



Biotech Daily

Wednesday December 7, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: IMPEDIMED UP 9%, GENETIC SIGNATURES DOWN 9%**
- * **UNIQUEST, CANADA DEAL FOR POST-CHEMO WHITE BLOOD CELLS**
- * **ORTHOCELL PLACEMENT RAISES \$4m**
- * **BOTANIX: PERMETREX TRANSDERMAL 'SAFE, LOW IRRITANT'**
- * **GERMANY'S BOC TO DISTRIBUTE RHINOMED PLUGS IN AUSTRALIA, NZ**
- * **MGC HIRES INHEMP FOR CANNABIS COSMETICS SALES, MARKETING**
- * **AUCKLAND'S MILFORD SUBSTANTIAL IN LIVING CELL, AGAIN**

MARKET REPORT

The Australian stock market climbed 0.91 percent on Wednesday December 7, 2016 with the ASX200 up 49.4 points to 5,478.1 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 13 fell, nine traded unchanged and two were untraded. All three Big Caps were up.

Impedimed was the best, up nine cents or nine percent to \$1.09 with 2.6 million shares traded.

Actinogen and IDT climbed more than five percent; Avita improved 4.2 percent; Neuren and Polynovo were up more than three percent; Clinuvel, Living Cell, Mesoblast, Oncosil, Uscom and Viralytics rose more than two percent; Opthea and Resmed were up one percent or more; with Airxpanders, Cochlear, CSL, Nanosonics and Psivida up by less than one percent.

Genetic Signatures led the falls, down four cents or 8.7 percent to 42 cents with 60,801 shares traded.

Orthocell fell 5.5 percent; Pro Medicus lost 4.8 percent; Cellmid was down 3.6 percent; Anteo and Compumedics shed more than two percent; Acrux, Atcor, Benitec, Bionomics, Ellex and Prana were down more than one percent; with Sirtex down half a percent.

UNIQUEST

Uniquet says that a University of Queensland team has developed a method of producing white blood cells in a transfusion bag for post-chemotherapy patients. Uniquet is the University of Queensland's commercialization arm and it said the research team from the University's Australian Institute for Bioengineering and Nanotechnology was led by Prof Lars Nielsen.

The organization said that following chemotherapy, a decrease in the number of circulating white blood cells or neutrophils, or neutropaenia, depleted the immune system, leaving the patient vulnerable to potentially fatal infections.

Prof Nielsen said that the most common treatment for neutropenia was an injection of granulocyte colony-stimulating factor (G-CSF), which stimulated the patient's own stem cells to expand and differentiate into neutrophils.

"G-CSF's effectiveness relies on the number of stem cells in the patient's bone marrow, which is significantly reduced after chemotherapy and it takes time for the stem cells to recover and mature into white blood cells," Prof Nielsen said.

"Our method instead avoids that at-risk period following treatment by extracting and separating stem cells from umbilical cord blood to produce a transfusion-ready therapeutic dose of white blood cells which can be administered to patients immediately after chemotherapy," Prof Nielsen said.

Uniquet said that the technology was based on research by Prof Nielsen and Dr Emma Palfreyman, and Dr Nick Timmins, who was currently based at formerly of UQ and now employed at the Toronto, Canada-based Centre For Commercialization Of Regenerative Medicine (CCRM).

Uniquet said that the stem cell treatment would progress towards the clinic following a licencing deal it had negotiated with CCRM.

Uniquet chief executive officer Dr Dean Moss said CCRM was "the ideal partner to take the neutrophil technology towards the market".

"CCRM has demonstrated experience in fundamental stem cell science and the commercialization of regenerative medicine and we are delighted that they will take [the University of Queensland's] research towards the clinic so that it can benefit patients," Dr Moss said.

CCRM chief executive officer Dr Michael May said that "combining the technology licensed from [the University of Queensland] with CCRM's expertise and capabilities in the commercialization of stem cell therapies, we believe we can provide a solution to this unmet clinical need and make a real difference to chemotherapy patients," Dr May said.

Uniquet said that the neutrophil research had been supported since 2003 by Stem Cells Australia and its forerunner, the Australian Stem Cell Centre, as well as the Australian Red Cross Blood Service and the Australian Research Council.

ORTHOCELL

Orthocell says it has commitments to raise \$4,000,000 in a placement at 40 cents a share a 10 percent discount to the 5-day volume-weighted average price.

Orthocell said the commitments were from new and existing professional and sophisticated investors in Australia and Hong Kong and the funds would be used "to progress the company's portfolio of products and for working capital purposes".

The company said that the sole lead manager for the placement was the Perth, Western Australia-based Argonaut Securities Pty Ltd.

Orthocell fell 2.5 cents or 5.5 percent to 43 cents.

[BOTANIX PHARMACEUTICALS \(FORMERLY BONE MEDICAL\)](#)

Botanix says the first human study of its Permetrex transdermal technology shows it has “minimal or weak irritancy potential” and no product-related adverse events.

Botanix said that the US, 28-volunteer Permetrex study gave repeat doses of Permetrex over 14 days, as well as positive and negative controls with established irritation profiles. The company said it separated the safety and irritation studies, so that the Permetrex drug delivery formulation was tested separately from the final BTX-1503 formulation, which included synthetic cannabidiol.

Botanix said that Permetrex made up the majority of the formulation of BTX-1503, which was on schedule to be tested in a further study in healthy volunteers and acne patients, to begin by July 2017.

Botanix executive director Matt Callahan said that Permetrex “showed very low potential to irritate the skin which means we can proceed with confidence into the next study for BTX-1503 including synthetic cannabidiol in the formulation”.

“Synthetic cannabidiol has been dosed to patients at 20 [to] 30 times higher dosages in other studies than what we will be using in our clinical studies,” Mr Callahan said.

“The data from this Permetrex study also supports the broader product pipeline that Botanix is developing for a range of skin diseases, in addition to our lead product, BTX-1503,” Mr Callahan said.

“The ability to drive drugs more efficiently into the skin, without the risk of serious irritation and other safety concerns from the delivery technology, opens up a number of new opportunities for us across a wide range of diseases,” Mr Callahan said.

Botanix was unchanged at five cents with 2.3 million shares traded.

[RHINOMED](#)

Rhinomed says it has a distribution and supply agreement with the Munich, Germany-based Linde Group and its Australian subsidiary BOC, formerly the British Oxygen Co. Rhinomed said that BOC would manage logistics and distribute its Mute and Turbine nasal plugs for snoring and sport, respectively, in Australia and New Zealand.

The company said it would ship product from its Hong Kong warehouse to BOC’s logistics centre in Sydney and BOC would supply Rhinomed’s contracts in Australia.

Rhinomed was up 0.1 cents or 5.9 percent to 1.8 cents with 4.5 million shares traded.

[MGC \(MEDICAL GRADE CANNABIS\) PHARMACEUTICALS](#)

MGC says it has engaged the London-based consulting, sales and marketing firm Inhemp to accelerate the expansion of its cosmetics range.

MGC said that Inhemp was led by Malcolm Kemp who had a track record in expanding cosmetics companies into new markets and “catapulted European cosmetics company Deborah Italia Group into over 70 countries worldwide and was instrumental in its success”.

The company said that Mr Kemp previously held roles at cosmetics company Revlon International Corp, leading its expansion in Europe, Africa and the Middle East.

The company said that Inhemp would represent and negotiate with potential distribution partners and would be responsible for launching, establishing and managing the MGC Derma brand in the UK, as well as promoting it at trade shows in the UK and Europe.

MGC said that Inhemp would also manage the businesses sales, receivables and marketing programs.

MGC was unchanged at 4.4 cents with 3.6 million shares traded.

LIVING CELL TECHNOLOGIES

The Auckland New Zealand-based Milford Asset Management says it has become a substantial shareholder Living Cell with 36,078,640 shares or 6.32 percent.

Earlier this year Milford became substantial in Living Cell with 24,313,934 shares or 5.08 percent, but was later diluted below five percent in a share plan and placement at 5.17 cents a share, which raised \$3.7 million (BD: Feb 19, Apr 4, 7, 21, 2016).

The substantial shareholder notice said that the registered holder was NNL custodians and it bought 11,764,706 shares on December 1, 2016 at 8.5 cents a share.

Living Cell was up 0.2 cents or 2.3 percent to 8.9 cents.