great example of our fund’s proven ability to back companies with great potential and support their growth,” Mr Devine said.

The fund said that Perkii was led by chief executive officer Randy Milne who joined the company in September 2015 following 10 years with Coca-Cola Amatil.

UNIVERSAL BIOSENSORS

Universal Biosensors says that it has earned a record \$4,914,000 in fees for the three months to March 31, 2016 for sales of Onetouch Verio blood glucose test strips.

Universal Biosensors previously said that under its agreement with Johnson & Johnson division Lifescan it receives 1.25 US cents per strip for the first 500 million strips in a calendar year and 0.75 US cents for sales of more than 500 million within that calendar year, with the rate resetting to 1.25 US cents at the beginning of every calendar year (BD: Oct 15, 2015).

The company said the \$4,914,000 was a 68 percent increase over the previous corresponding period, with the total 12 months service fees to March 31, 2016 an 81 percent increase to \$14,812,000 compared to the 12 months to March 31, 2015.

Universal Biosensors said that product revenue from the manufacture of the Xprecia Stride prothrombin time, international normalized ratio (PT-INR) test strips for Siemens Healthcare increased by 154 percent to \$183,000 for the three months to March 31, 2016, but down from the \$553,000 in the three months to September 30, 2015 and the \$353,000 for the three months to December 31, 2015.

“Product revenues from the manufacture of these PT-INR strips are currently low and volatile which is representative of a new product launch within our industry,” Universal Biosensors said.

Universal Biosensors was up two cents or 7.3 percent to 29.5 cents.

IMMURON

Immuron says its Travelan will be available throughout the US at CVS Pharmacies one of the largest retailers, and the largest US pharmacy chain after Walgreens.

Immuron said that the Woonsocket, Rhode Island-based CVS had about 9,500 shops and sold general merchandise, including prescriptions medicines, over-the-counter drugs, beauty products and cosmetics and convenience foods through their stores.

The company said that CVS provided healthcare services through more than 1,000 Minuteclinic medical clinics as well as their Diabetes Care Centres, many of which were located within CVS shops.

Immuron said that Travelan would be available in nearly 1,000 CVS pharmacies by the end of May 2016, and the initial order was for several thousand units which would be supported by several marketing initiatives.

Immuron chief executive officer Thomas Liquard said that "after several months of discussions, we are pleased that CVS has chosen to carry Travelan".

Immuron fell one cent or 2.9 percent to 33 cents.

PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics says it is expanding India operations with the hiring of a regional sales manager and a trade visit to promote its bio-similars analytics and biomarker services.

Proteomics said that the Delhi-based Sreeja Sony had been appointed the regional sales manager responsible for engaging new and existing clients directly, as well as co-ordinating the company's agency network in India.

The company said that Ms Sony held a Bachelor in Biotechnology from Bangalore's Oxford College of Science and a Masters in Biotechnology from the Indore, Madhya Pradesh-based MB Khalsa College and had "a strong depth of relative career experience with seven years in biotech-related sales, including six years specialising in proteomics".

Proteomics managing-director Dr Richard Lipscombe said India was "a huge growth market for our disruptive proteomics-based products and services and we are excited by the opportunity to expand our presence in this key international biotechnology hub".

The company said it had operated in India since 2004 and the biotechnology industry was forecast to grow at 30 percent a year to be worth \$US100 billion by 2025.

Proteomics said that Dr Lipscombe, contract services manager Andreja Livk and computational proteomics specialist Dr Javed Khan would visit India from April 18 to 28, 2016, to promote its biosimilars analytics and biomarker services.

Proteomics said that India was a leading manufacturer of bio-similars, or protein-based generic drugs and between 2013 and 2017, 12 protein-based drugs, also known as biopharmaceuticals and biologics, with combined revenues of \$50 billion would lose patent protection, creating "a major opportunity for bio-similar manufacturers to develop generic versions of these drugs".

The company said it was one of the few accredited laboratories for proteomics testing services, which allowed it to accurately analyze the protein make-up of these complex generic drugs as being like-for-like with the brand-name drugs they sought to replace. Proteomics said that the technical quality assurance and quality control bio-similar analysis was a substantial market and growing opportunity for its services.

The company said that India had a growing incidence of diabetes with 66 million known diabetics, and more than one million diabetes-related deaths in 2014, providing a substantial market opportunity for its Promarkerd, prognostic test for diabetic kidney disease.

Proteomics fell half a cent or two percent to 25 cents.

BIONOMICS

Bionomics says that it has created a shareholder working group to assist and advise on board recruitment.

In March, the Sydney-based substantial shareholder CVC called for an extraordinary general meeting to remove Bionomics chairman Graeme Kaufman and director Trevor Tappenden (BD: Mar 16, 2016).

An earlier Bionomics general meeting voted 188.4 million votes (64.1%) against resolutions to approve 16,082,988 warrants to four investment groups, with 105.3 million votes (35.9%) in favour (BD: Mar 3, 2016).

The warrants, to be issued to CVI Investments, Empery Asset Master, Sabby Healthcare and Biotechnology Value Fund, related to a 2015 raising of \$16,404,649 at 40.8 cents a share, when it had been trading around 48 cents, which led to complaints from investors about the 15 percent discount (BD: Dec 8, 2015).

Today, Mr Kaufman said the on-going shareholder consultation process had “provided ... important feedback that will strengthen the company going forward”.

Bionomics said it previously announced that it had begun a governance process to review its board structure and bring additional skills to the board with the assistance of an external recruitment firm which was on-going with a list of candidates for review.

The company said it had begun “a shareholder consultation process to supplement the governance review ... [and] significant support was expressed for the company undertaking a transparent and structured board recruitment process”.

Bionomics said that shareholder working group comprised Platinum Investment Management’s Bianca Ogden, Ausbil Investment Management’s Paul Xiradis and Private Portfolio Managers’ Hugh MacNally.

The company said that it had invited 7.8 percent shareholder Laurence Freedman and 5.1 percent shareholder CVC’s Sandy Beard to join the working group, but to date they had declined the invitation.

According to Commsec data, Private Portfolios held 5.16 percent of Bionomics and Ausbil Dexia held 5.74 percent, but there was no information on Platinum Investment Management, which did not appear in the 2015 annual report’s top 20 shareholders, although there were eight “nominee” companies on the list.

Bionomics said that to facilitate interactions between the working group and the board transparently and appropriately, director Dr Errol De Souza would chair the working group. “The initiative announced today pertaining to the board recruitment process is a positive outcome for all stakeholders,” Mr Kaufman said.

Bionomics was up two cents or 6.25 percent to 34 cents.

NANOSONICS

Allan Gray Australia has reduced its substantial holding in Nanosonics from 24,292,045 shares (8.59%) to 21,358,410 (7.35%).

Allan Gray said the 2,933,635 shares were sold between May 26, 2015 and April 11, 2016 for \$5,971,521 or an average price of \$2.04 a share.

Allan Gray last bought Nanosonics shares at about 40 cents (BD: Aug 11, 2014).

Nanosonics was unchanged at \$2.29 with 532,208 shares traded.