



# Biotech Daily

Thursday October 20, 2016

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: POLYNOVO UP 8%; PRANA DOWN 5.5%**
- \* **WEHI, SERVIER, VERNALIS S63845 BLOCKS CANCER IN MICE**
- \* **PROTEOMICS TO DEVELOP PROMARKER GIARDIA TEST**
- \* **AVITA APPOINTS SOUTH AFRICA, BENELUX DISTRIBUTORS**
- \* **SIMAVITA ASSESSPLUS FOR HOME INCONTINENCE ASSESSMENT**
- \* **JAPAN PATENT FOR REDHILL RHB-104 (MYOCONDA) FOR MS**
- \* **US PATENT FOR ADHERIUM SMARTINHALER OPTICAL DOSE COUNTER**
- \* **MEDADVISOR JOINS BUPA-HEALTHSCOPE ADHERENCE PROGRAM**
- \* **AUSTRALIAN ETHICAL TAKES 5.7% OF CYCLOPHARM**
- \* **FACING SPILL, PROBIOTEC APPOINTS GRAHAM MORTON DIRECTOR**
- \* **FROST & SULLIVAN GONGS FOR ATCOR, MESOBLAST**

## MARKET REPORT

The Australian stock market edged up 0.12 percent on Thursday October 20, 2016 with the ASX200 up 6.7 points to 5,442.1 points. Fifteen of the Biotech Daily Top 40 stocks were up, eight fell, 14 traded unchanged and three were untraded. All three Big Caps fell.

Polynovo was the best, up 2.5 cents or 7.8 percent to 34.5 cents with 1.3 million shares traded.

Admedus, Cyclopharm and Starpharma climbed more than four percent; Cellmid and Universal Biosensors were up three percent; Airxpanders, Ellex, Neuren and Viralytics rose more than two percent; Anteo, Compumedics, Factor Therapeutics and Pro Medicus improved one percent or more; with Mesoblast up 0.45 percent.

Prana led the falls, down 0.4 cents or 5.5 percent to 6.9 cents with 548,076 shares traded.

Benitec and IDT fell more than four percent; Medical Developments lost 3.4 percent; Living Cell was down 1.2 percent; with Cochlear, CSL, Impedimed, Resmed, Reva and Sirtex down by less than one percent.

## THE WALTER AND ELIZA HALL INSTITUTE OF MEDICAL RESEARCH

The Walter and Eliza Hall Institute says a compound discovered with France's Servier and UK's Vernalis blocks a protein essential for the growth of 25 percent of all cancers.

WEHI said the research presented a new way to kill cancerous cells and held promise for the treatment of blood cancers such as acute myeloid leukaemia, lymphoma and multiple myeloma, as well as solid cancers such as melanoma and lung and breast cancer.

The research, entitled 'The MCL1 inhibitor S63845 is tolerable and effective in diverse cancer models' was published in the journal Nature, with an abstract available at:

<http://www.nature.com/nature/journal/vaop/ncurrent/full/nature19830.html>.

WEHI said that Servier's S63845 targeted a protein of the BCL2 family, MCL1, which was essential for the sustained survival of the cancer cells.

WEHI research team leader Prof Guillaume Lessene said the work provided the first clear preclinical evidence that inhibiting MCL1 was effective in targeting several cancer types.

"MCL1 is important for many cancers because it is a pro-survival protein that allows the cancerous cells to evade the process of programmed cell death that normally removes cancer cells from the body," Prof Lessene said. "S63845 potentially targets cancer cells dependent on MCL1 for their survival."

The Institute said Prof Lessene's team worked with Melbourne Alfred Hospital haematologist Prof Andrew Wei and Dr Donia Moujalled and Servier scientists to demonstrate that S63845 was effective against several cancer types and could be delivered at doses that were well-tolerated by normal cells.

Servier oncology research director Dr Olivier Geneste said the preclinical research found that MCL1 was "a valuable and highly challenging target".

"S63845 was discovered through collaboration with the fragment and structure based discovery expertise at Vernalis," Dr Geneste said.

"As part of the on-going Servier [and] Novartis collaboration on this target class, clinical development of a MCL1 inhibitor should be launched in the near future," Dr Geneste said.

Prof Lessene said the research provided further evidence of the usefulness of the BH3 mimetic class of anti-cancer drugs.

"BH3 mimetics inhibit a group of proteins known as the 'pro-survival BCL-2 proteins'," Prof Lessene said. "MCL1 is a member of this protein family and inhibiting it activates the process of programmed cell death."

Prof Lessene said that WEHI found the role of BCL-2 in cancer more than 28 years ago and the role of MCL1 for the survival of malignant cells four years ago.

## ATCOR MEDICAL, MESOBLAST

Atcor and Mesoblast say they have won Frost & Sullivan Asia Pacific 2016 awards.

Atcor said it won the 'diagnostic devices in hypertension management customer value leadership' award and Mesoblast said it won the 'cell therapy company of the year' award.

Frost & Sullivan executive Rhenu Bhuller said that the Mesoblast award recognized the company's "global achievements and its focus on clinical development of innovative cellular medicines in under-served therapy areas such as cardiovascular and degenerative diseases".

Ms Bhuller said that Atcor "had an outstanding performance in 2015 and we are pleased to award the team for their relentless efforts".

Atcor said it was recognised for its work in helping to diagnose pre-hypertension, and assisting in the determination of medication type and dose.

Atcor was unchanged at 9.1 cents

Mesoblast was up half a cent or 0.45 percent to \$1.125.

## PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics says its Promarker biomarker discovery platform has identified bio-markers of Giardia in preparation for designing a test for the giardiasis infection.

Proteomics said that supported by a Federal Department of Industry, Innovation and Science Entrepreneurs' Programme \$45,000 grant, and fee-for-service payments from an unnamed US veterinary company, it would develop a commercial test for giardiasis.

The company said it mapped samples of the parasite, searching for protein fingerprints to distinguish between different strains of Giardia, in collaboration with the Perth, Western Australia-based Murdoch University and the US veterinary company.

Proteomics said the collaboration would be extended to develop a commercial diagnostic test for Giardia and it would receive royalties on sales through a licence agreement.

The company said it would assess the commercial viability of the protein fingerprints and produce the components necessary for an enzyme-linked immunosorbent assay (Elisa) test which could be performed in any pathology laboratory.

Proteomics chief executive officer Dr Richard Lipscombe said the project aimed to find fingerprints for strains of Giardia in pets and identify the strains that crossed to humans.

"Giardia infection causes an illness called giardiasis, in which the parasite attaches itself to the gut wall," Dr Lipscombe said. "It's common in dogs and while it's unfortunate for the animal it becomes a more serious issue if the infection can spread to humans."

Dr Lipscombe said symptoms of giardiasis in humans include diarrhoea, abdominal cramps and nausea and could last for months.

"It is one of the most common diseases worldwide that's carried by water and more than half of all cases involve infants and children under the age of five," Dr Lipscombe said.

"Current tests are not always accurate and Proteomics International is seeking to apply its Promarker platform to better detect and identify Giardia strains," Dr Lipscombe said.

Proteomics said there were more than four million pet dogs in Australia and 78 million in the US, where dog owners spent an average \$US1,436 on their pets every year and a US study of more than 16,000 dogs found 16 percent were infected with Giardia.

Proteomics was untraded at 29 cents.

## AVITA MEDICAL

Avita says it has appointed distribution partners for its medical devices in South Africa and the three Benelux countries, Belgium, the Netherlands and Luxembourg.

Avita said the Durban, South Africa-based Baroque Medical imported and distributed surgical and medical devices and would focus initially on the country's burns sector.

The company said that South Africa's health care system treated about 1.5 million burns patients a year, one of the world's largest per capita burns populations, of which about 230,000 patients were rated as moderate to severe and appropriate for Recell treatment.

The company said that Baroque Medical had introduced Recell to major public and private hospital burns units in Johannesburg, Western Cape and Mpumalanga.

Avita said that the Brussels, Belgium-based LD Medical had experience in burns and trauma response in its distribution across Belgium, Holland and Luxembourg.

The company said LD Medical would focus on three burns centres in the Netherlands and four in Belgium and that Belgium burns centres treated about 1,000 patients a year.

Avita chief executive officer Adam Kelliher said that "South Africa and the Benelux countries, whilst different in their prospects, both represent particular opportunities to bring the benefits of our Recell devices to patients".

The company said 17 countries were covered under its distributor network.

Avita was unchanged at 12 cents.

## SIMAVITA

Simavita says that a new version of its smart incontinence management (Sim) Assessplus would provide simple, cost effective incontinence management for home care.

Simavita chief commercial officer Peta Jurd told Biotech Daily that Assessplus would provide incontinence pad capacity, recommended toileting times and pad change times without the need for wireless fidelity (Wifi) making it available for people living at home.

Ms Jurd said that Assessplus would provide easy-to-read, automated reporting.

Simavita said that Assessplus was in its final stages of pilot customer reviews and acceptance testing and would be suitable for carers operating within the National Disabilities Insurance Scheme and for carers looking after the elderly in their own homes. Simavita said the existing incontinence product for institutional use, the Sim version 4.12, was delivered in July 2016 to existing users with improved reporting, enhanced user interface and support for multiple facilities per server.

The company said that expansion in Europe was ahead of schedule and it had strengthened its relationship with Abena, extending sales in Denmark, with Onemed appointed as a distributor for the Netherlands and Sweden and a distributor had been identified for southern Germany, with negotiations advanced with a Spanish distributor.

The company said that a multi-centre clinical trial with the Netherlands University of Maastricht and Belgium's Ghent University was expected to begin early in 2017.

Simavita said the Medical Mart had been appointed to expand sales, marketing and distribution in Canada, where sales were increasing.

The company said it had reviewed its exclusive distribution relationship with Medline with a view to redefining the relationship

Simavita said it had appointed Brett Maybery as Australia and New Zealand sales director and the company was building a sales team with a broad focus on aged care, community care including the National Disability Insurance Scheme and hospitals.

The company said it had signed four new aged care facilities to implement its Sim system and would extend the network to New Zealand.

Simavita was untraded at 5.1 cents.

## REDHILL BIOPHARMA

Israel's Redhill says Japan has allowed a patent covering the oral antibiotic combination RHB-104, derived from Giaconda's Myoconda, for multiple sclerosis.

Redhill said that the patent, entitled 'A Composition and Method for Treating an Autoimmune Disease' would provide intellectual property protection until 2032, once granted.

In 2010, Redhill bought Myoconda (RHB-104), Heliconda (RHB-105) and Picoconda (RHB-106) from Sydney's Giaconda (BD: Aug 17, 2010).

The compounds were invented by Prof Tom Borody who was appointed to Redhill's scientific advisory board, with RHB-104 currently in a phase III trial for Crohn's disease.

In June, Redhill said RHB-104 had recruited 200 of 270 patients in a phase III Crohn's disease trial, with interim analysis expected by the end of 2016 (BD: Jun 23, 2016).

In August, the company said that the last of 18 patients had completed the final follow-up in its phase IIa trial of RHB-104 for relapsing-remitting multiple sclerosis with results also expected by the end of 2016 (BD: Aug 2, 2016).

Today, Redhill said allowance of the new patent covering RHB-104 for the treatment of multiple sclerosis followed the European patent approval (BD: Aug 31, 2016).

On the Nasdaq, Redhill was up six US cents or 0.44 percent to \$US13.78 (\$A17.83) with 11,507 shares traded.

## ADHERIUM

Adherium says the US Patent and Trademark Office has granted a patent covering medication adherence monitoring devices that include an optical dose counter. The USPTO website said that the patent, entitled 'Releasable monitor with optical dose counter for a medicament inhaler' was for "a device for monitoring patient usage of a medicament inhaler, the medicament inhaler being adapted to deliver doses of medicament and the medicament inhaler including parts which move during the dispensing of a dose of medicament".

The USPTO abstract said the optical dose counter was "adapted to determine when a dose of medicament has been dispensed by transmitting optical signals through the medicament inhaler" and could include an electronic control module ... to monitor and/or store data relating to patient usage of the medicament inhaler".

Adherium said the patent strengthened its intellectual property portfolio and provided coverage until 2030.

The company said the US patent was "the first to be issued in a planned suite of patents related to medication adherence monitoring devices that include an optical dose counter". Adherium said that the optical dose counter allowed the device to determine when a dose of medication was being dispensed.

The company said that its Smartinhaler "pioneered the use of add-on adherence monitoring devices with external optical dose counters".

Adherium was unchanged at 36 cents.

## MEDADVISOR

Medadvisor says it has extended its partnership with Bupa Australia and New Zealand to join the Healthscope and Bupa 'Always Events' program.

Medadvisor said that Always Events tackled the issue of medication-related hospital readmissions and its drug adherence platform would be offered to Bupa patients on discharge from certain Healthscope owned hospitals.

The company said that Healthscope was one of Australia's largest providers of private hospitals and medical centres and Bupa provided private health insurance to more than six million Australian and New Zealand customers.

Medadvisor said that the Australian Commission on Safety and Quality in Health Care, estimated that 12 percent of medical admissions to hospital were medication-related, increasing to up to 30 percent for patients aged over 65-years.

The company said the Always Events program would be rolled-out initially in four of Healthscope's 50 hospitals.

Medadvisor was unchanged at 4.5 cents.

## CYCLOPHARM

Australian Ethical Investment says it has become a substantial shareholder in Cyclopharm with 3,372,381 shares (5.65%).

Australian Ethical said it bought shares between October 20, 2015 and October 18, 2016 at prices ranging from 51.1 cents to \$1.15.

Cyclopharm was up five cents or 4.4 percent to \$1.18.

## PROBIOTEC

Probiotec says it has appointed Graham Morton as a director.

Last month, Probiotec founder and former executive director Charles Wayne Stringer was a signatory to a call to remove directors Robert Maxwell Johnston and Richard David Kuo (BD: Sep 23, 2016).

The “notice of resolutions to be moved at a general meeting” said that Mr Stringer and Jane Elizabeth Stringer were directors of Inston Pty Ltd which held 13.105 percent of Probiotec and along with Rudolf Andrew Ganter and Laurel Mary Ganter who were directors of Ganter Corporation Pty Ltd which held 3.765 percent of the company, jointly called for the removal of the two directors.

Wayne Stringer is the father of Probiotecs chief executive officer and managing director Wesley Stringer and chief financial officer and company secretary Jared Stringer.

There was no explanation for the call for an extraordinary general meeting and the removal of the two directors and no one was available at Probiotec to respond to queries.

According to ASX data, Mr Kuo was appointed a director on July 28, 2006 and Mr Johnston was appointed on April 27, 2010.

In August, director Robin Tedder, who was appointed in 2012, resigned from the company (BD: Oct 1, 2012),

Today, Probiotec said that Mr Morton had more than 30 years’ experience as an executive in investment banking and investment management in Europe, Asia, the US and Australia and worked for KPMG, Bain and Co and HSBC.

The company said that Mr Morton held a Bachelor of Economics degree and a Graduate Diploma in Financial Management.

Probiotec said that Mr Morton would join the board as an addition to the existing directors until the annual general meeting on November 29, 2016, when he will be eligible for re-election.

Probiotec was untraded at 50 cents.