



Biotech Daily

Tuesday March 14, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: PRANA UP 11%, COMPUMEDICS DOWN 10%**
- * **PRO MEDICUS, PRIMARY HEALTH CARE SIGN \$15m VISAGE DEAL**
- * **PACKER & CO REDUCES, TAKES PROFIT TO 4.96% OF OPTHEA**
- * **YARRA FUNDS REDUCES TO 4.85% OF MAYNE PHARMA**
- * **WEHI MAPPING MEFLOQUINE FOR MALARIA LEADS TO BETTER DRUGS**
- * **ZELDA REDUCES 744 UNMARKETABLE PARCELS, 1.1m SHARES**
- * **ADMEDUS: JOHN SEABERG CHAIR; WAYNE PATERSON CEO, DIRECTOR**
- * **BIOTECH CAPITAL APPOINTS DR RIC DEGARIS FOR CLINICAL SERVICES**

MARKET REPORT

The Australian stock market edged up 0.03 percent on Tuesday March 14, 2017, with the ASX200 up 1.8 points to 5,759.1 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 15 fell, nine traded unchanged and one was untraded.

Prana was the best, up half a cent or 10.6 percent to 5.2 cents with 517,468 shares traded.

Living Cell climbed 9.1 percent; IDT and Pro Medicus were up more than seven percent; Bionomics improved 5.3 percent; Medical Developments was up three percent; Ellex, Genetic Signatures, Osprey and Uscom rose more than two percent; Cyclopharm, Mesoblast, Polynovo, Resmed and Universal Biosensors were up more than one percent; with Cochlear and Viralytics up by less than one percent.

Compumedics led the falls, down 5.5 cents or 9.8 percent to 50.5 cents with 83,553 shares traded.

Pharmaxis and Reva lost three percent or more; ITL and Neuren shed more than two percent; Actinogen and Admedus were down more than one percent; with CSL, Psivida and Sirtex down by less than one percent.

PRO MEDICUS

Pro Medicus says it has a five-year Visage radiology information system agreement with Primary Health Care's diagnostic imaging division Healthcare Imaging Services.

Pro Medicus said it would install the Visage radiology information system (RIS), which included patient scheduling, billing and back-office practice management functions throughout the Healthcare Imaging Services network.

The company said that Healthcare Imaging Services was "one of Australia's largest diagnostic imaging networks ... [with] 141 diagnostic imaging sites throughout Australia. Pro Medicus said that the five-year transaction-based agreement was expected to deliver an uplift equivalent to 11 percent of its 2015-'16 revenue for each year of the contract. Last year, Pro Medicus reported revenue of \$27,577,000 for the year to June 30, 2016, of which 11 percent would be \$3,033,470 and \$15,167,350 over five years.

Pro Medicus chief executive officer Dr Sam Hupert said the agreement was "one of the largest RIS deals in Australia, so it is very significant for us".

"With this contract we will regain our dominant position in the Australian RIS market," Dr Hupert said.

Healthcare Imaging Services chief executive Dean Lewsam said his company "undertook an extensive evaluation process before deciding on the Visage RIS from Pro Medicus". "Visage RIS has the functionality and scalability that a large geographically diverse group such as ours requires," Mr Lewsam said. "We expect a national system will help deliver significant efficiencies across our business."

Pro Medicus said that implementation would begin by July and take up to 14 months, with the five-year contract following implementation.

Pro Medicus climbed 34 cents or 7.85 percent to \$4.67 with 562,704 shares traded.

OPTHEA (FORMERLY CIRCADIEN TECHNOLOGIES)

The Cottesloe, Western Australia-based Packer & Co has reduced its holding in Opthea from 10,960,210 shares (7.23%) to below the five percent substantial level.

Packer & Co said it sold 3,435,119 shares on-market between February 15 and March 10, 2017, with the single largest sale 1,500,000 shares for \$1,290,000 or 86 cents a share.

In 2014, Packer & Co bought shares in the then Circadian on-market and participated in a placement and rights issue at 17.5 cents a share (BD: Oct 6, Nov 6, 25, 2014).

Biotech Daily calculates that Packer & Co retain 7,525,091 shares or 4.96 percent.

Opthea was unchanged at 93 cents.

MAYNE PHARMA GROUP

Yarra Funds Management says it has ceased its substantial shareholding in Mayne Pharma, reducing by 2,373,237 shares to 72,944,436 shares or 4.85 percent.

Last week, the Melbourne-based Yarra Funds Management said it had become a substantial shareholder in Mayne with 75,317,673 shares (5.01%) (BD: Mar 10, 2017).

Today, Yarra funds that the disposal of shares was for no cost and was due to a "change in client investment mandate".

Last week, Yarra Funds said co-holders included AA Australian Finco Pty Ltd, TA SP Australia Topco Pty Ltd and TA Universal Investment Holdings, with registered holders HSBC Custody Nominees, UBS Nominees, JP Morgan Chase Bank, State Street Australia, National Australia Bank, National Nominees, Invia Custodian, BNP Paribas, Citigroup and Northern Trust.

Mayne Pharma was up 2.5 cents or two percent to \$1.29 with 5.95 million shares traded.

THE WALTER AND ELIZA HALL INSTITUTE OF MEDICAL RESEARCH

The Walter and Eliza Hall Institute says its staff have mapped how mefloquine works for malaria, opening the possibility of making it more effective to combat resistance.

The Institute said that the study produced a precise atomic map of mefloquine a “front-line anti-malarial drug”, showing how its structure could be altered to make it more effective in killing malaria parasites.

WEHI said that its Dr Wilson Wong and Dr Brad Sleebs led the research, with Imperial College London’s Dr Jake Baum, the Cambridge UK-based Laboratory of Molecular Biology’s Dr Sjors Scheres and the Melbourne-based Bio21 Institute’s Dr Stuart Ralph. The research article, entitled ‘Mefloquine targets the Plasmodium falciparum 80S ribosome to inhibit protein synthesis’ was published in Nature Microbiology with an abstract available at: <http://www.nature.com/articles/nmicrobiol201731>.

WEHI said that drug treatments and preventative medicines for malaria were available, some had serious side effects and drug resistance meant there was an urgent need for new treatments.

The Institute said that many drugs were known to kill harmful pathogens, but their mechanism-of-action was often unknown.

Dr Wong said it was the first time a team had identified one of the modes-of-action of mefloquine.

“Mefloquine has been in use for more than 40 years, yet we did not understand how it was killing the parasite until now,” Dr Wong said. “We discovered that mefloquine attacks the ribosome, the molecular machinery that manufactures proteins required for malaria parasite survival.”

WEHI said that mefloquine was likely to target other parts of the parasite, killing it through multiple modes of action and the detailed atomic map would enable future drug improvements.

“We now know mefloquine binds to a hotspot of activity on the ribosome surface,” Dr Wong said. “However our map of the ribosome and drug-binding site showed the fit is not perfect.”

“We were able to mimic this interaction with compounds that were able to block the protein machinery and kill the parasite more effectively,” Dr Wong said.

Dr Sleebs said that the next step would be to use the information to redesign the drug to be more targeted and better differentiate between malaria and human ribosomes.

Dr Baum said that improving the action of existing drugs was a cheaper, quicker way of getting new treatments to patients.

“It takes a lot of resources to discover new drugs, but by tweaking the structure of existing drugs we can breathe new life into them and potentially gain significant benefits with far fewer resources,” Dr Baum said.

“With growing resistance to frontline antimalarial drugs, it makes sense to improve secondary drugs that work imperfectly, rather than always reinvent the wheel,” Dr Baum said.

ZELDA THERAPEUTICS

Zelda says its unmarketable parcel facility closed on March 7, 2017, with 1,090,520 shares held by 744 investors sold on-market by CPS Capital at 6.23 cents a share.

Zelda said that at the market close on the record date of January 16, 2017 there were 1,936,134 shares, held by 891 holders that had a market value of less than \$500.

The company said the 744 share parcels comprised about 48 percent of its shareholders.

Zelda was unchanged at eight cents with 56.1 million shares traded.

ADMEDUS

Admedus says that John Seaberg has been appointed chairman replacing executive chairman Wayne Paterson who continues as chief executive officer and a director.

Admedus said that Mr Seaberg joined the Admedus board in 2014 and most recently, was chairman of the Minneapolis, Minnesota-based Synovis Life Technologies, which manufactured medical devices and bio-scaffold tissue products.

The company said that from 2007 until May 2014, Mr Seaberg was founder, chairman and chief executive officer of Neochord Inc, a venture capital-backed company commercializing technology developed at the Mayo Clinic for the repair of the mitral valve through minimally invasive techniques.

Admedus said that previously, Mr Seaberg was an executive with Guidant Corp which was subsequently acquired by Boston Scientific.

The company said that in 1991, Mr Seaberg co-founded Acist Medical and was the first chief executive officer of the manufacturer and distributor of power injection technologies for coronary angiography.

Admedus said that Mr Seaberg lived in Minneapolis and held a Bachelor of Arts from the University of Minnesota and a Masters in Business Administration from the University of Minnesota's Carlson School of Management.

Admedus fell half a cent or 1.45 percent to 34 cents.

BIOTECH CAPITAL

Biotech Capital says its wholly-owned subsidiary Biointelect Pty Ltd has appointed Dr Ric DeGaris as its clinical services director.

Biotech Capital said that the Melbourne-based Dr DeGaris would "lead the group's clinical development services for its local and international clients".

The company said that Dr DeGaris held a Bachelor of Science and Doctorate of Philosophy in Pharmacology from Monash University and had more than 25 years' experience in biomedical research, clinical operations, product development and commercialisation, working with a range of pharmaceutical, biotechnology and start-up companies, as well as research organisations and institutes.

Biotech Capital said that Dr DeGaris was formerly Kendle Australia's managing-director. Biotech Capital was untraded at 12 cents.