



Biotech Daily

Thursday February 2, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: IMPEDIMED UP 7%, DIMERIX DOWN 11%**
- * **CYNATA RAT STUDY BACKS CYMERUS FOR HEART ATTACK**
- * **MONASH APPROVES ONCOSIL PANCREATIC CANCER TRIAL**
- * **TBG RECEIVES \$1m FEDERAL R&D TAX INCENTIVE**
- * **ALLAN GRAY REDUCES TO 7% OF ACRUX**
- * **CRESO, HEALTH HOUSE DEAL TO IMPORT CANADIAN CANNABIS OIL**

MARKET REPORT

The Australian stock market slipped 0.14 percent on Thursday February 2, 2017 with the ASX200 down 7.8 points to 5,645.4 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 17 fell, seven traded unchanged and two were untraded.

Impedimed was the best, up 5.5 cents or 7.3 percent to 80.5 cents with 673,631 shares traded.

Oncosil and Uscom climbed more than six percent; Bionomics, Neuren and Orthocell were up more than five percent; Avita and Cyclopharm improved more than four percent; Airxpanders and Prima rose more than two percent; Opthea was up 1.6 percent; with Cochlear, Compumedics, Nanosonics and Sirtex up by less than one percent.

Dimerix led the falls, down 0.1 cents or 11.1 percent to 0.8 cents with 2.9 million shares traded.

Ellex lost 9.2 percent; Mesoblast was down 7.8 percent; Benitec and Clinuvel fell more than four percent; Factor Therapeutics, Prana and Pro Medicus were down more than three percent; Atcor, IDT and Starpharma shed more than two percent; with Admedus, CSL, Medical Developments, Osprey, Pharmaxis, Polynovo, Resmed and Viralytics down one percent or more.

CYNATA THERAPEUTICS

Cynata says a heart attack study in rats shows that those treated with its Cymerus mesenchymal stem cells had improved cardiac function and reduced scar size.

Cynata said the 11-animal study compared four rats treated with Cymerus, three treated with bone marrow-derived mesenchymal stem cells and four received a placebo control. The company said the study assessed cardiac function and scar size over a 28 day period after a myocardial infarction was induced.

Cynata said the initial results showed that cardiac function was improved and scar size reduced in the Cymerus recipients at day-28 compared to both other groups.

The company said that a myocardial infarction occurred when a blood vessel to the heart was blocked damaging the heart muscle and its functions, with heart attacks claiming more than 8,000 lives in 2014 in Australia, equating to 24 deaths a day.

The company said the study at Sydney's Westmead Institute for Medical Research and led by Westmead Hospital cardiologist Prof James Chong, aimed to determine the ability of its Cymerus mesenchymal stem cells to repair the rat heart after a heart attack.

Prof Chong said the pilot phase initial results were "promising".

"We now plan to continue our studies, using larger numbers of animals and additional assessments to strengthen our initial findings," Prof Chong said. "We will also investigate the effect of the treatment on ventricular arrhythmia, which is a potentially fatal abnormal heart rhythm that often develops after a heart attack."

Cynata head of product development Dr Kilian Kelly said that if the initial findings were confirmed during the remainder of the study "it would support the hypothesis that Cymerus could cause a substantial functional and structural improvement after a heart attack".

Cynata was unchanged at 58 cents.

ONCOSIL MEDICAL

Oncosil says that Melbourne's Monash Health has granted ethics approval for its Oncopac clinical study program for pancreatic cancer.

Last year, Oncosil said the US Food and Drug Administration approved an investigational device exemption application for its, 300-patient, pivotal, multi-centre, randomized, open-label pancreatic cancer 'Oncopac-1' safety and efficacy trial at up to 30 centres in the US, UK, Europe and Australia in patients with locally advanced, unresectable pancreatic adeno-carcinoma (BD: Aug 2, 2016).

The company said the first stage would enrol 20 patients, subject to an FDA safety review, followed by randomization to either its bio-silicon radiation with standard chemotherapy; or standard chemotherapy treatment of gemcitabine alone; or gemcitabine and nab-paclitaxel alone, with its phosphorous-32 micro-particles implanted intra-tumorally.

The company said the primary efficacy endpoint was local progression free survival, with secondary endpoints including progression free survival, overall survival, pain scores, body weight, safety and tolerability and performance status.

Oncosil said the first subject was expected to be enrolled "in early 2017" with recruitment expected to take about two years, with each patient to be followed until disease progression and all patients followed for overall survival until death, or until the last enrolled patient completed 52 weeks of overall survival follow-up.

Today, Oncosil said that the Monash ethics approval was "a significant milestone" and facilitated ethics approval for other Australian study centres, except Western Australia.

The company said it had 12 centres confirmed for the trial and was in discussions with a further seven centres in the UK, Europe and Australia.

Oncosil was up 0.6 cents or 6.1 percent to 10.5 cents.

TBG DIAGNOSTICS

TBG says it has received \$1,012,341 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

TBG said the rebate related to expenditure for the year to June 30, 2016.

TBG was up two cents or 11.1 percent to 20 cents.

ACRUX

Allan Gray Australia has reduced its substantial holding in Acrux, again, from 20,250,284 shares (12.16%) to 12,071,272 shares (7.25%).

Allan Gray said that between January 23 and 30, 2017 it sold 8,179,012 shares for \$2,640,700 or 32.3 cents a share.

In 2010, the then Orbis Investment Management reduced its holding in Acrux from 29,731,141 shares (18.21%) to 27,078,251 shares (16.59%) at an average price of \$3.06 a share (BD: Nov 4, 2010).

Renamed Allan Gray, the investment group sold down to below the five percent substantial mark and resumed buying in 2013 acquired 579,345 shares at \$4.00 a share (BD: Mar 20, 2013).

In 2014, Allan Gray held 18.55 percent of Acrux buying at prices ranging around \$2.30 to \$2.60 a share in 2013 and 55 cents to 65 cents in 2014 (BD: May 2, 2014).

The company began reducing its holding in 2015 at \$2 a share (BD: Mar 10, 2015).

Acrux was unchanged at 32 cents.

CRESO PHARMA

Creso says it has signed its first Australian letter of intent with Western Australian-based Health House International Pty Ltd to import and sell cannabis products.

Creso said it had opened an office in Sydney, adding to its existing office in Perth.

The company said that Health House would conduct a trial importation of cannabis oil products from Canada-based third-parties introduced by Creso.

Creso said that pending success of the trial import, the parties would agree to an initial two-year term, subject to Health House purchasing and importing minimum quantities and Creso would be the "exclusive facilitator" for the import, earning a facilitation fee.

The company said the agreement followed the legalisation of medical cannabis by the Federal Government last year "and a supportive statement by the Prime Minister to initiate medical cannabis imports alongside building the local medical cannabis industry.

In April, Deputy Prime Minister and Minister for Agriculture, Barnaby Joyce said that Australia would never import a crop that Australian farmers could grow, but more recently a media officer told Biotech Daily that inquiries about importing foreign marijuana should be directed to the Federal Department of Health (BD: Apr 20, 2016).

Today, Creso said that Health House would distribute products to patients who could buy medical cannabis under the new Australian laws through its West Australian-based pharmacy and through regulated national distribution chains and supply products to patients in clinical trial programs.

Creso chief executive officer Dr Miri Halperin Wernli said the company looked forward "to facilitating the import of these Canadian cannabis oil products into Australia".

Creso climbed three cents or 13.0 percent to 26 cents.