

Biotech Daily



Monday November 21, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ACTINOGEN UP 5%, DIMERIX DOWN 11%**
- * **UAE APPROVES ADMEDUS CARDIOCEL HEART PATCH**
- * **BLUECHIIP WINS 2ND FEDERAL \$50k GRANT FOR OVER-TEMP CHIP**
- * **OPTHEA COMPLETES OPT-302 PHASE IIa WET AMD TRIAL ENROLMENT**
- * **GENERA RECEIVES \$722k FEDERAL R&D TAX INCENTIVE**
- * **EX-ADVISOR TRANSOCEAN CLAIMS 50m MEMPHASYS OPTIONS, FEES**
- * **IMUGENE COO LESLIE CHONG PROMOTED TO CEO**
- * **BIOXYNE LOSES DIRECTOR GEORGE CAMERON-DOW**
- * **BIOTECH CAPITAL PARTNERS WITH DR JOHN CHIPLIN**
- * **FACTOR APPOINTS PROF WILLIAM MARSTON, PROF MARK SLEEMAN**

MARKET REPORT

The Australian stock market fell 0.15 percent on Monday November 21, 2016 with the ASX200 down 8.1 points to 5,351.3 points. Ten of the Biotech Daily Top 40 stocks were up, 20 fell, nine traded unchanged and one was untraded.

Actinogen was the best, up 0.2 cents or five percent to 4.2 cents with 46,632 shares traded.

Admedus, Bionomics, Osprey and Uscom rose more than two percent; Airxpanders, Compumedics, Polynovo and Prana were up more than one percent; with Cyclopharm down 0.9 percent.

Dimerix led the falls, down 0.1 cents or 11.1 percent to 0.8 cents with 125,000 shares traded.

Living Cell lost 8.25 percent; Impedimed and Neuren shed more than seven percent; IDT and Mesoblast were down more than five percent; Oncosil fell 4.8 percent; Anteo and Cellmid were down more than three percent; Cochlear, Factor Therapeutics, Nanosonics, Reva and Viralytics shed two percent or more; Acrux, Atcor, Ellex, Pro Medicus, Psivida, Sirtex and Universal Biosensors were down more than one percent; with CSL down by less than one percent.

ADMEDUS

Admedus says that Dubai-based distributor Genpharm has received market approval and first orders for the Cardiocel heart patch in the United Arab Emirates.

Last year, Admedus said it appointed Genpharm as marketing and sales partner in the Middle East and North Africa for the Cardiocel bovine cardiac tissue product for heart defects (BD: Apr 22, 2015).

In February, Admedus said it had its first Cardiocel sale in the Middle East and North African region through an early access program in Qatar (BD: Feb 3, 2016).

Today the company said the approval followed an unannounced regulatory approval in Kuwait.

Admedus executive chair Wayne Paterson said that the UAE approval was “a significant milestone in terms of our expansion of the product franchise across emerging markets”.

“The UAE is a strategically important location as a central hub in [the Middle East and North Africa] for performing cardiovascular surgery,” Mr Paterson said.

Admedus said that Cardiocel was a single-ply, bio-scaffold that remained functional, durable and free from calcification, providing superior restorative structural heart repair and reconstruction.

The company said that Cardiocel was used in heart centres for cardiovascular repairs and reconstructions and the UAE had more than 500 cases of congenital defects a year and an increasing number of older patients with congenital defects seeking repair.

Admedus was up one cent or 2.9 percent to 35.5 cents.

BLUECHIIP

Bluechiip says it has received Federal Government of \$50,000 for the second phase of development of its over-temperature chip technology with the University of Melbourne. Bluechiip said that the funding came from the Australian Government’s Entrepreneurs’ Innovation Connections program and was the second grant it had received, to be matched by funding from the company.

The company said that it would use the money for its over-temperature chip, which provides a permanent record if a sample’s temperature, once frozen, deviates above an ideal prescribed limit causing damage and potential failure.

Bluechiip said that work on the over-temperature chip began last year after the company received the first grant of \$50,000 which resulted in a provisional patent application (BD: Sep 16, 2015; Sep 2, 2016).

Bluechiip chief executive officer Andrew McLellan said that the goal for the second stage of the project was “to develop and produce a working prototype incorporating findings and recommendations from the first stage of development”.

“Importantly, we have received feedback from our original equipment manufacturing partners that they would pay multiples of current chip prices for over-temperature chips,” Mr McLellan said.

“This is a major step for us and has the potential to open up large markets,” Mr McLellan said.

The University of Melbourne’s Centre for Neural Engineering director Prof Stan Skafidis said his department welcomed the Federal grant and the opportunity “to continue our department’s great collaboration with Bluechiip”.

“Such programs are important to promote engagement between researchers and businesses, which lead to the fostering of new innovations with commercial outlook. The research team looks forward to continuing to work with Bluechiip,” Prof Skafidis said.

Bluechiip fell 0.1 cents or 2.5 percent to 3.9 cents.

OPTHEA

Opthea says it enrolled all 31 patients in its randomized, dose escalation phase IIa trial of OPT-302 for wet age-related macular degeneration.

Opthea said that OPT-302 was a vascular endothelial growth factor (VEGF) C and D trap therapy.

The company said that patients were randomized to two treatment groups of 2mg OPT-302, either as a monotherapy or in combination with standard of care 0.5mg Lucentis, administered by intravitreal injection, monthly for three months.

Opthea said that the monotherapy group comprised five naïve and three prior-treated subjects, while the combination group had 14 naïve and nine prior-treated subjects.

The company said that primary analysis data was expected by April 2017 when all patients completed the week-12 follow-up.

Opthea said that the 20-patient, phase I dose escalation study suggested that OPT-302 with Lucentis might lead to improved clinical outcomes over Lucentis alone.

Opthea chief executive officer Dr Megan Baldwin said the company was “encouraged by the results we have reported to date and are planning to initiate a large, randomized, controlled clinical study in wet [age-related macular degeneration] patients in 2017”.

The company said that the phase I/IIa study was under an investigational new drug application program with the US Food and Drug Administration.

Opthea was unchanged at 72 cents.

GENERA BIOSYSTEMS

Genera says it has received \$722,358 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Genera said that the Tax Incentive related to expenditure in the year to June 30, 2016.

Genera was up half a cent or 1.7 percent to 30 cents.

MEMPHASYS (FORMERLY NUSEP)

Memphasys says it has received a statement of claim from its former corporate advisor Transocean Securities Pty Ltd.

Memphasys said it “terminated the mandate on August 26, 2016 for cause” and appointed new corporate advisors, Platinum Road Pty Ltd (BD: Sep 20, 2016).

The company said that Transocean was claiming it did not have the right to terminate its mandate and appoint Platinum Road as it had an exclusivity arrangement with Transocean.

Memphasys said that on July 28, 2016 it demanded a refund of net fees charged for underwriting fees wrongly charged by Transocean.

The company said that Transocean claimed it was entitled to charge a seven percent% underwriting and coordination fee to convert debt previously provided by directors and the rights take up into equity.

Memphasys said that Transocean was seeking to recover damages, including the value of the monthly retainer between April 2016 and December 2017, 50,000,000 underwriter options and fees that would have been earned by Transocean on subsequent funding.

The company said it had sought to settle the matter and made offers of settlement to avoid litigation, without any admission of liability, but it had not reached agreement.

Memphasys said it continued to negotiate in the hope of settling the matter, but would vigorously defend the claims by Transocean and would file a defence and counterclaim.

Memphasys was untraded at half a cent.

IMUGENE

Imugene says chief operating officer Leslie Chong has been promoted to chief executive officer with a pay rise, while executive chairman Paul Hopper takes a pay cut.

Imugene said that Ms Chong joined the company in September 2015 from the San Francisco, California-based Genentech.

The company said that it had undertaken to re-nominate Ms Chong's visa application for the changed appointment which would take effect on the issue of the re-nominated visa.

Imugene said that Ms Chong's salary would be increased from \$275,000 to \$300,000, while Mr Hopper would have a fee reduction from \$US200,000 (\$A273,048) to \$137,400. Imugene fell 0.05 cents or 5.3 percent to 0.9 cents with 15.6 million shares traded.

BIOXYNE

Bioxyne says that director George Cameron-Dow has resigned, effective from today.

Bioxyne said that with the recent appointments of Guy Robertson as chief operating officer and chief financial officer and Dr Peter French as scientific director it decided that a three-member board with a chief operating officer was appropriate.

"As the company's operations and directors are Sydney-based Mr Cameron-Dow has agreed to step off the board," Bioxyne said.

The company said that Mr Cameron-Dow was based in Perth and joined the board in July 2014 as a representative of the then major shareholder Fleming SG Capital Special Opportunities Fund (BD: Jul 21, 2014).

The three-member board comprises chairman Tony Ho and directors Dr French and Patrick Ford.

Bioxyne fell 0.1 cents or five percent to 1.9 cents.

BIOTECH CAPITAL

Biotech Capital says it will partner with Dr John Chiplotin to identify and facilitate advisory business opportunities in Australia and the US.

Biotech Capital said it provide "a range of professional services to high-growth [biotechnology, medical technology] and pharmaceutical companies" with about half of its revenue from foreign clients.

The company said that Dr Chiplotin was the managing director of the San Diego, California-based Newstar Ventures.

Biotech Capital said that Dr Chiplotin was a current director of Adalta, Batu Biologics, Benitec, the Coma Research Institute, Cynata, Prophecy, Scancell, Sciencemedia and Sienna Cancer Diagnostics and had a central role in a number of life science transactions, initial public offers and capital raisings.

The company said that Dr Chiplotin held a Bachelor of Pharmacy and a Doctor of Philosophy from the University of Nottingham and

Biotech Capital chairman Dr Richard Treagus said the company was "excited by the prospect of combining our expertise, industry networks and organizational capabilities".

"This represents a very practical step towards building an even greater level of collaboration between Australian and US life science companies," Dr Treagus said.

Dr Chiplotin commented said that the goal of the partnership was "to expand, enhance, and develop these relationships on a trans-Pacific basis".

Biotech Capital was up one cent or 9.1 percent to 12 cents.

FACTOR THERAPEUTICS

Factor Therapeutics says it has appointed Prof William Marston lead principal investigator and Professor Mark Sleeman scientific advisor ahead of its leg ulcer trial.

Factor Therapeutics said that the appointments were in preparation for its phase II program VF001 for use in venous leg ulcers.

The company said that Prof Marston was a wound care expert with experience as a physician and in conducting trials in advanced wound care.

Factor Therapeutics said that Prof Sleeman was appointed as the company prepared for US phase III trials, particularly with respect to protein characterisation and analytics.

Factor Therapeutics fell 0.2 cents or 2.6 percent to 7.6 cents.