



Biotech Daily

Tuesday September 8, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ANALYTICA UP 20%; LIVING CELL DOWN 12.5%**
- * **BURNET: 'PROMISING HIV DRUGS LESS EFFECTIVE IN BRAIN'**
- * **IMUGENE TO PLACE \$3m, OPTIONS**
- * **CLARITY LICENCES FUSION CATHEPSIN S ANTIBODY FOR CANCERS**
- * **MEDAVISOR \$5m FOR BACKDOOR LISTING FOR ADHERENCE APP**
- * **COMPUMEDICS \$600k PERTH CHILDREN'S NEUROLOGY CONTRACT**
- * **AUSBIOTECH OCTOBERFEST FOCUS ON REGENERATIVE MEDICINE**
- * **OBJ EXPANDS PROCTOR & GAMBLE WORK TO SHAVING PRODUCTS**
- * **RACI SYMPOSIUM, DINNER WITH DR NICK EDE: 'WHATEVER IT TAKES'**
- * **QRX CREDITORS MEETING DELAYED, AGAIN, TO DECEMBER**
- * **DIRECTOR PETER JONES, STUART ANDREW 14% IN BIOTECH CAPITAL**

MARKET REPORT

The Australian stock market climbed 1.69 percent on Tuesday September 8, 2015 with the ASX200 up 84.8 points to 5,115.2 points. Twenty of the Biotech Daily Top 40 stocks were up, 12 fell, seven traded unchanged and one was untraded.

Analytica was the best, up 0.1 cents or 20 percent to 0.6 cents with 502,333 shares traded, followed by Atcor up 18.4 percent to 22.5 cents with 410,300 shares traded.

Genetic Technologies climbed 10 percent; Compumedics was up 7.1 percent; Osprey was up 6.15 percent; Prima rose 5.1 percent; Avita and Biotron were up more than three percent; Benitec, Neuren, Tissue Therapies and Universal Biosensors rose two percent or more; Acrux, Admedus, Bionomics, IDT, Mesoblast, Oncosil and Sirtex were up more than one percent; with CSL, Medical Developments and Resmed up by less than one percent.

Living Cell led the falls, down half a cent or 12.5 percent to 3.5 cents with 2,000 shares traded. Antisense lost 7.1 percent; Starpharma retreated 5.4 percent; Polynovo fell 4.55 percent; Anteo, Optiscan and Reva shed more than two percent; Ellex, Nanosonics, Orthocell and Psivida were down more than one percent; with Cochlear and Impeded down by less than one percent.

THE BURNET INSTITUTE

The Burnet Institute says that treatments being trialled as potential cures for HIV are less effective on the HIV virus in the brain compared to that found in the blood.

The Burnet said that its study tested a number of HIV cure agents and found the two most promising, panobinostat and romidepsin, might not work effectively within the brain.

Burnet's head of HIV neuro-pathogenesis laboratory, Prof Melissa Churchill told Biotech Daily that HIV acted differently and was different in different parts of the one patient's body.

"They act differently and the way they replicate is different," Prof Churchill said.

The research, entitled 'CNS-specific regulatory elements in brain-derived HIV-1 strains affect responses to latency-reversing agents with implications for cure strategies' was published in the Nature journal Molecular Psychiatry and an abstract is available at:

<http://www.nature.com/mp/journal/vaop/ncurrent/abs/mp2015111a.html>.

Burnet senior research officer and co-author Dr Lachlan Gray said the research showed the human immunodeficiency virus (HIV) persisting in, and isolated from, the central nervous system was different to virus found in the blood.

"If HIV found in the brain was the same as in the blood, panobinostat and romidepsin would likely be effective in targeting HIV throughout the body," Dr Gray said.

Prof Churchill said that using a similar approach to current HIV medications "a cocktail of cure agents to combat the virus in the blood and the central nervous system might be the best way forward to achieve HIV cure".

The Institute said the research also addressed why each cure agent responded differently to virus in the blood and central nervous system.

"We discovered that brain viruses have different control mechanisms that regulate their replication in the brain to that found for blood viruses," Dr Gray explained.

"Now we have identified that mechanism, we can potentially utilise other compounds that would bypass this block and target brain virus via other routes," Dr Gray said.

The Burnet said that the study was a collaboration with the Royal Melbourne Institute of Technology University's Prof Paul Gorry, the South Australian Health and Medical Research Institute's Prof Steve Wesselingh, the Peter Doherty Institute's Prof Sharon Lewin and the University of New South Wales' Prof Bruce Brew and was funded by the Australian National Health and Medical Research Council, the US National Institutes of Health and the Burnet.

The Institute said that more than 35 million people were living with HIV and it claimed the lives of more than two million people each year.

The Burnet said that drugs controlled the virus but were unable to eradicate it from sanctuary sites like the brain or blood.

IMUGENE

Imugene says it has commitments to raise \$3 million in a placement at 0.75 cents a share to fund the start of a phase Ib/II Her-Vaxx gastric cancer trial.

Imugene said the placement, subject to shareholder approval, was to clients of Forrest Capital, who would receive one ASX-listed option for every two placement shares exercisable at 1.5 cents by March 31, 2017 and it would grant eligible shareholders in Australia and New Zealand two ASX-listed options for every 15 shares held in the company, at no cost on the same terms as the placement options.

Imugene said it had appointed a clinical research organization to begin the phase Ib/II trial "late this year or early 2016".

Imugene fell 0.1 cents or 11.1 percent to 0.8 cents.

CLARITY PHARMACEUTICALS

Clarity says it has signed an exclusive licence with the Belfast, Northern Ireland-based Fusion Antibodies to develop a cathepsin S specific antibody for a range of cancers. Clarity said that the a cysteine protease cathepsin S was expressed in colorectal, breast, prostate and lung cancers, as well as astro-cytomas, with raised levels of cathepsin S observed in excised cancer patient tissue attributed to metastatic disease.

The company said that since the majority of all cancer deaths occurred as a result of metastatic dissemination of primary tumors, cathepsin S-targeted therapy had the potential of becoming a new modality for the treatment of the diseases, which was supported by pre-clinical studies conducted by Fusion, where the antibody had shown efficacy in colorectal cancer, breast cancer and glioblastoma.

Clarity said it planned to begin research and development and progress the drug through phase I and phase II clinical trials, leveraging its expertise in biopharmaceutical imaging, increasing the chance of success for the therapy by using a radio-pharmaceutical-based companion diagnostic and therapy approach.

Clarity managing-director Dr Matthew Harris said that the cathepsin S antibody, “combined with Clarity’s proprietary technology, offers a unique opportunity to develop next generation personalized oncology drugs with greater efficacy”.

Clarity is a private company.

MEDAVISOR INTERNATIONAL

Medavisor hopes to raise up to \$5 million for a reverse takeover of Exalt Resources to develop a mobile telephone application for personal medication adherence.

Medavisor said that the free application connected to an individual’s chosen pharmacy “to automatically retrieve medication records and drive an intelligent training, information and reminder system to ensure correct and reliable medication use”.

The company said that “a quarter of all Australian pharmacies subscribe to the Medavisor software platform, recommending it to their customers”.

Medavisor said that poor medication adherence had been identified as “one of the most significant and costly addressable problems faced by governments and major healthcare providers in developed nations”.

Medavisor chief executive officer Robert Read said that “only 50 to 60 percent of medication prescribed in Australia is taken properly and the Medavisor platform improves medication adherence by almost 20 percent”.

“The [application] allows patients or carers to manage their medications using handy features such as reminders to fill prescriptions, or see a doctor for a new script, and handy features like tap-to-refill which allow you to order a prescription from your preferred pharmacy at the tap of your screen,” Mr Read said.

Medavisor said its platform had more than 88,000 active users in Australia and the company had established sales and marketing partnerships with Bupa, Apotex and the Pharmacy Guild of Australia’s Guildlink, with training and service contracts with pharmaceutical companies, including Glaxosmithkline, Astrazeneca and Allergan.

COMPUMEDICS

Compumedics says it has a \$600,000 order to fit out the neurology department at the new Perth Children's Hospital, which is currently under construction.

Compumedics said that the contract underpinned its core neurology business in Australia and confirmed that it was "the preferred supplier of neurological devices to premier sites ... [and its] on-going objective to remain the preferred supplier to premium sleep and neurology facilities globally".

Compumedics executive chairman Dr David Burton said the company had spent "more than a decade building an innovative and comprehensive range of neurological diagnostic and monitoring products ... to expand into the premier market".

"With this order we continue to build credibility and market acceptance of our product capability, which can be used to push into new geographic markets around the world," Dr Burton said. "Compumedics is pleased that this new contract builds strongly on a long and very successful history as market leader in Australia for both neurology and sleep diagnostic and monitoring solutions."

Compumedics was up 1.5 cents or 7.1 percent to 22.5 cents.

AUSBIOTECH

Ausbiotech says it expects more than 1,000 delegates at its annual industry conference to be held at the Melbourne Convention Centre from October 6 to 9, 2015.

Ausbiotech chief executive officer Dr Anna Lavelle said the conference would "focus on supporting the development, growth and prosperity of the Australian biotechnology industry".

"For almost 30 years, the annual Ausbiotech national conference has brought our global community together in one place, to reflect on what we have achieved and look ahead to what we need to do to further advance our leading biotech sector, which is currently ranked fourth in the world," Dr Lavelle said.

Ausbiotech said the conference would feature a one-day regenerative medicine symposium, focussing on "science's potential to deliver replacements for damaged tissue and organs and how close we are to creating 'made to order' body parts".

Ausbiotech said that Stem Cells Australia program leader Prof Martin Pera would join regenerative medicine experts to discuss different applications for, and advances in, regenerative medicine on October 8 and a public forum on October 9 would discuss the balance between the advances in stem cell medicine and the need for regulation.

The industry organization said that stem cell scientist and in-vitro fertilization pioneer Prof Alan Trounson would be the plenary speaker and open the conference, with the annual Prof Nancy Millis oration to be delivered by at the Australian National University's head of the Department of Pathogens and Immunity Prof Carola Vinuesa.

Ausbiotech said the 2015 conference would cover regenerative medicine, new markets, business development, access to capital, entrepreneurship, biotechnology investment and clinical trials, as well as the Bio-Industry Exhibition Hall providing networking activities for exhibiting companies and delegates, as well as "the Aus-Partnering program, where delegates can request and accept meetings with other delegates" via a mobile telephone application.

Ausbiotech said that its Australia Biotech Invest event would run concurrently with the conference, on October 6 and 7, "allowing investors and delegates to maximise the value of the week and capitalise on networking opportunities" with more than 30 biotechnology companies presenting their pipelines and investment cases in eight-minute presentations. For more information and to register go to: www.ausbiotech.org.

OBJ

OBJ says it has expanded its relationship with Procter & Gamble with a work plan targeting its magnetic microarray technology to men's and women's shaving products. OBJ said the new work plan was the first expansion beyond skincare products with Procter & Gamble and managing-director Jeffrey Edwards said the shaving sector was a "substantial opportunity ... because consumers already have an applicator in their hands". "The blade is an ideal carrier for our microarray technology as it allows us to take full advantage of normal consumer behavior and potentially deliver a range of new benefits without any additional steps or effort by customers," Mr Edwards said. OBJ said the project was in a very early development stage. OBJ said that Procter & Gamble had released results from a second human clinical trial conducted by an independent US-based contract research organisation to quantify the effect of OBJ technology on biological functions of the skin, showing that its magnetic microarrays "delivered substantial statistical improvements in key skin barrier functions and skin health indices when compared to the same formulation delivered using an identical applicator without [the] technology". OBJ said the study was a substantial investment by Procter & Gamble in validating its technology while highlighting its ability to improve skin health and cosmetic benefits. The company said that a number of Procter & Gamble brands had "expressed substantial interest" in its dynamically configurable emulsion (DCE) technology, which was separate from the existing Procter & Gamble product development agreement. OBJ was up one cent or 16.95 percent to 6.9 cents with 13.8 million shares traded.

ROYAL AUSTRALIAN CHEMICAL INSTITUTE

The Royal Australian Chemical Institute says its September 30, 2015 dinner discussion on drugs in sport will follow a symposium on medicinal chemistry and chemical biology. RACI said the symposium would "provide an opportunity for stimulating discussion and networking, with two plenary speaker presentations and a series of invited and contributed talks, as well as contributed posters". The Institute said that the plenary speakers were the San Diego, California-based Takeda's Dr Chris McBride, the San Francisco, California-based Genentech's Dr Jacob Schwarz and Imugene's head of manufacturing and operations Dr Nick Ede. RACI said that the symposium was supported by the Victorian RACI Peptide Users Group and the Victorian RACI Bioactive Discovery and Development Group. The Institute said that the Symposium would be held at the Monash Institute of Pharmaceutical Sciences, 381 Royal Parade, Parkville, from 9am until 5pm. To register go to <http://wired.ivvy.com/event/BOD501/> by September 25, 2015. RACI said that the Bioactive Discovery and Development Group dinner would follow the symposium at 7pm at University House, at the University of Melbourne. The Institute said that the peptides in sport controversy had "highlighted how people who should know better can be seduced into using disparate pieces of science for a perceived benefit in their so-called area of expertise" and Dr Ede would discuss thymosin B4, also known as TB4, TB500 in this context, under the title borrowed from the 2013 Essendon Football Club slogan 'Whatever it takes'. RACI said that cyclist Chris Froome won the 2015 Tour de France but his performance was unfairly questioned with allegations of doping. The Institute said that the performance enhancing technology was Rhinomed's Turbine nasal plugs, which the company has claimed increased oxygen uptake by 38 percent. To register go to: <http://www.ivvy.com/event/BOD501/> by September 25, 2015.

QRX PHARMA

TPH Insolvency administrators Timothy Heesh and Amanda Lott say that a creditors report has been delayed for a second time, to November 30, 2015.

In June, the administrators said the report was due to be sent on June 22, but was delayed until August 31, 2015 (BD: Jun 23, 2015).

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

Today, the administrators said that there was "insufficient time ... to properly assess the affairs of the company and form the required opinion to be set out in the report to creditors" and a further application was made to the Federal Court in New South Wales which extended the convening period to November 30, 2015.

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

QRX last traded at 2.8 cents.

BIOTECH CAPITAL

Stuart Andrew Pty Ltd says it has increased its holding in Biotech Capital from 13,185,810 shares to 13,515,810 shares, but has been diluted to 13.71 percent.

The substantial shareholder notice was signed by Biotech Capital director Peter Jones as a director of Stuart Andrew Pty Ltd of Balwyn, Victoria as trustee for the Campaspe Family Trust.

The notice said that between November 5, 2014 and March 13, 2015, Stuart Andrew Pty Ltd bought 330,000 shares on-market for \$32,115 or 9.7 cents a share.

Last week, Biotech Capital raised \$1,028,847 through the issue of 12,860,583 shares at eight cents each to the Auckland Trust Co (BD: Sep 1, 2015).

Biotech Capital was up one cent or 8.3 percent to 13 cents.