Biotech Daily

Thursday November 10, 2016

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: IDT UP 17%, ATCOR DOWN 9.5%**

*** ELLEX: '79% INCREASED US ITRACK REIMBURSEMENT'**

*** RESEARCH BACKS RESONANCE R2-MRI FOR SICKLE CELL DISEASE**

*** ATOMO, NG BIOTECH DEVELOP RAPID P-O-C PREGNANCY BLOOD TEST**

*** TGA APPROVES MEDLAB CANNABIS IMPORT LICENCE**

*** PHOSPHAGENICS EXTENDS TERUMO'S OPIOID PATCH LICENCE**

*** ANTISENSE 27% REMUNERATION 1st STRIKE**

*** UP TO 14% DISSENT AT ADMEDUS AGM**

*** EPIAXIS WINS JOHNSON & JOHNSON INNOVATION START-UP SLAM**

MARKET REPORT

The Australian stock market bounced back 3.34 percent on Thursday November 10, 2016 with the ASX200 up 172.2 points to 5,328.8 points.

Thirty-four of the Biotech Daily Top 40 stocks were up, just two fell and four traded unchanged. All three Big Caps were up.

IDT was the best of the many, up three cents or 16.7 percent to 21 cents with 149,897 shares traded, followed by Admedus up 15.4 percent to 37.5 cents with 1.3 million shares traded and Neuren up 14.9 percent to 5.4 cents with 1.2 million shares traded.

Dimerix, Osprey and Viralytics climbed more than 12 percent; Factor Therapeutics was up 10.3 percent; Bionomics and Prana were up more than nine percent; Actinogen, Avita, Ellex, Impedimed, Opthea and Psivida rose eight percent or more; Benitec and Polynovo improved more than seven percent; Airxpanders, Nanosonics, Pro Medicus, Sirtex and Universal Biosensors rose more than six percent; CSL, Orthocell and Resmed climbed five percent or more; Pharmaxis was up four percent; Medical Developments and Starpharma were up more than three percent; Clinuvel, Cochlear and Prima rose more than two percent; Acrux, Anteo, Compumedics and Mesoblast were up more than one percent; with Cyclopharm and Genetic Signatures up by less than one percent.

Atcor led the two falls, down one cent or 9.5 percent to 9.5 cents with 15,023 shares traded, followed by Reva down 3.2 percent to $1.20 with 111,377 shares traded.

ELLEX MEDICAL LASERS

Ellex says that a 79.0 percent increase in US reimbursement to $US1,747 ($A2,276.60) for its Itrack minimally invasive glaucoma surgery device is likely to drive uptake.
Ellex said the US Center for Medicare and Medicaid Services provided health insurance for 50 million retirees and those with disabilities, and had increased Itrack reimbursement to ambulatory surgery centres $US976 per procedure to $US1,747 from January 1, 2017.
The company said the rates were a national average with actual rates determined regionally based on a national wage index, but decisions by Medicare and Medicaid guided other private insurance payers.
Ellex said that Itrack was a single-use, minimally invasive glaucoma surgery (MIGS) device used to restore the natural outflow pathways in open-angle glaucoma patients no longer responding to selective laser trabeculoplasty or pharmaceuticals.
The company said that Itrack, used in simple, fast ab-interno procedure, accessed, catheterized and viscodilated the 360 degrees of the eye's natural drainage system.
Ellex said that the Itrack procedure, known as Abic, could be performed either as a stand-alone procedure or as an adjunct to cataract surgery.
The company said that the market for MIGS devices was growing rapidly and was expected to be $US700m a year by the 2020.
Ellex chief executive officer Tom Spurling said the company expected that the increase would "result in an increase in take-up of our product and procedure in the US above the rate we have experienced in the last 12 months".
The company said that Itrack sales increased 35 percent for the four months to October 31, 2016 compared to the prior corresponding period.
Ellex said that John Craig was appointed Itrack vice-president in September 2016 and would have responsibility for increasing the Itrack business, particularly in the US and the recruitment of additional people was underway to expand the direct sales network.
Ellex climbed 10 cents or 8.5 percent to $1.28.

RESONANCE HEALTH

Resonance says a research article endorses its Ferriscan R2-MRI for the management of patients with sickle cell disease, strengthens the case for reimbursement.
Resonance said that sickle cell disease affected more than 100,000 people in the US and up to 15 percent of patients received regular blood transfusions, resulting in iron overload, requiring liver iron concentration monitoring, for which its R2-MRI was "the gold-standard".
The company said that the research paper entitled 'Transfusional Iron Overload in a Cohort of Children with Sickle Cell Disease: Impact of Magnetic Resonance Imaging, Transfusion Method, and Chelation' led by the Children's Hospital of Philadelphia's Dr Janet Kwiatkowski was published in Journal of Paediatric Oncology, with the full article publicly available at: http://onlinelibrary.wiley.com/doi/10.1002/pbc.26017/pdf.
The abstract was published earlier this year.
Resonance said that the paper reported that the use of Ferriscan benefited the management of sickle cell patients receiving transfusions, resulting in a reduced liver iron burden for patients at risk and recommended the routine use of Ferriscan R2-MRI for patients with sickle cell disease receiving regular blood transfusions.
Resonance consultant Sheila Murphy said that "the strong support of key opinion leaders such as Dr Kwiatkowski, alongside new evidence on the impact of using Ferriscan provided in this paper, is critical to winning long-term access to Ferriscan for many more patients in the US".
Resonance was up 0.2 cents or 10 percent to 2.2 cents.

ATOMO DIAGNOSTICS

Atomo says that with France's NG Biotech it has developed the first fully-integrated emergency department rapid blood test for pregnancy.

Atomo said the NG-Test Blood Precision hCG test detected and measured for human chorionic gonadotropin (hCG) levels, which was a routine procedure when a female patient was admitted to an emergency department with abdominal pain or bleeding.

The company said that the test would be unveiled this month by the Guipry, France-based NG Biotech at Medica 2016 in Dusseldorf, Germany, November 14 to 17, 2016 and would be launched commercially in 2017.

Atomo said that the over-the-counter test delivered "highly accurate results in just five minutes" from a single drop of blood and could be used at home, as well as a point-of-care test by health professionals.

The company said that about 20 million hCG tests were performed each year in the US and Europe, with laboratory-based blood analysis taking one to two hours or a urine test taking 20 to 40 minutes.

Atomo said that its test rivalled laboratory-based blood analysis for accuracy and was designed to simplify the test procedure into one single-use device.

The company said it was working with NG Biotech to develop new test applications for over-the-counter and point-of-care markets.

Atomo chief executive officer John Kelly said his company's all-in-one tests were designed "to overcome the user issues and reduced levels of sensitivity common with in-field deployment of multi-component test kits".

Atomo is a private company.

MEDLAB CLINICAL

Medlab says the Australian Therapeutic Goods Administration has provided a licence to import cannabis.

Medlab said that the approval was "a critical step towards commencing a clinical trial using cannabis for patients suffering intractable cancer pain and represents a validation of Medlab's pathway to pain management medication".

Medlab managing-director Sean Hall said the approval was "a significant milestone".

"It shows we have satisfied TGA requirements, allowing the import of a proprietary liquid cannabis blend which will be used in our clinical trial," Mr Hall said.

"It also means we can look at starting manufacture of Nanocelle cannabis, which we've named Nanabis and which will be the delivery mechanism for administering our cannabis formulation in nano-sized particles by mouth," Mr Hall said.

"With the TGA approval and this being advised to Royal North Shore Hospital, we are entering the final stages of meeting requirements for ethics approval for the clinical trial," Mr Hall said. "Ethics approval and ultimate issue of a clinical trial number from TGA are final pre-requisites for the trial to begin, but with cannabis import approval achieved, indications are the trial should begin earlier than previously indicated, and hopefully this year."

Medlab said it would import the proprietary cannabis blend from Canada, through a licenced producer of medical marijuana, Aphria Inc, completing the final product at a specialised pharmaceutical facility in Melbourne.

Medlab said that its clinical trials at Royal North Shore Hospital in Sydney would be supervised by medical oncologist, palliative medicine specialist and University of Sydney medicine professor Prof Stephen Clarke.

Medlab was up 4.5 cents or seven percent to 68.5 cents.

PHOSPHAGENICS

Phosphagenics says it has extended the period for Terumo to conduct exclusive due diligence for its opioid patches in Japan by three months.

In April and July, Phosphagenics said that Japan's Terumo Corp had a six-month tocopheryl phosphate mixture (TPM) oxymorphone and oxycodone patch option licence, as well as a research and development alliance for three additional pharmaceutical products (BD: Apr 29, Jul 29, 2016).

Today, the company said that the option licence was agreed with the intention of assessing whether to enter into an exclusive licence.

Phosphagenics said that following six months of extensive technical and commercial due diligence, including a joint scientific advisory meeting in New York, Terumo requested further time to complete due diligence and progress negotiations.

The company said that during the next phase of discussions, both companies would work to conclude the assessment and move to a development and licencing agreement, which would include the terms of payment by Terumo to Phosphagenics.

Phosphagenics climbed 0.3 cents or 10.7 percent to 3.1 cents.

ANTISENSE THERAPEUTICS

Antisense's annual general meeting gave the remuneration report a 'first strike' with a 17,651,304 votes (27.3%) against and 46,937,267 votes (72.7%) in favor.

Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 a vote of 25 percent or more against the remuneration report in two successive annual meetings requires a vote on a board spill.

Antisense's most recent Appendix 3B new issue announcement said that the company had 176,512,483 shares on issue, meaning that the 17,651,304 votes against the remuneration report amounted to 10.0 percent of the company, sufficient to requisition extraordinary general meetings.

The re-election of chairman Bob Moses was opposed by 20.75 percent of votes with significant opposition to the re-election of directors Dr Gary Pace and William Goolsbee, as well as the issue of the placement capacity and the approval of director participation in a new option issue.

Antisense fell half a cent or 13.2 percent to 3.3 cents.

ADMEDUS

Admedus's annual general meeting passed all resolutions, but with up to 14.1 percent the 10 percent placement facility, directors shares and the remuneration report.

The strongest opposition was to the approval of the 10 percent placement facility with 7,117,044 votes (14.1%) against and 43,332,110 votes (85.9%) in favor.

The company said that the remuneration report was opposed by 4,600,382 votes (11.9%) with 34,082,043 votes (88.1%) in favor.

Admedus reported that previous placements and the issue of shares to chairman Wayne Paterson and directors Mathew Ratty Michael Bennett and John Seaberg were passed by a wider margin but with significant dissent, with the re-election of Mr Ratty and Mr Seaberg and the appointment of a new auditor passed overwhelmingly.

The company's most recent Appendix 3B said Admedus had 251,734,693 shares on issue meaning the opposition to the placement capacity amounted to 2.7 percent of the total shares on issue, not sufficient to requisition extraordinary general meetings.

Admedus was up 5 cents or 15.4 percent to 37.5 cents with 1.3 million shares traded.

JOHNSON & JOHNSON INNOVATION

Johnson & Johnson Innovation says that the Canberra-based Epiaxis Therapeutics won its Start-up Slam at BIO-Europe in Cologne Germany.

Johnson & Johnson Innovation said that 15 life science companies from the US, Europe and Israel competed for the Start-up Slam.

The company said that Epiaxis was an immuno-oncology company "pursuing a discovery and translational program directed at the prevention of metastatic disease by prolonging remission".

Johnson & Johnson Innovation said it would provide Epiaxis with mentorship and complimentary registration to BIO-Europe.

Johnson & Johnson Innovation's Kurt Hertogs said that Start-up Slam allowed "emerging entrepreneurs the opportunity to present their pitch to a room full of leaders who have the ability to help advance the most promising science into potential transformative healthcare solutions".

"The event builds on our work with many universities and academics around the world to foster and accelerate innovation from the lab," Mr Hertogs said.