



Biotech Daily

Monday March 27, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH FLAT: CELLMID UP 6%, REVA DOWN 9.5%**
- * **MESOBLAST RAISES \$52.5m FOR PHASE III PROGRAMS, MANUFACTURE**
- * **CRESO PLACEMENT RAISES \$8m, PLAN FOR \$1m MORE**
- * **CORRECTION: BIONOMICS**
- * **FEDERAL \$50k FOR NOXOPHARM, MIPS PHARMACODYNAMICS STUDIES**
- * **RACE SIGNS SOUTH KOREA DISTRIBUTION**
- * **RECCE 327 'SAFE, WELL-TOLERATED IN DOGS'**
- * **ZELDA, CANNPAL DEAL ON MEDICAL MARIJUANA FOR PETS**
- * **MEDLAB PREPARES FOR PHASE II NRGBIOTIC DEPRESSION TRIAL**
- * **SIMAVITA REDUCES COSTS, DEVELOPS CORPORATE STRATEGY**
- * **NOVITA PLEADS SCHULTZ TO ASX 41% QUERY**
- * **BRAIN REQUESTS CAPITAL RAISING TRADING HALT**
- * **MMJ REQUESTS 'CANNABIDIOL CAPSULE IMPORT' TRADING HALT**
- * **NUHEARA REQUESTS CAPITAL RAISING TRADING HALT**

MARKET REPORT

The Australian stock market slipped 0.12 percent on Monday March 27, 2017, with the ASX200 down 6.8 points to 5,746.7 points. Fifteen of the Biotech Daily Top 40 stocks were up, 14 fell, nine traded unchanged and two were untraded.

Cellmid was the best, up 0.2 cents or 6.25 percent to 3.4 cents with 5.2 million shares traded. Actinogen and Impedimed climbed five percent or more; Benitec and Clinuvel were up more than three percent; Factor Therapeutics, ITL, Sirtex and Uscom rose more than two percent; Avita, Nanosonics, Oncosil and Pharmaxis were up more than one percent; with Cochlear, Pro Medicus and Starpharma up by less than one percent.

Reva led the falls, down 9.5 cents or 9.5 percent to 90.5 cents with 67,018 shares traded. Mesoblast lost 6.7 percent; Living Cell and Psivida fell four percent or more; Airxanders, Cyclopharm, Neuren and Viralytics shed more than two percent; Admedus, Atcor, Bionomics, Medical Developments and Orthocell were down more than one percent; with CSL, Opthea and Resmed down by less than one percent.

MESOBLAST

Mesoblast says it has raised about \$52.5 million at \$2.00 a share, a 4.8 percent discount to the 15-day volume-weighted average price of \$2.10.

Mesoblast closed at \$2.39 on Friday March 24, 2015.

The company said the placement was fully underwritten, with Bell Potter Securities as lead manager and underwriter and the funds would be used for its phase III clinical programs and manufacturing requirements associated with product commercialization. Mesoblast fell 16 cents or 6.7 percent to \$2.23 with 1.1 million shares traded.

CRESO PHARMA

Creso says it has raised \$8 million in “a heavily oversubscribed placement” at 69 cents a share and will offer a share plan at the same price to raise a further \$1 million.

Creso said the price was a 16.4 percent discount to its last trading price of 82.5 cents.

The company said it originally expecting to raise up to \$5.6 million and the placement would be in two tranches, the first for \$5.6 million and the balance in the second tranche, pending shareholder approval at the April 12, 2017 annual general meeting.

Creso said that the share plan record date would be March 24, with further details to be announced and dispatched on March 28, 2017.

The company said that the funds would be used to commercialize its cannabinoid-derived animal and human health food additives, expand its pipeline with additional products, diversify to new geographic regions, increase the workforce and provide working capital. Creso fell one cent or 1.2 percent to 81.5 cents with 3.8 million shares traded.

BIONOMICS

Friday's edition referred to the 2012 closure of the Bionomics and the Darmstadt, Germany-based Merck Serono partnership for multiple sclerosis.

The article mistakenly said the drug involved was the Bionomics cancer drug BNC105, when in fact it was for compounds based on Bionomics Kv1.3 potassium ion channel program (BD: Jun 19, 2008; Jun 15, 2012).

The error was made by a less-than-observant sub-editor who has been summarily dismissed.

Biotech Daily apologizes unreservedly for the factual inaccuracy.

Bionomics fell half a cent or 1.35 percent to 36.5 cents.

NOXOPHARM

Noxopharm says the Federal Government has granted \$50,000 for a contract research project run by the Monash Institute of Pharmaceutical Sciences.

Noxopharm said that the Federal Entrepreneurs' Program Innovation Connections grant would assist the development of delivery formulations of idronoxil for specific cancer indications, beyond lead candidate NOX66, and to characterize the active form that idronoxil occurred in the body when delivered by NOX66.

The company said this form, idronoxil-C, displayed “unique and advanced behavior” that accounted for its properties, including delivering idronoxil across the blood-brain barrier.

Noxopharm chief executive officer Dr Graham Kelly said the aim of the current clinical studies was to prove that NOX66 worked, and “this part of the Monash study program is designed to show why it works”.

Noxopharm fell half a cent or 1.1 percent to 44.5 cents

RACE ONCOLOGY

Race says it has licence and sales agreement with the Seoul, South Korea-based BL&H (Better Life and Health) Co for Bisantrone for acute myeloid leukaemia.

Race said that BL&H would be responsible for generating sales of Bisantrone in South Korea for acute myeloid leukaemia under a named patient program at hospitals.

The company said it would be responsible for shipment from its California manufacturer and invoicing to the hospitals, with BL&H receiving a 25 percent commission on sales.

Race chief executive officer Peter Molloy said it was the first licence agreement for Bisantrone outside Europe “and indicates the strong level of international interest from commercial marketing partners in the potential for Bisantrone”.

Race was up three cents or 17.65 percent to 20 cents.

RECCE

Recce says its synthetic antibiotic Recce 327 was well tolerated with no adverse events in three dogs.

Recce said that an independent US contract research organization report said there were “no adverse clinical signs and no apparent test article-related effects on body weight and blood pressure noted during the study” and the intravenous infusion of Recce 327 at 70mg/kg over four hours was well tolerated.

The company said the safety study dosed two dogs with saline and three with Recce 327 at 70mg/kg, respectively, by intravenous infusion over four hours, with the 70mg/kg efficacious in mice against gram-positive or gram-negative bacteria.

The company said the researchers observed no substantial adverse clinical signs with lymphopenia and neutrophilia, consistent with a typical stress leukogram pattern, likely due to the test article and no other biologically relevant changes in clinical pathology.

Recce was unchanged at 24 cents.

ZELDA THERAPEUTICS

Zelda says it has an agreement with Cannpal Pty Ltd to develop cannabis-based prescription and non-prescription drugs and animal feed nutrition for pets.

Zelda said that it would be issued options over 10 percent of the fully-diluted issued capital in the Canberra-based Cannpal, which intended to list on the ASX later in 2017 providing it with “meaningful exposure to the large and growing animal health market”.

The company said the agreement was strategic with no cash payments from either party.

Zelda said that executive chairman Harry Karelis was a founding shareholder in Cannpal and held about 13.9 percent of the company but had not been a director and would not receive any financial benefit as a result of the partnership.

The company said that its director Mara Gordon had agreed to be a member of the Cannpal advisory board and would be entitled to remuneration comprising cash and options on arms-length commercial terms.

Zelda said it would grant Cannpal access to certain data owned by Zelda including pre-clinical research protocols, formula innovation, and clinical trial designs, and grant Cannpal access to its intellectual property portfolio, provide technical assistance through its advisory board and technical personnel and introduce Cannpal to its network of relationships.

The company said that Cannpal would be granted first rights for the animal market over any data generated in Zelda’s human trials.

Zelda was up 1.5 cents or 18.1 percent to 9.8 cents with 76.1 million shares traded.

MEDLAB CLINICAL

Medlab says it has ethics approval for a phase IIa trial for its NRGBiotic probiotic anti-depression program at the University of Queensland, Clinical Centre for Research. Medlab said that its bacteria-based NRGBiotic would be trialled on patients diagnosed with depression, following previous trials which showed that the formulation “effectively improved symptoms and quality of life for patients with drug resistant depression”.

The company said that NRGBiotic targeted the gut–brain axis and improvement of gut health, with the intention of improving the body’s ability to absorb medicine.

Medlab said that NRGBiotic was available in Australia and New Zealand as part of its “nutritional” range.

Medlab chief executive officer Sean Hall said he expected the trial to recruit 130 participants.

The company said that depression was the leading cause of disability worldwide and 45 percent of Australians would “experience a mental health condition in their lifetime and, in any one year, around one million Australian adults suffer from depression”.

Medlab said that in 2015, an estimated 16 million US adults had at least one major depressive episode.

The company said that clinical psychologist Dr Matthew Bambling would continue as principal investigator.

Medlab was up three cents or 3.45 percent to 90 cents.

SIMAVITA

Simavita says it has consolidated its resources, reduced recurring costs and has a portfolio of incontinence sensors and systems.

Simavita said that it had developed a corporate strategy which it called Pivot to deliver the sensors and systems “to address all segments of the international adult incontinence and infant diaper industry”.

The company said it was addressing the \$US9 billion adult incontinence pad market and the \$US12 billion nappy market for infants.

Simavita said that management of incontinence could reduce carer time and product costs by up to 25 percent, while ensuring the right products were used “to provide peace of mind, prevent falls and improve skin integrity”.

The company said it would provide sensors for all segments of the nappy market from the assessment of incontinence needs for the aged and disabled through to extremely low cost alert sensors for everyday use, particularly focused on infant nappies.

Simavita said its Alertplus was a low cost sensor platform technology for everyday use in all adult and infant nappies and connected to mobile telephones and devices through an application and was intended to be partnered with major nappy manufacturers.

The company said that Assessplus was aimed at the aged and disabled, who lived in the community, to be provided with the right nappy at the right time, with a 48 to 72 hour assessment program to reduce costs by up to 25 percent, as well as improved health outcomes, including reduced accidents associated with falls and improved skin integrity.

The Smart Incontinence Monitor (SIM Clinical) was the original assessment product for institutional users including hospitals, rehabilitation and aged care institutions, with demanding requirements for integration and reporting.

Simavita fell 0.2 cents or 3.5 percent to 5.5 cents.

[NOVITA HEALTHCARE \(FORMERLY AVEXA\)](#)

Novita has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose 41.4 percent from 2.9 cents on March 20 to 4.1 cents on March 24, 2017, and noted a significant increase in the trading volume.

Last year Novita changed its name from Avexa and ASX code to NHL, and is commercializing the Monash University developed Tali attention training system for children with developmental disorders (BD: Oct 12, 2015; Feb 15, May 3, Dec 8, 2016).

Novita fell 0.8 cents or 18.6 percent to 3.5 cents with 5.3 million shares traded.

[BRAIN RESOURCE](#)

Brain has requested a trading halt "pending a material announcement to the market concerning a capital raising".

Trading will resume on March 29, 2017 or on an earlier announcement.

Brain last traded at nine cents.

[MMJ PHYTOTECH](#)

MMJ has requested a trading halt "pending an announcement regarding the proposed importation of ... [cannabidiol] capsules into Australia".

Trading will resume on March 29, 2017 or on an earlier announcement.

MMJ last traded up three cents or 4.55 percent to 69 cents with 4.4 million shares traded.

[NUHEARA](#)

Nuheara has requested a trading halt "pending [the] release of an announcement regarding a capital raising".

Trading will resume on March 29, 2017 or on an earlier announcement.

Five months ago, Nuheara raised \$4,984,000 at six cents a share to fund production and marketing of its Iqbuds sound filtering and device ear buds (BD: Oct 27, 2016).

Nuheara last traded at 8.4 cents.