



Biotech Daily

Thursday May 19, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: COMPUMEDICS UP 5%, ANTISENSE DOWN 14%**
- * **WEHI NECROPTOSIS COMBINATION KILLS AML IN MICE**
- * **APPLICATIONS OPEN FOR \$316k VICTORIA PRIZES, FELLOWSHIPS**
- * **BLUECHIIP RAISES \$180k**
- * **RESPIRI IN UNDERWRITTEN 1-FOR-2 RIGHTS OFFER FOR \$4.3m**
- * **PHOSPHAGENICS ESCAPES 2nd STRIKE; GAINS, LOSES DIRECTORS**
- * **JAPAN PATENT FOR LBT APAS**
- * **QRX 18% AGAINST REMUNERATION**
- * **MERCHANT TAKES 12.5% OF POLYNOVO**
- * **BLUECHIIP APPOINTS HUGH DOUGLAS FOR NORTH AMERICA**

MARKET REPORT

The Australian stock market fell 0.61 percent on Thursday May 19, 2016 with the ASX200 down 32.9 points to 5,323.3 points.

Six of the Biotech Daily Top 40 stocks were up, 19 fell, 11 traded unchanged and four were untraded.

Compumedics was the best, up two cents or 5.3 percent to 40 cents with 77,976 shares traded.

Admedus, Benitec and Clinuvel climbed more than four percent; Prana was up 1.25 percent; with CSL, Resmed and Sirtex up by less than one percent.

Antisense led the falls for the third trading day in a row, down 0.7 cents or 14 percent to 4.3 cents, with 434,922 shares traded.

Anteo lost seven percent; Actinogen was down 5.6 percent; Avita and Uscom fell more than four percent; Polynovo, Universal Biosensors and Viralytics were down more than three percent; Acrux and Ellex shed more than two percent; Airxpanders, Mesoblast, Oncosil, Opthea, Pro Medicus and Reva were down more than one percent; with Cochlear, Impedimed, Nanosonics and Starpharma down by less than one percent.

THE WALTER AND ELIZA HALL INSTITUTE OF MEDICAL RESEARCH

The Walter and Eliza Hall Institute says that pre-clinical research shows that the emricasan and birinapant combination kills multiplying acute myeloid leukaemia cells. The Institute said that the natural process of apoptosis, or programmed cell death, was a necessary response to keep the proliferation of human cells in check, but was interrupted in cancers, including acute myeloid leukaemia, leading to unchecked cell growth.

WEHI said that researcher Dr Gabriela Brumatti and doctoral student Chunyan Ma were part of a team led by Prof John Silke, with Melbourne's Murdoch Children's Research Institute Prof Paul Ekert, investigating ways to target particular types of acute myeloid leukaemia (AML), hoping to increase the chance of a cure for the patient while limiting damage to healthy cells.

Dr Brumatti said that traditional chemotherapies, which induced apoptosis, had a high relapse rate and within five years of completing treatment 50 percent of acute myeloid leukaemia patients suffered a relapse of their cancer, and of those who relapsed, only 50 percent survived.

WEHI said that Dr Brumatti's team tried a new approach to their research and inhibited apoptosis of acute myeloid leukaemia cells to unleash an alternative form of cell death called necroptosis.

The Institute said that they found the necroptosis cell death pathway was more effective at killing acute myeloid leukaemias than apoptosis.

The research article, entitled, 'The caspase-8 inhibitor emricasan combines with the second mitochondria-derived activator of caspases (Smac) mimetic birinapant to induce necroptosis and treat acute myeloid leukemia', was published in Science Translational Medicine with an abstract available at: <http://stm.sciencemag.org/content/8/339/339ra69>.

WEHI said the research team used a combination of drugs in in-vitro and in mouse trials, selecting the cancer drug birinapant and apoptosis inhibitor emricasan to kill acute myeloid leukaemia.

"It has been speculated that inducing necroptosis might be an effective way to kill cancer cells," Prof Silke said.

"Our work now demonstrates clearly it is a clinically feasible and safe approach," Prof Silke said.

Dr Brumatti said that since cancer cells often acquired resistance to traditional chemotherapy-induced apoptosis, this novel type of chemotherapy had the potential to be used to treat otherwise impossible to treat leukaemias.

VICTORIA GOVERNMENT

The Victoria Government says that applications are open for two \$50,000 Victoria Prizes for Science and Innovation and 12 \$18,000 Victoria Fellowships.

The State Government said that the prizes supported Victoria's top scientists, innovators and early career researchers, with one Victoria Prize for physical sciences and one for life sciences.

The Government said that the Victoria Fellowships supported researchers in science, engineering and technology, in the early stages of their career and would benefit from an international study mission.

The Government said that applications close on June 23, 2016.

To nominate a senior scientist or researcher for the Victoria Prize go to:

www.veski.com.au/vicprize and to apply for the Victoria Fellowships go to:

www.veski.com.au/vicfellow.

BLUECHIIP

Bluechiip says it has raised \$180,030 through the placement to sophisticated investors of 8,001,336 shares at 2.25 cents a share.

Bluechiip was untraded at 2.1 cents.

RESPIRI (FORMERLY ISONEA)

Respiri says it hopes to raise \$4.3 million through a fully-underwritten one-for-two renounceable entitlement offer at three cents a share.

Respiri said that the entitlement offer was fully underwritten by Patersons Securities, the record date would be May 24, the offer opens on May 27 and closes on June 15, 2016.

Respiri was unchanged at 3.2 cents.

PHOSPHAGENICS

Phosphagenics has narrowly escaped a remuneration report second strike, gained David Segal as a director it opposed and lost director Nathan Drona who it wanted.

The Phosphagenics annual general meeting recorded 87,592,910 votes (22.8%) against the remuneration report, with 296,536,521 votes (77.2%) in favour.

The Corporations Act (Section 250U) provides for a 'two strikes and re-election' process if a company's remuneration report is opposed by more than 25 percent of votes on two consecutive occasions, taking the company to a vote on a board spill motion.

Last year, the Phosphagenics remuneration report was opposed by 169,243,803 votes or 32.79 percent, providing the first trigger for a potential board spill at this year's annual general meeting (BD: May 19, 2015).

Phosphagenics most recent Appendix 3B share issue announcement said it had 1,261,965,957 shares on issue, meaning that the opposition to the report represented 6.9 percent of all shares on issue, sufficient to requisition meetings.

The company said that the election of David Segal was supported by 272,998,273 (67.8%) votes and opposed by 129,797,845 votes (32.2%).

The votes in favor of Mr Segal amounted to 21.6 percent of all shares on issue.

In April, Phosphagenics said that the board supported the re-election of director Nathan Drona and opposed the election of Mr Segal (BD: April 15, 2016).

Today, Phosphagenics said that Mr Drona had "decided to step down from the board to focus on his other business interests and commitments".

Phosphagenics did not provide the proxy votes for the withdrawn resolution and at the time of publication had not responded to a request from Biotech Daily for those votes.

The company said that "The board extends their congratulations to Mr Segal on his appointment".

In April's notice of meeting Phosphagenics said that "the board does not consider Mr Segal's experience and expertise to fit with the board's requirements".

"In making this assessment, the board considered that although Mr Segal has experience as the former investor relations manager of Phosphagenics, he has limited management experience, limited relevant industry experience, has no public company board experience and as a former employee does not bring an independent view to the board,"

Phosphagenics said. "The board does not support the election of Mr Segal to the board and unanimously recommends that shareholders vote against this resolution."

The withdrawn conditional spill motion was opposed by 237,075,449 votes (83.6%) and supported by 46,458,693 votes (16.4%).

Phosphagenics fell half a cent or 18.5 percent to 2.2 cents with 16.9 million shares traded.

LBT INNOVATIONS

LBT says the Japan Patent Office has granted a patent protecting the image capture technology of its automated plate assessment system (APAS).

An LBT executive told biotech Daily that the patent was entitled 'Image capture and lighting apparatus' and covered the invention until March 2032.

LBT said that APAS had been shown to assess microbiology samples for the presence of disease causing bacteria, with significant implications for laboratory efficiency.

LBT said that the Japanese patent followed three US patents covering the APAS image capture and lighting apparatus, the key systems and analytical software of APAS and a novel method used to colour calibrate images captured by APAS.

The company said that the first APAS instrument, the Independence, was an automated culture plate reader and sorter that integrated APAS with high-speed robotic plate-handling equipment, was launched at the European Congress of Clinical Microbiology and Infectious Diseases in Amsterdam in April.

LBT fell one cent or 5.7 percent to 16.5 cents.

QRX PHARMA

QRX has faced moderate percent opposition to its remuneration report with 8,621,483 shares (17.79%) opposed and 39,835,170 shares (82.21%) in favor.

According to the company's 2015 annual report, QRX had 164,190,969 shares on offer, meaning that the votes opposing the remuneration report amounted to 5.2 percent of all shares on issue, sufficient to requisition extraordinary general meetings.

QRX said that executive chairman Dr Richard Treagus was re-elected with 41,669,743 votes in favor and 3,792,290 votes against.

QRX is in a suspension and last traded at 2.8 cents.

POLYNOVO

Merchant Funds Management has increased its substantial share-holding in Polynovo from 62,835,964 shares (11.48%) to 69,870,225 shares (12.50%).

The Perth, Western Australia-based Merchant Capital said that between December 12, 2016 and May 16, 2016 it bought and sold shares in 12 trades, with the single largest trade, the on-market purchase of 5,575,000 shares for \$1,561,000 or 28 cents a share.

Polynovo fell one cent or 3.85 percent to 25 cents.

BLUECHIIP

Bluechiip says it has appointed Hugh Douglas to expand its business development capacity in North America.

Bluechiip said that Mr Douglas was the president of Bridge4bio LLC and had been an executive, consultant and contributor to life sciences companies for more than 35 years.

The company said that most recently Mr Douglas was Strategic Alliances for Biocision chief operating officer since 2010.