



# Biotech Daily

Thursday October 16, 2014

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: UNIVERSAL BIOSENSORS UP 7%  
- GENETIC TECHNOLOGIES DOWN 12.5%**
- \* **ANATARA LISTS TO DEVELOP PINEAPPLE STEMS FOR DIARRHOEA**
- \* **FEDERAL GOVERNMENT \$17.9m FOR CSIRO-MONASH GROUP**
- \* **NANOSONICS Q1 REVENUE UP 19% TO \$6m, CASH FLOW POSITIVE**
- \* **UNIVERSAL BIOSENSORS RECORD Q1 STRIP FEES OF \$1.6m**
- \* **NOVOGEN TO RAISE \$10m THROUGH ASX BOOKBUILD**
- \* **DORSAVI OH&S SERVICE WINS NEW CONTRACTS**
- \* **STARPHARMA 1.5m CEO RIGHTS, 22% DIRECTORS FEES AGM**

## MARKET REPORT

The Australian stock market was up 0.18 percent on Thursday October 16, 2014 with the S&P ASX 200 up 9.3 points to 5,254.9 points.

Ten of the Biotech Daily Top 40 stocks were up, 16 fell, eight traded unchanged and six were untraded.

Universal Biosensors was the best, up one cent or 6.7 percent to 16 cents with 136,888 shares traded.

Ellex and Nanosonics climbed more than six percent; Antisense was up 4.8 percent; Admedus and Circadian were up more than three percent; Prima rose 2.7 percent; Avita was up one percent; with Alchemia, Cochlear, CSL and Starpharma up by less than one percent.

Genetic Technologies led the falls down 0.2 cents or 12.5 percent to a new low of 1.4 cents with 1.35 million shares traded.

Clinuvel lost 8.1 percent; Living Cell fell 6.25 percent; Patrys fell five percent; Atcor, Biotron and Impedimed fell four percent or more; Anteo, Cellmid, GI Dynamics and Tissue Therapies were down more than three percent; Acrux, Benitec and Resmed shed more than two percent; with Mesoblast, Neuren and Sirtex down more than one percent.

## ANATARA LIFESCIENCES

Anatara has raised \$7 million and listed on the ASX under the code ANR to develop its Detach non-antibiotic anti-diarrhoea treatment derived from pineapple stems.

Anatara chairman Dr Mel Bridges that the initial public offer was at 50 cents a share.

Anatara said the oversubscribed initial public offer was led by Wilson HTM with co-manager Peloton Capital and legal advisers McCullough Robertson and had strong support from institutional and retail investors.

Anatara's directors include chief executive officer Dr David Venables, chief science officer Dr Tracey Mynott, former Alchemia chief executive officer Dr Tracie Ramsdale, Dr David (Jay) Hetzel, and Iain Ross.

Anatara said that Detach was a non-antibiotic therapy to treat and prevent diarrhoea and would be commercialized initially for pigs, ahead of expanding its use to other livestock, and then humans.

The company said that health authorities were "moving to limit the use of antibiotics in animal production as their overuse contributes to the rise of antibiotic-resistant bacteria, so-called superbugs that threaten human health".

In June, Anatara said it would seek distribution and development partners for Detach at BIO2014 in San Diego, California, from June 23 to 26, 2014.

The company said at that time that Detach was developed by Dr Mynott and worked against bacteria, viruses and other causes of diarrhoea (BD: Jun 24, 2014).

"Detach acts by stopping bacteria from attaching to the lining of the intestine, as well as blocking the action of their toxins, the underlying cause of diarrhoea," Dr Mynott said.

"It works differently to antibiotics in that it doesn't try to kill bacteria and instead lets them pass through the intestine harmlessly," Dr Mynott said.

In May 2006, Incitive listed on the ASX with Don Home as chief executive officer and Dr Mynott as chief scientific officer to develop the pineapple-stem derivative bromelain for inflammatory disease including cancer, but in 2009 dropped bromelain for a cardiac monitoring system before delisting (BD: Mar 22, 2006; Jun 22, 2009; Apr 12, 2010).

In 2007, Dr Bridges was appointed chairman and Alchemia founder Dr Tracie Ramsdale was appointed as a director (BD: Oct 11, Nov 22, 2007).

Anatara opened down 25 percent at 37.5 cents, closing down 16 percent at 42 cents with 990,831 shares traded.

## FEDERAL GOVERNMENT

The Federal Minister for Industry Ian Macfarlane says the CSIRO and Monash University will receive \$10 million for a collaborative bio-medical research consortium.

A media release from the Minister said the funds from the Science and Industry Endowment Fund would be matched by the Commonwealth Scientific and Industrial Research Organisation and Monash University to establishment a Bio-Medical Research Consortium based at the Monash Clayton precinct in Melbourne.

"This collaborative project, to be jointly run by CSIRO and Monash University in conjunction with the Australian biomedical manufacturing industry, is exactly the type of project Australian industry must embrace in order to enhance our international competitiveness," Mr Macfarlane said.

Mr Macfarlane said the Government recognized medical technology and pharmaceuticals "as one of our areas of competitive strength" and would be one of the five Industry Growth Centres to be established with a \$188.5 million investment (BD: Oct 14, 2014).

Mr Macfarlane said a further \$7.9 million from the Science and Industry Endowment Fund over five years would be invested for a business fellowship program.

## NANOSONICS

Nanosonics says its Trophon EPR ultrasound probe cleaner has generated revenue of \$6.01 million for the three months to September 30, 2014.

Nanosonics said that sales were up 19 percent on the prior corresponding period and that the three months was cash flow positive, with cash at the end of the quarter of \$23.56 million compared with \$21.23 million at June 30, 2014.

Nanosonics chief executive officer Michael Kavanagh said the result was a “record first quarter result” and told Biotech Daily that operating revenue for the three months to June 30, 2014 was \$6.59 million and the fourth quarter of the financial year was traditionally the largest for the year.

The company said that 41 of the top 50 North America hospitals had adopted Trophon and healthcare institutes using Trophon was up 13 percent in three months, with about 1,350 hospitals and more than 1,750 healthcare sites using the system.

Nanosonics climbed 5.5 cents or six percent to 96.5 cents.

## UNIVERSAL BIOSENSORS

Universal Biosensors says Onetouch Verio blood glucose test strips generated record quarterly service fees of \$1,579,765 in the three months to September 30, 2014.

Universal Biosensors said that the fees were an increase of 90 percent compared to the previous corresponding period and up 15 percent on the three months to June 30, 2014.

The company said that the first commercial order for the Siemens prothrombin time international normalized ratio (PT-INR) strips was shipped in September for its launch.

Universal Biosensors said that although the product launch had been delayed, the company continued to work with Siemens on the sub-component of the hand-held analyzer with the aim of completing the work by year-end (BD: Sep 17, 2014).

Universal Biosensors was up one cent or 6.7 percent to 16 cents.

## NOVOGEN

Novogen says it hopes to raise up to \$10,000,000 in Australia and the US through “a panel of stockbrokers assembled by the company and via the ASX Bookbuild facility”. Novogen said that it would issue up to 80,000,000 shares and up to 80,000,000 attaching options, with the shares issued at up to a 20 percent discount to the five-day volume weighted average price prior to the offer being opened (BD: Jul 10, 2014).

The company said that the options would be exercisable at a 10 percent discount or 90 percent of the five-day volume weighted average price preceding the issue of the shares pursuant to the exercise of the option, at any time up to the first anniversary of its issue. Novogen said that the offer was being made available via the ASX book-build facility that opened the offer “to a broad number of Australian stockbrokers ... [and] it was intended that the issue be available to sophisticated or institutional investors only” and details of the technical lead manager would be announced next week.

Novogen said the offer would open on November 3 and close on November 7, 2014.

The company said that the proceeds would be used for general working capital and to fund its research and development programs with the primary use to underwrite taking its lead program Cantrixil for cancers within the abdominal and pleural cavities into the clinic. The ASX website said the book-build facility began operations in October 2013 allowing a book-build to be conducted transparently on-market through the ASX.

For details go to: <http://www.onmarketbookbuilds.com/70/ASX-BookBuild>

Novogen fell one cent or 7.4 percent to 12.5 cents.

## DORSAVI

Dorsavi says its occupational health and safety service has secured new contracts to analyze workplace movement and physical job stresses.

Dorsavi said it had signed contracts with BP and Sodexo, which provided infrastructure services to industries including mining, oil and gas, education and defence and was undertaking assessments for Martin Brower, Kennards Hire and community health and aged care provider Silver Chain.

The company did not disclose the value of the contracts, but said the expansion followed the acquisition of Australian Workplace Compliance in July (BD: Jul 4, 2014).

Australian Workplace Compliance founder and head of Dorsavi's occupational health and safety service Mark Heaysman said that companies had been trying standard approaches to occupational health and safety to address safety and workplace injury, "often investing significantly without adequate field-based evidence to support these decisions".

"For the first time, we're combining established field based protocols with technology innovation through Visafe, which allows companies to put sensors on employees and deliver real data, to inform and support strategic and financial decisions to improve workplace safety and reduce costs," Mr Heaysman said.

"We've had a strong response from new customers and we've been contracted to assess some of the largest workforces in Australia," Mr Heaysman said.

"The initial assessments allow us to work closely with these businesses to identify risk and issues and provide the solutions to improve workplace safety, culture and behaviors," Mr Heaysman said.

"In addition, Dorsavi has a role in implementing that solution and creating positive workplace change," Mr Heaysman said.

Dorsavi chief executive officer Andrew Ronchi said that the growing awareness of the impacts of Dorsavi occupational health and safety (OH&S) could have on a healthier and safer workforce had resulted in an expanding pipeline of new and potential customers.

"Market awareness continues to grow and reflects the strength of Dorsavi OH&S," Dr Ronchi said.

Dorsavi fell 2.5 cents or 5.8 percent to 40.5 cents.

## STARPHARMA

Starpharma will vote to grant chief executive officer Dr Jackie Fairley up to 1,500,000 performance rights and increase directors fees 22.2 percent to \$550,000.

Starpharma's notice of meeting said it would seek shareholder approval to grant Dr Fairley the performance rights in three tranches on achieving a series of performance and share price hurdles.

The company said it proposed to increase the total remuneration pool for directors by 22.2 percent from \$450,000 to \$550,000.

Starpharma said shareholders would vote on the re-election of directors Rob Thomas, Richard Hazleton and Zita Peach, as well as the approval of the employee performance rights plan.

The meeting will be held at the offices of Norton Rose Fulbright, Level 15, RACV Tower, 485 Burke Street, Melbourne on November 20, 2014 at 4pm (AEDT).

Starpharma was up half a cent or 0.8 percent to 64 cents.