



Biotech Daily

Friday April 29, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PHARMAXIS UP 8%, MESOBLAST DOWN 7%**
- * **CANADA APPROVES SIRTEX SIR-SPHERES FOR LIVER CANCER**
- * **PHOSPHAGENICS UP 170% ON 4-PRODUCT UNNAMED JAPAN DEAL**
- * **STRONGBRIDGE PAYS ANTISENSE \$1m FOR ATL1103**
- * **OPTISCAN RAISES \$600k**
- * **JET.COM TO SELL RHINOMED ANTI-SNORING MUTE PLUGS IN THE US**
- * **ADMEDUS REVENUE UP, TWO QUARTERS CASH; STAFF, PAY CUTS**
- * **INNATE LESS THAN TWO QUARTERS CASH, \$1.5 R&D CREDIT COMING**
- * **INVION HAS LESS THAN TWO QUARTERS CASH, COSTS DOWN**
- * **TISSUE THERAPIES EGM BACKS FACTOR NAME, CAPITAL RAISING**
- * **ANALYTICA CHAIRMAN DR MICHAEL MONSOUR TAKES 23%**
- * **MEDADVISOR APPOINTS CARLO CAMPICIANO CO SEC**

MARKET REPORT

The Australian stock market was up 0.51 percent on Friday April 29, 2016 with the ASX200 up 26.8 points to 5,252.2 points. Fifteen of the Biotech Daily Top 40 companies were up, 11 fell, nine traded unchanged and five were untraded.

Pharmaxis was the best, up two cents or 8.3 percent to 26 cents with 372,126 shares traded. Antisense and Neuren climbed more than six percent; Compumedics was up 5.2 percent; Pro Medicus rose 4.1 percent; Atcor, Cochlear and Reva were up more than three percent; Medical Developments and Orthocell rose more than more than two percent; Clinuvel, CSL, Osprey and Universal Biosensors were up more than one percent; with Anteo, Nanosonics and Sirtex up by less than one percent.

Mesoblast led the falls, down 17 cents or 7.2 percent to \$2.19 with 1.6 million shares traded. Actinogen, Genetic Technologies and Prima fell more than four percent; Acrux, Admedus and Avita were down more than three percent; Impedimed, Living Cell and Resmed shed more than two percent; with Starpharma and Viralytics down by less than one percent.

SIRTEX MEDICAL

Sirtex says that Health Canada has granted a medical device licence for its SIR-Spheres for liver cancer and a formal launch was expected by the end of the year.

Sirtex said the licence allowed it to supply SIR-Spheres yttrium-90 resin microspheres as a class III medical device for patients with advanced non-operable liver cancer in Canada. Sirtex chief executive officer Gilman Wong said the company was “pleased that Canadian patients will now have access to SIR-Spheres microspheres through the granting of this [licence] for both primary and secondary metastatic forms of liver cancer”.

Sirtex was up nine cents or 0.3 percent to \$29.74 with 286,361 shares traded.

PHOSPHAGENICS

Phosphagenics says an unnamed Japanese company has a licence option for its TPM-oxymorphone patch and has formed an alliance for three more products.

Phosphagenics said the six-month tocopheryl phosphate mixture (TPM) oxymorphone patch option licence and the research and development alliance for the three additional pharmaceutical products was with “one of Japan’s largest healthcare companies”.

The company said that it would receive an upfront option payment and the Japanese company would undertake, at its expense, pre-specified activities to confirm the development path and commercial opportunity for the product in Japan.

Phosphagenics said that if the option was exercised and the companies signed an exclusive licence agreement, it would expect a licencing fee, milestone payments and royalties on commercial sales of the TPM-oxymorphone patch in Japan.

The company said that the companies agreed to collaborate on the development of three additional pharmaceutical products leveraging its TPM technology, including a TPM-propofol anaesthetic injection and two new TPM containing pharmaceutical products.

Phosphagenics said that the two companies would conduct an initial 18-month development program and the unnamed Japanese company would lead the development of the TPM-propofol injection, with Phosphagenics leading development of the other two products, but the Japanese company would pay for all development costs.

The company said that at the end of the 18-months, the Japanese partner would have an option for a global development and licencing agreement for each of the three products.

Phosphagenics said that it would retain marketing rights to Australia and New Zealand, with the partner holding marketing rights in Japan, and the companies would equally share in licencing fees and revenues from commercialization in the rest of the world.

Phosphagenics head of business development Dr Alex Stojanovic said that Japan was “one of the world’s largest pharmaceutical markets [and the success of the fentanyl transdermal patch in Japan, generating peak sales of more than \$120 million, clearly reinforces Japan as a very attractive initial market for the TPM-oxymorphone patch”.

Phosphagenics managing director Dr Ross Murdoch said the company was “very excited to be entering into a partnership with such a significant Japanese healthcare company”.

“The partnership is broad, involving patch, injectable, and other dosage forms formulated with TPM,” Dr Murdoch said.

“I believe that this relationship has the potential to provide both partners with significant value over the next few years,” Dr Murdoch said.

Phosphagenics said the two companies intended to enter into formal joint research and development feasibility agreements for each of the three development products within the next few months.

Phosphagenics climbed 1.7 cents or 170 percent to 2.7 cents with 130.1 million shares traded.

ANTISENSE THERAPEUTICS

Antisense says that Strongbridge Biopharma will pay \$1,000,000 and return 15,025,075 shares for the termination of the ATL1103 licence (BD: Mar 9, 2016).

Antisense said the payment and share return would release Strongbridge from all obligations and liabilities and it would regain control of, and have all rights to ATL1103.

The company said that the 15,025,075 shares would be cancelled and Strongbridge would no longer hold any Antisense shares.

Antisense said that Strongbridge would transfer all of the ATL1103 drug compound in its possession, along with all data, reports, records, materials and information resulting from development activities and all of its right, title and interest in and to all applications and approvals, including orphan drug designation, with respect to ATL1103.

Antisense was up 0.2 cents or 6.25 percent to 3.4 cents.

OPTISCAN IMAGING

Optiscan says it has additional debt funding of \$600,000, with a facility of \$500,000 secured against the 2016 R&D Tax Incentive claim and a first charge over the company.

Optiscan said that a further \$100,000 had been added to the existing secured facility which would be subordinate to the new debt instrument.

The company said that "with additional revenues due shortly, the immediate solvency issue has been addressed" and it expected to make new board appointments shortly.

The company said it was continuing to raise capital, but would remain in a suspension until the raise was completed and it lodged the December 31, 2015 half-year statements.

Optiscan last traded at two cents.

RHINOMED

Rhinomed says it will distribute its anti-snoring Mute nasal plugs through the Hoboken, New Jersey-based online shopping channel Jet.com.

Rhinomed said that Jet.com was an online membership savings club that offered goods across categories such as grocery, sports and fitness and health and beauty.

Rhinomed was up 0.1 cents or 4.8 percent to 2.2 cents.

ADMEDUS

Admedus says that revenue for the three months to March 31, 2016 was up 72.8 percent \$3,354,000, compared to the previous corresponding period.

Admedus said that Cardiocel sales were up 83 percent to \$1.4 million compared to the previous corresponding period, with the balance of revenue from infusion kit sales.

The company's Appendix 4C Quarterly Report said that the cash burn for the three months was \$5,882,000 and it had cash at March 31, 2016 of \$12,987,000, with staff costs for the three months of \$3,613,000, research and development spending of \$1,091,000 and other unspecified working capital of \$4,471,000.

Admedus said that it had initiated "specific cost containment programs" resulting in a decrease in staff costs of 16 percent for the three months to March 31, 2016, with working capital down seven percent.

The company said that executive management pay would be reduced by a minimum of 10 percent to reduce cash expenditure and external consultant costs also fell for the quarter.

Admedus said that it expected continued reduced costs.

Admedus fell 1.5 cents or 3.7 percent to 39 cents.

[INNATE IMMUNOTHERAPEUTICS](#)

Innate says its net operating cash burn for the three months to March 31, 2016 was \$1,983,000 with cash at the end of the quarter of \$3,264,000.

Innate chief executive officer Simon Wilkinson told Biotech Daily that the company expected to receive a Federal Government R&D Tax Incentive of “about \$1.5 million” by October 2016.

Innate fell 1.5 cents or 5.4 percent to 26.5 cents.

[INVION](#)

Invion says its net operating cash burn for the three months to March 31, 2016 was \$1,273,000 with cash at the end of the quarter of \$852,000.

Invion said that operating and research and development cash outflows “continue to be significantly reduced from earlier quarters following the completion of major program activity”.

Invion executive chairman Dr Greg Collier told Biotech Daily that following the cost reduction the company had “easily more than two quarters cash”.

Invion was unchanged at 0.7 cents with 1.9 million shares traded.

[TISSUE THERAPIES](#)

Tissue Therapies general meeting has overwhelmingly supported its capital raising program and the change of name to Factor Therapeutics.

The closest vote was on the issue of the first tranche of the placement with 1,318,146 shares (1.9%) opposed and 68,927,915 shares (98.1%) in favour, with the issue second tranche and the name change supported by stronger majorities.

In March, Tissue Therapies said its \$9.65 million placement and \$5.3 million rights issue was “a key element of [its] turnaround strategy” (BD: Mar 17, 18, 2016).

Tissue Therapies executive director Dr Christian Behrenbruch told Biotech Daily that the formal company name change and ASX code change was underway.

Tissue Therapies was unchanged at 4.2 cents.

[ANALYTICA](#)

Analytica chairman Dr Michael Monsour has increased his shareholding in the company from 102,529,666 shares (12.57%) to 499,576,664 shares (23.07%).

Dr Monsour said that between November 5, 2014 and April 26, 2016 he bought 397,046,998 shares for \$1,810,252 or an average price of 0.46 cents a share, including 333,333,333 shares in the recent funding round (BD: Mar 18, 2016).

Analytica was up 0.1 cents or 16.7 percent to 0.7 cents with 13.4 million shares traded.

[MEDADVISOR](#)

Medadvisor says that Stephen Brockhurst has resigned as joint company secretary, with co-joint company secretary Carlo Campiciano appointed sole company secretary.

Medadvisor was unchanged at three cents with 1.4 million shares traded.