



Biotech Daily

Tuesday June 23, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: CIRCADIAN, TISSUE THERAPIES UP 12%
- ANALYTICA DOWN 9%**
- * **CELLMID CANNABINOID, MIDKINE COLLABORATION FOR BRAIN CANCER**
- * **BENITEC HOPES TO RAISE UP TO \$91m, LIST ON NASDAQ**
- * **MEDICAL AUSTRALIA FOR HUMAN HEALTH - MEDIVET, JEREMY DELK GO**
- * **AIRXPANDERS LISTS ON ASX**
- * **PRESCIENT ISSUES 4.5m PTX-100 MILESTONE SHARES**
- * **QRX CREDITORS MEETING DELAYED TO SEPTEMBER**

MARKET REPORT

The Australian stock market was up 1.32 percent on Tuesday June 23, 2015 with the S&P ASX 200 up 74.1 points to 5,684.3 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 16 fell, 10 traded unchanged and one was untraded. All three Big Caps were up.

Circadian and Tissue Therapies were the best, both up 11.76 percent to 19 cents and 3.8 cents, respectively, with 7.3 million shares and 1.25 million shares traded, respectively.

Cellmid climbed eight percent; Admedus was up 5.8 percent; IDT was up 4.35 percent; Mesoblast and Nanosonics were up three percent or more; Atcor, CSL and Neuren rose more than two percent; Clinuvel, Cochlear, Oncosil, Resmed and Sirtex were up more than one percent; with Osprey up 0.85 percent.

Analytica led the falls, down 0.1 cents or 9.1 percent to one cent with 915,005 shares traded.

Both Compumedics and Impedimed lost 6.45 percent; Actinogen fell 5.2 percent; Antisense and Benitec fell four percent or more; Biotron, Genetic Technologies, GI Dynamics and Universal Biosensors were down more than three percent; Optiscan, Pharmaxis, Prana and Viralytics shed more than two percent; with Acrux and Medical Developments down by less than one percent.

CELLMID

Cellmid says it will collaborate with Spain's Complutense University cannabinoid signalling group to test its anti-midkine antibodies in animal models of glioblastoma.

Cellmid said that the Madrid-based university's Instituto de Investigación Sanitaria San Carlos within the Department of Biochemistry and Molecular Biology, headed by Prof Guillermo Velsaco, would test its humanized and mouse anti-midkine antibodies using in-vivo disease models of glioblastoma, with trials beginning by July 2016.

Cellmid's head of product development Darren Jones told Biotech Daily that Prof Velsaco's research group "has led the research into tetrahydrocannabinol and other cannabinoids for killing glioma cells".

"They found some cancer cells were resistant and found that the resistance was due to signalling by midkine," Mr Jones said.

"So we combined our efforts to test our anti-midkine antibodies with their cannabinoid treatments," Mr Jones said.

Mr Jones said the two companies would try independent and combined treatments of anti-midkine and cannabinoids for glioblastoma.

In a media release, Cellmid said that Prof Velsaco's research group was a world leader in the study of the molecular mechanisms that regulate brain cancer cell death, particularly via cannabinoid receptor signalling and the team had identified midkine as the key signalling molecule driving drug resistance in gliomas including its most deadly variant, glioblastoma multiforme and that higher levels of midkine in glioma and glioblastoma patients were significantly correlated with more lethal disease variants.

The company said that the collaboration investigated whether Cellmid's mouse anti-midkine antibodies could prevent glioma and glioblastoma cell growth in-vitro and a number of midkine antibodies were effective against the cells, including candidates with very high apparent potency.

"There is now strong scientific evidence to show that [midkine] plays a key role in promoting the growth and proliferation of the most drug-resistant and refractory versions of these deadly brain tumours", Prof Velasco said.

"The next logical step is to try to blockade [midkine] using Cellmid's anti-[midkine] antibodies and this is what we will now do using orthotopic xenotransplantation disease models," Prof Velasco said.

Cellmid said that Complutense University would expand the collaboration to a full pre-clinical validation program and Cellmid would provide a number of its anti-midkine antibodies to Complutense University for testing, including the already humanized antibody CAB102, with the aim of selecting a lead molecule for a clinical program.

"Each antibody in this program has different features to the others," Mr Jones said.

"The collaboration will determine which antibody gives us our strongest shot at clinical efficacy," Mr Jones said.

Cellmid said that glioma and glioblastoma multiforme were the most common types of malignant brain tumours, making up about 40 percent of all primary brain tumors and about 70 percent of all primary malignant brain tumors, with glioblastoma the most lethal form of any cancer, prognosis was "extremely poor" and both cancers were incurable.

Cellmid chief executive officer Maria Halasz said there was "an urgent need for new treatments to improve patients' prospects in glioma and [glioblastoma multiforme]".

"Our anti-[midkine] antibodies have shown strong anti-angiogenic activity in early studies so our drug may also work in glioma [glioblastoma multiforme] by attacking this avenue of tumour survival," Ms Halasz said.

Cellmid climbed 0.2 cents or eight percent to 2.7 cents with 10.8 million shares traded.

BENITEC BIOPHARMA

Benitec says it hopes to raise up to \$US70 million (\$A90.8 million) through the offer of 5,750,000 American depositary shares (ADS) and list on the Nasdaq.

Benitec said that each ADS would be equivalent to 20 Australian shares or a total of 115,000,000 shares and the funds raised would be used to advance its therapeutic programs.

The company said that the final number of US shares and the issue price would be determined in conjunction with the underwriters at the conclusion of an investor road-show in the US in late July 2015.

Benitec said the offer and Nasdaq listing was "to access the US public equity market".

Benitec said it could most effectively access those markets through initial public offer and listing in the US, but would continue to maintain its primary listing on the ASX with the secondary listing on Nasdaq.

The company said that the offer was subject to shareholder approval as well as market conditions.

The meeting will be held at Grant Thornton, Level 17, 383 Kent Street, Sydney, on July 22, 2015 at 11am (AEST).

Benitec currently has two over-the-counter listings in the US that can be viewed through the Nadaq website the pink sheet BNIKF and the level 1 American depositary receipts BTEBY currently trading as BTEBD, pending a current consolidation (BD: Jun 19, 2015). Benitec fell 3.5 cents or 4.5 percent to 74.5 cents.

MEDICAL AUSTRALIA

Medical Australia says it will focus on its human health business which has significant revenue and profit growth and divest its animal health business.

Medical Australia said that in 2013 it acquired the animal health and stem cell technology provider Medivet Pty Ltd (BD: Jun 6, 10; Dec 10, 2013).

The Company said that its human health business included the distribution of intravenous delivery systems, surgical irrigation, suction and oxygen therapy, safety sharps collection and reuse prevention and specialized diagnostic and laboratory equipment.

The company said it had added new directors, new management and raised additional capital and reviewed its business operations.

Medical Australia said it did not believe it had "the financial resources nor people resources to fully pursue the potential of both the human health care business and animal health care business opportunities that have been presented".

The company said that significant growth opportunities had been identified in both business sectors which would require additional capital resources.

Medical Australia said that the animal health opportunities were predominantly in the US and there were few if any benefits of common ownership of the business sectors.

The company said it owned 60.5 percent of Medivet with the balance held by interests related to the US management and it had engaged New York's Main Street Capital and Corporate Capital Group, to find investors to acquire Medivet.

Medical Australia chief executive officer Darryl Ellis said that his company could "cease to be an investor in Medivet or the level of investment [could be] reduced from subsidiary down to that of an associate".

Medical Australia said that director and Medivet chief executive officer Jeremy Delk would retire as a director of Medical Australia on June 30, 2015.

Medical Australia fell half a cent or 7.1 percent to 6.5 cents.

[AIRXPANDERS](#)

Airxpanders opened on the ASX yesterday at its initial public offer price of 50 cents, climbing five percent to 52.5 cents and closing up one cent or two percent at 51 cents. Airxpanders listed under the ASX code AXP to develop and commercialize its breast reconstruction system.

In May, the Delaware-incorporated and Paolo Alto, California-based Airxpanders said that following the \$36.5 million offer, underwritten by Canaccord Genuity, it would have a market capitalization of \$113 million and have the equivalent of 225,176,142 CDIs on offer, with each US share equivalent to three Australian CDIs (BD: May 25, 2015).

The company said that its Aeroform tissue expander was used in breast reconstruction procedures following mastectomy to expand and stretch the skin and underlying muscle prior to the placement of a permanent breast implant.

Today, Airxpanders closed up three cents or 5.9 percent to 54 cents with 1.3 million shares traded.

[PRESCIENT THERAPEUTICS \(FORMERLY VIRAX HOLDINGS\)](#)

Prescient says it has issued 4,500,000 milestone shares to the previous shareholders of Pathway Oncology Pty Ltd which it acquired last year (BD: May 30, 2014).

Earlier this month, Prescient said the US Food and Drug Administration had reactivated its investigational new drug application for PTX-100 for a phase Ib trial for metastatic breast cancer (BD: Jun 10, 2015).

Prescient said that last year it acquired PTX-100, formerly known as GGTI-2418, from Pathway Oncology and had submitted a protocol for the proposed study in patients with stage IV metastatic breast cancer to the FDA (BD: May 30, Jun 23, Sep 9, 2014).

Prescient fell 0.3 cents or 4.5 percent to 6.4 cents.

[QRX PHARMA](#)

TPH Insolvency administrators Timothy Heesh and Amanda Lott say that a creditors report due to be sent on June 22, has been delayed until August 31, 2015.

The administrators said that they required more time for the report and the Federal Court in New South Wales made an order extending the reporting period.

Mr Heesh said that a creditors meeting would be held on or before September 7, 2015.

QRX last traded at 2.8 cents.