



Biotech Daily

Wednesday June 29, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: BIOTRON UP 9%; CLINUVEL DOWN 4.5%**
- * **TBG TAKES 51% OF RBC FOR \$4.7m**
- * **SIMAVITA RAISES \$7.4m**
- * **UNNAMED COMPANY EXTENDS ATCOR TRIAL CONTRACT \$600k**
- * **PRESCIENT OFFER RAISES \$2m OF \$3.4m; PLACING SHORTFALL**
- * **AVITA HIRES IMS FOR BURNS CENTRE SAVINGS STUDY**
- * **MEDADVISOR: '180k USERS, 1.6k PHARMACIES, \$1m SCRIPTS A WEEK'**
- * **AGENIX EGM TO BECOME CCP FOR REFRIGERATOR CONTROL**
- * **PAUL RUGGIERO, 'LIKE-MINDED INVESTORS' TAKE 7% OF CELLMID**
- * **CELLMID POSTS MIDKINE SYMPOSIUM INTERVIEWS**
- * **ALCHEMIA LOSES FOUNDER DR TRACIE RAMSDALE**
- * **PROTEOMICS LOSES FOUNDER DR BILL PARKER, JAMES MOSES**
- * **2016 RESEARCH AUSTRALIA, \$80k GSK AWARDS**

MARKET REPORT

The Australian stock market was up 0.77 percent on Wednesday June 29, 2016, with the ASX200 up 39.1 points to 5,142.4 points. Twenty of the Biotech Daily Top 40 stocks were up, nine fell, nine traded unchanged and two were untraded. All three Big Caps were up.

Biotron was the best, up 0.5 cents or 9.3 percent to 5.9 cents with 16,502 shares traded. Actinogen climbed 8.7 percent; Antisense rose 7.1 percent; Factor and Viralytics were up more than six percent; Genetic Technologies, Osprey and Prana were up five percent or more; Atcor, Oncosil, Opthea and Polynovo were up four percent or more; Cellmid was up 3.2 percent; Anteo, Impedimed and Resmed rose more than two percent; Cochlear, Ellex, Medical Developments, Reva and Sirtex were up more than one percent; with CSL and Nanosonics up by less than one percent.

Clinuvel led the falls, down 20 cents or 4.5 percent to \$4.25 with 3,401 shares traded. Avita lost 3.2 percent; Benitec, Compumedics, Living Cell and Prima fell more than two percent; with Mesoblast, Orthocell and Starpharma down more than one percent.

TBG DIAGNOSTICS (FORMERLY PROGEN PHARMACEUTICALS)

TBG says it will pay \$4.7 million to acquire 51 percent of the Taiwan-based reagent and kit manufacturer RBC Biosciences.

TBG said that RBC specialized in manufacturing a DNA and RNA extraction and purification kits and the acquisition was expected to double its annual sales revenues to \$8.1 million.

The company said that it had the option to pay 20 percent of the purchase price in scrip which would use some of its 15 percent share placement capacity.

TBG said that it had the capacity to complete the acquisition, but was looking at various funding arrangements.

The company said that RBC was appropriately capitalized and it was not envisaged that it would need to contribute additional funds and there would be no net debt on the balance sheet on acquisition.

TBG said that it would have a majority of directors on the RBC board and completion was expected in August 2016.

TBG chief operating officer Eugene Cheng said that RBC's distribution network would "increase our capacity to sell our products more widely and help us to increase market share".

TBG executive chairman Jitto Arulampalam said the acquisition was "a crucial development in the company's China growth strategy of becoming a leading in-vitro diagnostic company in the Asian region".

TBG was untraded at 20 cents.

SIMAVITA

Simavita says it has raised \$7,353,000, of which \$3,063,000 is through debt notes at five cents a share, with authority to raise a further \$2.6 million.

In May, Simavita said that shareholders would vote to raise up to \$10,000,000, of which \$3,063,000 was through debt notes at five cents a share, with \$6,937,000 to be raised from the issue of 138,740,000 shares at five cents each (BD: May 25, 2016).

Last week, a Simavita extraordinary general meeting approved all restructure resolutions (BD: Jun 23, 2016).

Today, Simavita chairman Michael Spooner told Biotech Daily that existing shareholders had contributed \$4.3 million and with approval to raise up to \$10,000,000 there was a further \$2.6 million to be raised already approved by shareholders

Mr Spooner said that shareholders were "very supportive and we will go back to the market in due course, when or if required, and when we are in a position to show the market the turnaround strategy".

Simavita said that the funding was "critical to the significant changes that the company is undertaking to reduce its cost structure, deliver new product and to significantly increase sales".

In the media release Mr Spooner said the financing provided "an opportunity for the company to focus squarely on delivering results".

"Our plans are clear, to introduce a much simpler product as quickly as is possible," Mr Spooner said.

"We are focused on making sure that our products are perceived as providing a real value add to the management of people with incontinence and to their carers," Mr Spooner said. Simavita was unchanged at five cents.

ATCOR MEDICAL

Atcor says it has signed a \$600,000 extension to a contract with an unnamed pharmaceutical company increasing the value of the contract to \$1.4 million.

Atcor said it was supplying its Sphygmocor blood pressure measurement systems and clinical trial support services for a study being conducted in North America, Europe and Asia, which was expected to conclude in 2018.

In February, Atcor said it had signed a \$US600,000 (\$A834,708) 15-month contract to supply Sphygmocor systems to an unnamed pharmaceutical company for the Sphygmocor system and clinical trial support services was for a study to be conducted in Canada, the US and Spain (BD: Feb 5, 2016).

In February, Atcor chief executive officer Duncan Ross said the unnamed company was a new customer, ranked within the top 10 pharmaceutical companies.

Atcor was up half a cent or 4.35 percent to 12 cents.

PRESCIENT THERAPEUTICS

Prescient says its one-for-three entitlement offer at nine cents a share raised \$2,040,846 of a hoped-for \$3,395,583.

In May, Prescient said it had raised \$7.0 million in a two-tranche placement at 9.0 cents a share, with a further \$3.4 million to be raised through a rights issue at the same price, which is currently underway (BD: May 18, 2016).

Prescient chief executive officer Steven Yatomi-Clarke told Biotech Daily that the company was seeking to place the 15,052,633 shortfall shares.

Prescient was unchanged at 8.9 cents.

AVITA MEDICAL

Avita says it has hired the health economics group IMS Health to evaluate how the Recell wound treatment can save money at US burns centres.

Avita said that the Danbury, Connecticut-based IMS would take six to eight months "to explore the potential cost savings from all major interventions for burns treatment, including wound bed preparation, grafting and scar management".

The company said the study would be funded by the US Biomedical Advanced Research and Development Authority which was providing more than \$60 million in grants for Recell wound treatment development (BD: Sep 30, 2015; Jun 27, 2016).

Avita said that in its proposal, IMS reported that burns placed an economic burden on the US medical system of more than \$1.5 billion a year, half spent on the 40,000 patients who were hospitalised with severe burns.

Avita quoted BARDA saying the costs could increase significantly if there was armed conflict or a mass casualty event, given that up to 10 percent of combat injuries were burns and that burns typically increased three-fold among civilians during wartime.

The company quoted IMS saying that Recell "achieved faster epithelialization of widely-meshed skin graft interstices and ... minimized donor site requirements ... improved long-term functional and aesthetic outcomes of grafting while also minimizing follow-on procedure requirements".

Avita chief executive officer Adam Kelliher said that the IMS study would "generate standard budget impact metrics vital to driving discussions on reimbursement and access".

Avita fell 0.3 cents or 3.2 percent to 9.2 cents with 3.5 million shares traded.

MEDADVISOR

Medadvisor says it has had a “rapid acceleration in patient user growth” with about 180,000 patients using the medication compliance mobile telephone application. Medadvisor said that it had a monthly growth rate of about 10 percent and had expanded its pharmacy network to more than 1,600 pharmacies or about 30 percent of all of Australia’s community pharmacies.

The company said that patients were ordering more than \$1 million worth of prescription refills each week through Medadvisor pharmacies on its tap-to-refill prescription ordering function.

Medadvisor was up 0.1 cents or 2.6 percent to 3.9 cents with 7.1 million shares traded.

AGENIX

Agenix will ask shareholders to approve the backdoor listing of CCP Holdings to commercialize its critical control point refrigeration management and monitoring. Earlier this year, Agenix said that due diligence had been completed and it proposed a one-for-five share consolidation resulting in 31,455,161 shares on issue and the issue of 109,600,000 shares to CCP shareholders along with a public offer of 60,000,000 shares at five cents each to raise \$3 million (BD: May 17, 2016).

Agenix director and company secretary Adam Gallagher told Biotech Daily at that time that while the temperature control technology could have application in life sciences it was primarily targeting the food service and retail sectors and would not be considered a life sciences company.

Agenix was developing Thromboview for imaging pulmonary embolisms and deep vein thrombosis, later acquiring Chinese drugs for hepatitis B, but exited its China operations, following a failed acquisition, and the exposure of fraud by the previous chief executive officer Neil Leggett (BD: May 28, 2008; Feb 18, 2010; Dec 11, 2012).

Former chairman Nick Weston and company secretary Gary Taylor attempted to rebuild the company acquiring assets from Tyrian Diagnostics (BD: Jun 4, 2014).

Mr Weston and Mr Taylor effectively “cleaned-up” the company to become a viable shell company.

The meeting will be held at the BDO Boardroom, Level 14, 140 William Street, Melbourne, on July 29, 2016 at 11.30am (AEST).

Agenix was unchanged at 0.8 cents.

CELLMID

The Gladesville, Sydney based Paul Ruggiero says that an “Association of like-minded holders” have become substantial in Cellmid with 65,100,000 shares (7.0%).

Mr Ruggiero said he was the Association’s “group coordinator”, which included himself and Lorissa Ruggiero and their superannuation fund with 12,700,000 shares, Darin and Tania Anjoul and the Tan Group superannuation fund with 20,000,000 shares, Rebecca Deragopian with 10,200,000 shares, Ivan Staresnic with 9,000,000 shares, J20 Investments with 9,200,000 shares and the Bance Family superannuation fund with 4,000,000 shares.

The substantial shareholder notice did not disclose the cost of the shares as required by the Corporations Act.

Cellmid was up 0.1 cents or 3.2 percent to 3.2 cents with 2.2 million shares traded.

CELLMID

Cellmid says that interviews with chief executive officer Maria Halasz and midkine experts at its Budapest midkine symposium have been posted on its website.

The interviews are available at: <http://bit.ly/294SjFV>.

ALCHEMIA

Alchemia says that founder Dr Tracie Ramsdale has resigned as a non-executive director effective from today.

Alchemia said that Dr Ramsdale co-founded the company in July 2003 and led the company as its general-manager and chief executive officer from 1998 to 2007, leading the development of generic fondaparinux and its drug discovery technology.

Alchemia was up 0.1 cents or 12.5 percent to 0.9 cents.

PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics says that founder Dr Bill Parker and investor relations officer James Moses have resigned as directors.

Proteomics said that Dr Parker founded Proteomics in 2001 and “made a long and significant scientific contribution ... but steps down to ensure that the board of directors is of a size and composition that is suited to a company at [this] stage of development”.

The company said it continued with a three-member board comprising founders Dr Richard Lipscombe and Dr John Dunlop, with non-executive chairman Terry Sweet.

Proteomics said that Dr Parker would continue to provide guidance as a consultant “on terms to be negotiated on an arms’ length basis”.

The company said that Mr Moses provided investor relations services and had “resigned due to the pressure of other professional commitments”.

Proteomics fell one cent or four percent to 24 cents.

RESEARCH AUSTRALIA

Research Australia has called for nominations for its 2016 awards for people who have “made a difference in Australia’s health and medical research sector”.

Research Australia said that seven awards would be presented this year, including the new award for data innovation.

The awards include the Griffith University Discovery Award for an early researcher, the Advocacy Award, the Great Australian Philanthropy Award, the Health Services Research Award, the Leadership in Corporate Giving Award and the Peter Wills Medal for an “outstanding contribution to building Australia's international reputation”.

For more information go to: <http://researchaustralia.org/events/hmr-awards/>, or contact Damien Maurice by email at: damien.maurice@researchaustralia.org or by telephone at: +612 9295 8546.

Research Australia said that the \$80,000 Glaxosmithkline Award For Research Excellence would also be presented at the awards dinner on November 16, 2015 in Sydney.

For more information about the Glaxosmithkline award go to: <http://bit.ly/29b6MkK>.