



Biotech Daily

Monday August 24, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: AVITA UP 7%, IDT DOWN 19%**
- * **NUSEP, MELBOURNE UNI WORK ON HYDROGEL MEMBRANES**
- * **ANTISENSE CORTENDO REVENUE UP TO \$707k MAIDEN PROFIT**
- * **USCOM SHARE PLAN RAISES \$195k, TOTAL \$2.1m**
- * **ISRAEL APPROVES MMJ MARIJUANA CAPSULE TRIAL**
- * **3D MEDICAL PLEADS SCHULTZ TO ASX 35% FALL QUERY**
- * **DORSAVI REQUESTS CAPITAL RAISING HALT**
- * **MJGD, BSMI; IRWIN, BIOA TRUSTS EACH TAKE 8% OF PARADIGM**
- * **BILL PASPALIARIS, PETER MILONAS EACH TAKE 6% OF PARADIGM**
- * **IWES, EX-CEO BOAZ WACHTEL TAKE 5% OF MMJ PHYTOTECH**
- * **PHARMAUST TO LOSE DIRECTOR PROF DAVID MORRIS**
- * **GENETIC SIGNATURES APPOINTS MARK LANGAN, ANNA SANDHAM**

MARKET REPORT

The Australian stock market tumbled 4.09 percent on Monday August 24, 2015 with the ASX200 down 213.3 points to 5,001.3 points. Two of the Biotech Daily Top 40 stocks were up, 31 fell, five traded unchanged and two were untraded.

Avita was best, with all EGM votes passed, up 0.5 cents or 7.25 percent to 7.4 cents with 414,407 shares traded, followed by Benitec up 2.7 percent and Cochlear up 0.2 percent.

IDT led the falls, down 18.97 percent to 23.5 cents with 565,200 shares traded, followed by Optiscan down 18.2 percent, Orthocell 15.7 percent, Genetic Technologies 12.5 percent and Universal Biosensors 11.7 percent. Actinogen, Cellmid, Neuren and Prana lost 10 percent or more; Impedimed and Polynovo fell more than nine percent; Osprey and Starpharma shed more than eight percent; Acrux, Biotron and Medical Developments were down seven percent or more; Compumedics, Ellex, Mesoblast, Nanosonics and Oncosil lost more than six percent; Admedus, Anteo and Viralytics fell five percent or more; Antisense, Bionomics, Prima and Sirtex fell more than four percent; Clinuvel was down 3.85 percent; with CSL, Pharmaxis and Resmed shedding more than two percent.

NUSEP HOLDINGS

Nusep says it will collaborate with the University of Melbourne to develop new and improved hydrogel membranes.

Nusep said it would work with the University's Department of Chemical and Biomolecular Engineering to develop membranes with improved bio-compatibility and greater ability to cost-effectively manufacture at large scale.

The company said that University of Melbourne chemical engineering researchers originally developed the polyacrylamide membranes used by Nusep and spin-out, Prime Biologics.

Nusep said it had been working on the new membrane for 12 months and had developed a product that had the potential for improved biocompatibility and could be used in a wider variety of applications and to be scaled, with lower raw material and processing costs.

The company said that the University would characterize a hydrogel membrane developed by Nusep which would be used in the next generation of the current the Spermsep device and make refinements in the membrane's chemical formulation to enable changing the membrane pore size for new separations beyond Spermsep's requirements.

Nusep executive chairman Alison Coutts and a graduate of the University's Chemical Engineering Department said the company was "excited to reinstate this collaboration which led to the original development of Nusep's core technology".

"The Chemical Engineering Department is renowned for its hydrogel membrane research," Ms Coutts said.

"The development of the new membrane will advance Nusep's Spermsep technology," Ms Coutts said. "Additionally, the further work to be undertaken with the University of Melbourne to prove up the technology could open up new means for Nusep to produce commercially attractive bio-separation products and there are also other possibilities for entirely new therapeutic applications."

Nusep was untraded at 2.8 cents.

ANTISENSE THERAPEUTICS

Antisense says revenue for the 12 months to June 30, 2015 was up 277.6 percent to \$3,916,337 taking last year's \$3,013,272 loss to a net profit after tax of \$706,918.

In May, Antisense said that the Trevose, Pennsylvania-based Cortendo AB would pay \$3.7 million in cash and make a \$2.5 million investment in the company as the upfront fee of \$6.2 million, and up to \$131 million for the rights to ATL1103 for endocrinology applications, including acromegaly (BD: May 15, 2015).

Today, Antisense said that net tangible assets per share increased 177.2 percent to 4.02 cents for the 12 months to June 30, 2015, with last year's diluted loss per share of 2.09 cents to diluted earnings per share of 0.45 cents.

The company said that it had cash at June 30, 2015 of \$6,829,605, compared to \$1,334,513 at June 30, 2014.

Antisense fell 0.4 cents or 4.65 percent to 8.2 cents.

USCOM

Uscom says its share purchase plan at 15 cents raised \$194,500 and underwriter Patersons Securities will place \$400,000 in shares.

Uscom said that with the private placement of \$1.55 million, the total raised was \$2,144,500 (BD: Jul 20, 2015).

Uscom was untraded at 15 cents.

MMJ PHYTOTECH

MMJ PhytoTech says Israeli authorities have approved its phase I trial to assess the safety and performance of its oral capsule formulations.

MMJ said that its Israel subsidiary Phytotech Therapeutics received approval from the Tel Aviv Sourasky Medical Centre Institutional Review Board and the Israeli Ministry of Health Medical Marijuana Unit to begin the study.

The company said it expected to begin the study in November 2015, with initial results expected by April 2016.

MMJ said that initial stability studies indicated the capsule formulations potential of a long shelf life, even when stored at room temperature, indicating "that the formulation excipient components are able to maintain the tetrahydrocannabinol (THC) and cannabidiol (CBD) integrity at various storage temperatures".

In July, the then Phytotech said the phase I study at the Sourasky Medical Center would be a single-centre, randomized, crossover study to compare the safety, tolerability and pharmacokinetics in healthy volunteers of the two oral formulations administered as single doses (BD: Jul 6, 2015).

The company said at that time that the study objectives included the selection of the optimal THC and CBD formulations and was expected to conclude after nine weeks.

MMJ fell one cent or 3.3 percent to 29.5 cents with 1.2 million shares traded.

3D MEDICAL

3D Medical has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price fell 3.1 cents or 35.2 percent from 8.8 cents on August 14 to 5.7 cents on August 21, 2015, and noted an increase in trading volume.

3D Medical fell 0.4 cents or 6.7 percent to 5.6 cents with 2.1 million shares traded.

DORSAVI

Dorsavi has requested a trading halt pending the release of an announcement "in relation to a proposed capital raising".

Trading will resume on August 26, 2015 or on an earlier announcement.

Dorsavi last traded at 29 cents.

PARADIGM BIOPHARMACEUTICALS

The Melbourne-based MJGD Nominees as trustee for BSMI Trust has become a substantial shareholder in Paradigm with the acquisition of 7,055,094 shares (8.06%).

The substantial shareholder notice said the shares were acquired for \$763,449 in cash and \$1,705,833 in "non-cash" equating to the initial public offer price of 35 cents a share (BD: Jun 18, Aug 19, 2015).

The notice did not record the name of the MJGD Nominees director but a previous substantial shareholder notice from MJGD becoming substantial in Benitec was signed by director George Muchnicki (BD: Jul 26, 2013).

Paradigm was unchanged at 35 cents.

PARADIGM BIOPHARMACEUTICALS

The Melbourne-based Irwin Biotech Nominees as trustee for BIOA Trust has become a substantial shareholder in Paradigm with the acquisition of 6,835,313 shares (7.80%). The substantial shareholder notice said the shares were acquired for \$686,526 in cash and \$1,705,833 in “non-cash” equating to the initial public offer price of 35 cents a share (BD: Jun 18, Aug 19, 2015).

The notice did not record the name of the Irwin Biotech Nominees director but a previous substantial shareholder notice from Irwin Biotech becoming substantial in Benitec was signed by director Peter Rubinstein (BD: Jul 26, 2013).

Both the MJGD and Irwin notices were sent from Adistem Pty Ltd.

PARADIGM BIOPHARMACEUTICALS

The Melbourne-based Bill Paspaliaris says he has become a substantial shareholder in Paradigm with the acquisition of 4,873,810 shares (5.56%).

Mr Paspaliaris said the shares were acquired for \$1,705,833 in “non-cash” equating to the initial public offer price of 35 cents a share.

PARADIGM BIOPHARMACEUTICALS

The Melbourne-based Peter Milonas says he has become a substantial shareholder in Paradigm with the acquisition of 4,873,810 shares (5.56%).

Mr Milonas said the shares were acquired for \$1,705,833 in “non-cash” equating to the initial public offer price of 35 cents a share.

MMJ PHYTOTECH

The Kefar Neter, Israel-based International Water and Energy Saver says it has become a substantial shareholder in MMJ Phytotech with 6,500,000 shares (5.18%).

The substantial shareholder notice was signed by IWES director Boaz Wachtel who last week resigned from MMJ Phytotech following the merger of MMJ and Phytotech and was Phytotech’s managing director prior to the merger (BD: Aug 20, 2015).

Mr Wachtel said that 5,000,000 shares were issued “upon the vesting of performance rights”.

PHARMAUST

Pharmaust says that non-executive director Prof David Morris will retire, effective from the close of the annual general meeting, expected to be held in October 2015.

Pharmaust said that Prof Morris planned to concentrate on his work at St George Hospital and research with his foundation.

Pharmaust executive chairman Dr Roger Aston said that Prof Morris had been a director since August 12, 2013 “and has been a valuable contributor to the company and the research and development of its three oncology technology platforms”.

“The board wishes him well in his future endeavours,” Dr Aston said.

Pharmaust fell 0.1 cents or 14.3 percent to 0.6 cents with 3.3 million shares traded.

GENETIC SIGNATURES

Genetic Signatures says Mark Langan has been appointed chief financial officer and Anna Sandham company secretary replacing Robert Birrell effective August 21, 2015.

Genetic Signatures said that Mr Birrell had resigned as chief financial officer, company secretary and as a director "after a long association with the company".

Genetic Signatures chairman, Dr Nick Samaras said that Mr Birrell was "a co-founder of Genetic Signatures and has contributed significantly to its success over many years, including its listing on the ASX".

"The board expresses its sincere appreciation to Rob for his dedication and past service to the Company," Dr Samaras said.

Genetic Signatures said that Mr Langan had more than 30 years accounting and commercial experience in listed and private companies as well as in private practice, most recently at Xanadu Mines and prior to that at Clarius Group.

The company said that Ms Sandham was an experienced company secretary and governance professional with more than 15 years experience in public and private, listed and unlisted companies, including at AMP Financial Services, Westpac Banking.

Genetic Signatures said that further senior appointments would be announced in the near future consistent with expanding its commercial markets, internationally.

Genetic Signatures was unchanged at 44 cents.