



Biotech Daily

Wednesday November 11, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: POLYNOVO UP 7%; GENETIC TECHNO DOWN 15%**
- * **BIOXYNE: 'MARIPOSA LICENCES HI164OV TO CHINA'S SHANXI KANGBAO'**
- * **QRX CREDITORS MEETING**
- * **NOVOGEN: 'MOUSE TRIALS BACK ANISINA FOR NEUROBLASTOMA'**
- * **AUSTRALIAN PATENT FOR REGENEUS STEM CELLS FOR INFLAMMATION**
- * **PHOSPHAGENICS RECEIVES \$2.6m FEDERAL R&D TAX REFUND**
- * **PROGEN LODGES MEDIGEN TBG PROSPECTUS**
- * **QUEENSLAND, J&J INNOVATION \$300k QUICK FIRE CHALLENGE**

MARKET REPORT

The Australian stock market climbed 0.46 percent on Wednesday November 11, 2015 with the ASX200 up 23.4 points to 5,122.6 points.

Eleven of the Biotech Daily Top 40 stocks were up, 18 fell, 10 traded unchanged and one was untraded.

Polynovo was the best, up one cent or 7.4 percent to 14.5 cents with 281,521 shares traded.

Medical Developments climbed 6.2 percent; Prima was up 4.2 percent; Admedus, Ellex, IDT and Viralytics were up more than three percent; Atcor, Pro Medicus and Uscom rose more than two percent; CSL was up 1.1 percent; with Cochlear and Nanosonics up by less than one percent.

Genetic Technologies led the falls, down 0.4 cents or 14.8 percent to 2.3 cents with 6.9 million shares traded.

Antisense lost 6.7 percent; Avita fell five percent; Acrux, Biotron, Anteo, Neuren and Starpharma were down more than three percent; Anteo, Benitec, Impedimed, Living Cell and Tissue Therapies shed more than two percent; Clinuvel, Compumedics, Reva and Universal Biosensors were down more than one percent; with Psivida, Resmed and Sirtex down by less than one percent.

BIOXYNE

Bioxyne says Mariposa Health will on-licence HI-164OV for chronic obstructive pulmonary disease to China's Shanxi Kangbao Biological Products Co.

Last year, Bioxyne completed the sale of subsidiary Hunter Immunology to Mariposa Health which was founded by former Bioxyne chief executive officer Dr Phillip Comans (BD: Feb 25, 2014; Dec 2, 2013).

In 2013, Bioxyne said that Mariposa would pay \$175,000 in cash, assume a debt of \$60,000 and Bioxyne would acquire equity in Mariposa to the notional value of not less than \$325,000 at a deemed price of 16.5 cents a share, equivalent to five percent of Mariposa and Mariposa would provide deferred consideration of \$1 million on commercialization of HI-164OV for chronic obstructive pulmonary disease (COPD) pending clinical and financial milestones over five years, and on commercialization pay an ongoing royalty from 2.0 to 6.5 percent of gross revenue.

In 2012, a 320-patient phase II trial of HI-164OV for chronic obstructive pulmonary disease failed to meet its primary endpoints, triggering a board spill and management changes (BD: Jun 28, 2012).

Today, Bioxyne said Shanxi Kangbao would have exclusive rights to develop, manufacture and market HI-164OV for China, Macau, Hong Kong and Taiwan and would pay all development costs within China.

Bioxyne said that Mariposa would receive an up-front fee and milestone payments during product development totalling RMB40 million (\$A8.9 million) along with royalties on sales. The company said that the upfront portion of the fee had been received by Mariposa.

Bioxyne said that Mariposa's progress on the licencing agreement increased the potential value of Bioxyne's contingent consideration received in the sale of the Hunter Immunology, which a deferred consideration of \$1 million, payable on achievement of agreed milestones over the next five years.

The company said that Mariposa progress increased the likelihood of the receipt of the deferred consideration, which included an obligation to pay royalties and licence fees, at 6.5 percent of the gross revenue received by the company, Mariposa or related entities in respect to the sale of the sub-licencing or intellectual property rights, and to the extent that products were manufactured based on the intellectual property, royalties of two percent of gross revenue.

Bioxyne said that the commercialisation of the HI-164OV intellectual property created further value for its 2.5 percent investment in Mariposa, which was in an advanced stage of listing on the New York Stock Exchange over-the-counter exchange.

It has recently filed its S1 (prospectus) with the Securities and Exchange Commission. Bioxyne climbed 0.2 cents or 8.3 percent to 2.6 cents with 10.9 million shares traded.

QRX PHARMA

TPH Insolvency administrators Timothy Heesh and Amanda Lott say that a creditors meeting will receive their report, fix their remuneration and vote on a deed of company arrangement, or that the administration should end or that the company be wound-up.

In 2014, QRX halted development of Moxduo, after a trial showed no significant differences between the 12mg morphine and 8mg oxycodone combination compared to either equi-analgesic doses and the company was rebuffed by the US Food and Drug Administration (BD: Jun 27, 2012; Aug 28, 2013; Apr 23, May 26, Aug 14, 2014).

The meeting will be held at the Auditorium Room, History House, 133 Macquarie Street, Sydney on November 30, 2015 at 12pm (AEDT).

QRX last traded at 2.8 cents.

NOVOGEN

Novogen says that mouse studies confirm the efficacy of intravenous Anisina for neuroblastoma.

Novogen anti-tropomyosin program director Dr Justine Stehn presented the data at the American Association for Cancer Research Advances in Pediatric Cancer Research conference in Fort Lauderdale, Florida and said that the data validated "the strategic decision to develop the Anisina drug candidate".

"We have shown that intravenously-administered Anisina, dosed less frequently in a preclinical study, retained anti-cancer activity as a mono-therapy and enhanced the efficacy of a drug commonly used to treat paediatric neuroblastoma," Dr Stehn said. The Columbus, Ohio-based Nationwide Children's Hospital lead investigator Dr Timothy Cripe said the mouse study was "a key proof-of-concept study and confirmed the clinical potential for this class of drug in the treatment of neuroblastoma".

"This class of compounds now has the potential to improve the effectiveness of standard-of-care chemotherapeutics such as vincristine," Dr Cripe said.

Novogen fell half a cent or 3.45 percent to 14 cents with 1.3 million shares traded.

REGENEUS

Regeneus says the Australian Patent Office has granted a patent covering the use of its allogeneic stem cell technology for osteoarthritis and other inflammatory conditions.

Regeneus said that the patent, entitled 'Stem cells and secretions for treatment of inflammatory conditions' provided commercial rights in Australia for the off-the-shelf stem cell technology for human and animal applications to September 20, 2032.

The company said that the patent was also being pursued for grant in the US, Japan and Europe.

Regeneus said that the patent underpinned its Progenza stem cell technology which was a combination of mesenchymal stem cells and molecules, including cytokines and growth factors, secreted by the mesenchymal stem cells.

The company said that it had developed technology and protocols for the production of secretions from adipose, or fat, derived mesenchymal stem cells and had shown that a combination of cells and secretions had a more powerful therapeutic effect than cells alone.

Regeneus said that the patent was complimented by a patent granted in December 2014 that used the company's secretions technology to maintain viability and functionality of mesenchymal stem cells during the freezing and thawing process.

The company said that the Progenza technology was the subject of a 20-patient, phase I study for knee osteoarthritis which began in August and was scheduled for final safety readout by July 2016 (BD: Aug 10, 2015).

Regeneus fell half a cent or 4.2 percent to 11.5 cents.

PHOSPHAGENICS

Phosphagenics says it has received \$2,629,033 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Phosphagenics said the rebate related to Australian as well as eligible overseas research and development activities for the year to June 30, 2014.

Phosphagenics was unchanged at 1.7 cents with seven million shares traded.

PROGEN PHARMACEUTICALS

Progen has filed a prospectus to raise up to \$14.5 million at 21 cents a share to acquire TBG Inc from Taiwan's Medigen Biotechnology Corp.

In October, Progen said that it would acquire TBG, which had research and development, manufacturing and sales operations and was "one of the leading providers of quality human leukocyte antigen typing kits for immune matching of bone marrow, cord blood and solid organ transplants" (BD: Oct 16, 2015).

Progen said at that time, that TBG was founded by Medigen in 2006, was incorporated in the Cayman Islands and had three wholly-owned subsidiaries, Texas Biogene, TBG Biotechnology Corp and TBG Biotechnology Xiamen, based in the US, Taiwan and China respectively.

The company said in May, that Medigen held 19.7 percent of and following completion Medigen would hold 64.8 percent of Progen (BD: May 1, 2015).

The company said the acquisition was subject to conditions including regulatory and shareholder approvals, raising not less than \$10 million and up to \$14.5 million at 21 cents a share, ASX conditionally confirming it would re-admit the company to the Official List and Medigen entering into a restriction agreement in relation to the consideration shares.

The offer opens on November 18 and closes on November 30, 2015

Progen was untraded at 22 cents.

JOHNSON & JOHNSON, QUEENSLAND GOVERNMENT

Johnson & Johnson Innovation says that nominations for the \$300,000 'quick fire challenge' close on Applications close on November 30, 2015.

The Queensland Government and Johnson & Johnson Innovation previously said they would provide \$300,000 in prizes for "game-changing health innovations" to be developed and commercialized in Queensland (BD: Sep 25, 2015).

Queensland Science and Innovation Minister Leeanne Enoch said there were "three \$100,000 prizes for innovations in the fields of pharmaceuticals, medical devices and diagnostics, and consumer healthcare."

A Queensland Department of Science and Innovation media release said that Johnson & Johnson Innovation and the Queensland Government would jointly assess the applications and the winners would be announced in 2016 at the opening of a new Johnson & Johnson Innovation Partnering Office at Queensland University of Technology. Johnson & Johnson Janssen-Cilag managing-director Chris Hourigan said that the challenge was "intended to inspire researchers and entrepreneurs globally to further develop transformational science to deliver novel healthcare solutions and to develop these innovations in Queensland".

"By encouraging the progress of transformational science we can continue to advance cures for unmet medical needs across the world, a key mission of Johnson & Johnson," Mr Hourigan said.

To enter the Queensland, Johnson & Johnson Innovation Quick Fire Challenge or for more information go to: www.advancequeensland.quickfirechallenge.com.