



Biotech Daily

Tuesday September 10, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ANTISENSE UP 13%; ALLIED HEALTH DOWN 7%**
- * **UNILIFE LONG TERM SYRINGE DEAL WITH SANOFI**
- * **HEARTWARE LEAVES THE BUILDING**
- * **SYNTHESIS OPENS CAMBRIDGE CHEMISTRY FACILITY**
- * **GENETIC TECHNO COMPLETES \$5m IRONRIDGE NOTES DOCUMENT**
- * **CELTIC, DENLIN, TISIA, HENDERSON, JK HAVE 25% OF ECO QUEST**
- * **MARK PRYN REPLACES CIRCADIAN CFO, CO SEC STEVEN ZAMMIT**

MARKET REPORT

The Australian stock market was up 0.38 percent on Tuesday September 10, 2013 with the S&P ASX 200 up 19.7 points to 5,201.2 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 11 fell, nine traded unchanged and four were untraded.

Antisense was the best, up 0.2 cents or 13.3 percent to 1.7 cents with 31.9 million shares traded, following US Partner Isis Pharmaceutical's 13.9 percent rise on the Nasdaq last night, on a collaboration with Biogen Idec for neurological disorders.

Phosphagenics climbed 11.5 percent on a newsletter confirming recovery of more stolen funds; Anteo, Ellex, Genetic Technologies, GI Dynamics and Pharmaxis were up more than three percent; Prima and Starpharma rose more than two percent; Alchemia, Benitec, Cochlear, Osprey, Resmed and Viralytics were up more than one percent; with Acrux, Heartware, Medical Developments and Sirtex up by less than one percent.

Allied Health led the falls, down 0.7 cents or seven percent to 9.3 cents with 33.1 million shares traded.

Cellmid and Neuren lost six percent or more; Patrys shed 5.4 percent; Avita fell four percent; Prana was down 3.6 percent; Impedimed and Tissue Therapies shed more than two percent; Mesoblast, Psivida and Universal Biosensors were down more than one percent; with CSL down by 0.9 percent.

UNILIFE CORP

Unilife says it has signed a long-term supply contract worth up to \$15 million with the Paris, France-based Sanofi for retractable pre-filled syringes

Unilife said it would supply Sanofi with its Unifill Finesse pre-filled syringes with automatic needle retraction, for use with the anti-thrombotic therapy enoxaparin sodium sold under the brand names Lovenox and Clexane.

The company said that the contract could extend to 2024.

In May, Unilife climbed 128 percent after chief executive officer Alan Shortall said the company was “getting ready to announce our first major long-term supply contract for the Unifill syringe” (BD: May 14, Jun 17, 2013).

Unilife said that “the anticipated commercial supply contract ... has not yet been signed” and that it was being “routed for signatures”.

Unilife has had a relationship with Sanofi, then Sanofi-Aventis since 2008 when it was paid \$16.4 million for rights to its syringe system and an industrialization agreement since 2009 with Sanofi Winthrop Industrie, a wholly-owned subsidiary of Sanofi-Aventis to commercialize its syringes (BD: Jul 1, 2008; Jul 1, 2009).

In 2009 the company said the agreement set the terms of an on-going relationship, including Sanofi-Aventis’ commitment to complete the funding of the \$30.4 million Ready-to-Fill Syringe industrialization program begun one year earlier.

Both parties have agreed to extend Sanofi-Aventis’s exclusive right to negotiate for the purchase of the RTFS to June 30, 2014.

Today, Unilife said that following a four year ramp-up, after market entry, exclusivity would be maintained, subject to Sanofi purchasing a minimum of 150 million units per year of the Unifill Finesse or other Unifill syringes.

Unilife said it could supply its Unifill syringes, including the Finesse, to additional customers in all other therapeutic classes outside of anti-thrombotics.

The company said that along with revenue from the sale of Finesse syringes, it could receive up to \$15 million from Sanofi in milestone payments with \$5 million expected in 2013.

Mr Shortall said he thanked the Sanofi Industrial organization and looked forward to a long-term partnership.

“The signing of this supply contract reaffirms the business model we have worked so hard in pursuing,” Mr Shortall said.

“The long-term contract provides the customer with continuity of supply,” Mr Shortall said.

“The provision of exclusivity within a drug class also provides the customer with an opportunity to leverage our device’s competitive advantages to drive user preference and differentiate their drug brands against competitors,” Mr Shortall said.

Unilife fell 5.5 cents or 8.6 percent at 58.5 cents with 5.7 million shares traded.

HEARTWARE

Heartware will be suspended from trading on the ASX from the close of business today, pending removal from the official list.

Heartware first listed in 2006 at 50 cents, fell as low as 31 cents in April 2008 and climbed as high as \$2.90 in May 2013.

At June 30, 2006, Heartware had a market capitalization of \$90 million, compared to \$1,457 million at August 31, 2013.

In June, Heartware said that the initial listing on the ASX enabled it to invest in the development of its portfolio of left ventricular cardiac devices (BD: Jun 13, 2013).

Heartware closed up two cents or 0.85 percent at \$2.37 with 31,615 shares traded.

SYNTHESIS MED CHEM

The Melbourne-based Synthesis Med Chem says it has opened a synthetic and medicinal chemistry facility at the Babraham Research Campus in Cambridge, England.

Synthesis said that it combined medicinal chemistry expertise at laboratories in Melbourne and Cambridge “with flexible, high quality, cost effective synthetic chemistry expertise provided by the company's synthetic chemists based in Shanghai, China”.

The company said the new facility in Cambridge added UK-based medicinal chemistry expertise to the organization to provide European customers with local project management for synthetic and medicinal chemistry projects.

Synthesis co-founder and executive chairman Prof Andrew Wilks said that “with an increasing customer base across Europe it was essential that we put in place the infrastructure and resources to deliver the required levels of support for all our medicinal and synthetic chemistry projects”.

Babraham executive Derek Jones said the access to the resources at Babraham and the supportive environment in the Cambridge region would “help ensure that Synthesis grows and develops their operations successfully”.

Synthesis is a private company.

GENETIC TECHNOLOGIES

Genetic Technologies says it has executed documents with Ironridge Biopharma for redeemable convertible notes to raise \$US5,000,000 (\$A5,400,270).

Genetic Technologies said the notes were subject to US regulatory requirements and shareholder approval at an extraordinary general meeting planned for mid-October 2013.

Last month, the company announced a \$16.4 million capital raising (BD: Aug 1, 2013).

Genetic Technologies was up 0.3 cents or 3.7 percent to 8.4 cents.

ECO QUEST

The Perth-based Celtic Capital, JK Nominees, Tisia Nominees for the Henderson Family, Denlin Nominees have filed change of substantial shareholder notices for Eco Quest.

In November 2012, Jason Peterson through Celtic Capital held 43,081,000 shares or 8.5 percent of Eco Quest and the latter three entities each owned 40,000,000 shares or 7.92 percent of Eco Quest.

Today, the Perth-based Mr Peterson said he sold 1,700,050 shares for \$34,001 or two cents a share and was diluted through a placement, resulting in a holding of 41,380,950 shares or 6.5 percent.

Denlin director Tony Grist said he had sold 500,000 shares for \$7,970 or 1.594 cents a share and acquired 378,310 shares for \$3,783 or one cent a share in a share plan resulting in a holding of 39,878,310 shares or 6.27 percent.

Kim Hogan for JK Nominees said that he sold 500,000 shares for \$7885 or 1.577 cents a share and acquired 378,310 shares for \$3,783 or one cent a share in a share plan, resulting in a holding of 39,878,310 shares or 6.27 percent

Thomas Henderson for Tisia Nominees said he sold 500,000 shares for \$7885 or 1.577 cents a share and was diluted to 39,500,000 shares or 6.21 percent.

Celtic Capital has had substantial holdings in Acuvax, Helicon (now Conseгна) and Imugene (BD: Jun 17, 2010; May 4, 2012; Aug 14, 2013) and in April, Denlin, Tisia and JK acquired 19 percent of Neurodiscovery, now Oncosil (BD: Apr 18, 2013).

Eco Quest fell 0.1 cents or 3.6 percent to 2.7 cents with 5.3 million shares traded.

CIRCADIAN

Circadian says it has appointed Mark Pryn as company secretary and head of finance effective immediately, replacing Steven Zammit.

Circadian said Mr Pryn was previously company secretary and general manager of accounting and treasury responsibilities with Timbercorp, held senior financial management roles with Australian Unity and held audit manager responsibilities with Deloitte Touche Tohmatsu in Victoria and Tasmania.

Circadian was unchanged at 26 cents.