



# Biotech Daily

Monday June 20, 2016

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: MESOBLAST UP 12%; ACTINOGEN DOWN 7%**
- \* **OVENTUS O2VENT: 'A DISRUPTIVE TECHNOLOGY'**
- \* **BARD1 OPENS DOWN 20%, LUNG CANCER BLOOD TEST**
- \* **RESAPP REQUESTS 'STUDY RESULTS' TRADING HALT**
- \* **AVITA APPOINTS TROY BARRING COO, ROSS SAUNDERS SALES**

## MARKET REPORT

The Australian stock market was up 1.82 percent on Monday June 20, 2016 with the ASX200 up 94.1 points to 5,256.8 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 16 fell, nine traded unchanged and two were untraded.

Mesoblast was the best, recovering a further 12.5 cents or 11.8 percent to \$1.185 with two million shares traded, followed by Avita up 10.4 percent to 9.7 cents with 332,944 shares traded.

Atcor and Compumedics climbed more than four percent; Cellmid was up 3.45 percent; Pharmaxis and Prima rose two percent or more; Airxpanders, Biotron, Prana and Pro Medicus were up more than one percent; with Resmed, Sirtex and Starpharma up by less than one percent.

Actinogen led the falls, down 0.6 cents or 7.3 percent to 7.6 cents with 1.1 million shares traded.

Genetic Technologies, Universal Biosensors and Viralytics lost more than five percent; Admedus fell 4.55 percent; Bionomics, Neuren and Uscom were down more than three percent; Acrux, Anteo and Antisense shed two percent or more; Cochlear, Ellex, Medical Developments, Orthocell and Polynovo were down more than one percent; with Clinuvel and CSL down by less than one percent.

## OVENTUS

Oventus chairman Dr Mel Bridges says the O2vent sleep apnoea and snoring device will “turn the global sleep market on its head” and be cash-flow-even in two years.

In Melbourne for investor briefings for the Oventus \$12 million initial public offer, Dr Bridges said he was reducing his board commitments when Oventus approached him, and having read the company’s material, changed his mind (BD: Jun 8, 16, 2016).

Dr Bridges said that the mouth guard device was “a disruptive technology” and different from the array of competition in that it directed airflow to the back of the mouth and had intellectual property protection, which many other devices did not.

Dr Bridges said that the Oventus O2vent was “a differentiated device”.

He said that as a Resmed investor he “knew the struggles with the mask” and continuous positive airways pressure (CPAP) as well as the Somnomed device, but “the very simple path of airflow”, invented by Dr Chris Hart was “the next generation in the sleep area”.

Oventus chief executive officer Neil Anderson said the first generation O2vent Mono had US Food and Drug Administration and Australian Therapeutic Goods Administration approval and the second product which included an inlet for continuous positive airways pressure had TGA approval with FDA approval expected by October 2016.

Mr Anderson said that about 1,300 patients had bought the O2vent Mono and the first of the O2vent Titratable, which was adjustable for different sized lower jaws, had become available.

Mr Anderson said that 50 percent of the addressable market could not be treated due to nasal congestion or non-compliance with face masks and forced air CPAP systems.

Mr Anderson said that as well as reducing sleep apnoea, the company’s clinical trial had shown that in using the O2vent “snoring was virtually eliminated”.

Oventus clinical director Dr Hart said that he saw two people carrying CPAP machinery onto the flight back from a conference and “I sold three on the flight back from LA”.

Dr Hart said that about half the people currently using CPAP devices could give them up by switching to the Oventus O2vent.

He said that the pathway to market was through the low resistance to using the device.

Dr Hart said there was evidence that 50 percent of CPAP users were non-compliant at 12 months.

He said the company would go direct-to-market advertising the device to consumers and early adopters, primarily dentists and sleep physicians.

Dr Hart said the devices were custom-fitted from molds and scans with the titanium frame printed using three-dimensional printing technology and the replaceable polymer currently made from the mold, but soon to switch to three-dimensional printing as well.

Dr Hart said that the printers currently cost about \$1 million and could print 60 sets of the O2vent at a time, or 600 sets a month, but costs were falling and capacity increasing.

He said that the company could sell the device to dentists at \$695 each including a 75 percent gross margin and the dentist in turn sold the fitted device to their customers at \$1,800 to \$2,000.

Dr Hart said that one of the next steps for the company would be to earn a unique US reimbursement code.

Mr Anderson said that the funds raised would be used for manufacturing scale-up, sales and marketing.

Dr Bridges said that the company could be cash-flow-even within two years, including potential partnerships and licencing agreements.

“There is the possibility we won’t have to come back to the market,” Dr Bridges said.

The prospectus is at: [www.oventusmedicalinvestors.com](http://www.oventusmedicalinvestors.com).

### BARD1

Bard1 says it has completed its \$3 million back-door listing via Eurogold to commercialize its blood test for lung cancer and is trading under the code BD1.

Bard1 said that the former Swiss public company was founded in 2011 by the University Hospital of Geneva's head of the molecular gynaecology and obstetrics laboratory Dr Irmgard Irminger-Finger (BD: Feb 24, Mar 24, 2016).

The company said that Dr Finger had been appointed as an executive director and Prof Geoffrey Laurent had been appointed a non-executive director, with Eurogold's Peter Gunzburg continuing as executive chairman, Brett Montgomery continuing as a non-executive director and director Pauline Collinson continuing as company secretary.

Bard1 opened at three cents and fell as much as 0.9 cents or 30 percent to 2.1 cents, closing down 0.6 cents or 20.0 percent at 2.4 cents with 9.2 million shares traded.

### RESAPP

Resapp has requested a trading halt "pending the release of an announcement regarding preliminary results from its adult clinical study".

Trading will resume on June 22, 2016 or on an earlier announcement.

Resapp last traded at 37 cents.

### AVITA MEDICAL

Avita says it has appointed Troy Barring chief operating officer, Ross Saunders head of sales and marketing and promoted Andy Quick to head of clinical development.

Avita said that Mr Barring would be based at the Northridge, California office specifically to support the potential \$US53.9 million (\$A72.4 million) Biomedical Advanced Research and Development Authority (BARDA) contract to provide more than 5,000 Recell wound treatment units to the US federal agency (BD Sep 30, 2015).

The company said that Mr Barring would oversee the plan to strengthen regulatory, quality and supply chain functions, as well as manage other company operations.

Avita said that Mr Barring was a West Point military graduate, who previously held positions within the medical device businesses of Baxter, Johnson & Johnson and North American Scientific Medical.

The company said that Tim Rooney previously held both chief operating officer and chief financial officer and would be "fully focused" on his chief financial officer duties.

Avita said Mr Saunders had worked for Johnson & Johnson for 19-years in the sales, marketing and general management of medical devices for wound treatment.

The company said that Mr Saunders would be based in the UK and had expertise in the development and marketing of disruptive technologies across multiple surgical specialties.

Avita was up one cent or 10.4 percent to 9.7 cents.