



Biotech Daily

Monday July 17, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: PRANA UP 7%, ITL DOWN 10%**
- * **NOVARTIS PAYS PRIMA 'UNDISCLOSED SIGNIFICANT' MILESTONE**
- * **RACE RAISES \$2.5m**
- * **UNIVERSAL BIO: SIEMENS REVENUE UP; J&J DOWN, DESPITE SALES UP**
- * **PHARMAUST'S EPICHEM \$3m REVENUE, ACCREDITATION, EXPANSION**
- * **HAMACHER ADDS RHINOMED MUTE TO PHARMACY LAYOUT PLAN**
- * **IMPEDIMED FILES US SOZO APPLICATION FOR LYMPHOEDEMA**
- * **PROCTOR & GAMBLE LAUNCHES OBJ SK-II MAGNETIC BOOSTER**
- * **USCOM APPOINTS PACIFIC MEDICAL BP+ SE ASIA DISTRIBUTOR**
- * **OPTISCAN APPOINTS DR PHILIP CURRIE DIRECTOR**

MARKET REPORT

The Australian stock market slipped 0.17 percent on Monday July 17, 2017 with the ASX200 down 9.6 points to 5,755.5 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 12 fell, 13 traded unchanged and one was untraded. All three Big Caps fell.

Prana was the best, up 0.4 cents or 7.3 percent to 5.9 cents with 263,039 shares traded.

AcruX and Genetic Signatures climbed five percent or more; LBT and Osprey improved more than four percent; Neuren was up 3.3 percent; Impedimed and Oncosil rose more than two percent; with Medical Developments, Mesoblast, Opthea, Pro Medicus, Psivida and Sirtex up by less than one percent.

ITL led the falls, down five cents or 9.7 percent to 46.5 cents with 362,716 shares traded.

Universal Biosensors lost 8.3 percent; Benitec shed 7.4 percent; Uscom was down five percent; both Atcor and Compumedics fell four percent; Clinuvel and Polynovo shed more than two percent; Admedus, Orthocell and Viralytics were down more than one percent; with Cochlear, CSL, Nanosonics and Resmed down by less than one percent.

PRIMA BIOMED

Prima says Novartis will pay “a second undisclosed significant clinical milestone” for the collaboration on its IMP701 lymphocyte activation gene-3 (LAG-3) antibody.

Prima said that the antibody was also referred to as LAG525 and was being evaluated in clinical trials with the Novartis programmed cell death 1 protein inhibitor PDR001 for cancer.

The company said that Novartis had responsibility for the development of the antibody program and Prima was eligible to receive further development-based milestone payments and royalties on sales following commercialization of the products.

Prima chief executive officer Marc Voigt said that the company was “very pleased by the progression of the LAG525 program”.

“This announcement, together with the other clinical and non-clinical data published regarding other LAG-3 directed drug development programs over the past 12 months is very encouraging,” Mr Voigt said.

Prima was unchanged at 2.6 cents with 7.0 million shares traded.

RACE ONCOLOGY

Race says it has raised \$2.5 million in a “heavily over-subscribed” placement to professional and sophisticated investors at 20 cents a share.

Race said that placement subscribers would be entitled to one-for-two free attaching unlisted options, exercisable at 30 cents by September 30, 2018.

The company said the funds would be used for the planned launch of Bisantrone for acute myeloid leukaemia and to support operations to June 30, 2018.

Race said it expected to launch Bisantrone in France on a named patient basis by the end of 2017, with sales in South Korea commencing soon after, to be followed by Italy and Turkey.

The company said that the Sydney-based 708 Capital was the sole lead manager and book-runner to the placement.

Race was up 1.5 cents or 6.25 percent to 25.5 cents.

UNIVERSAL BIOSENSORS

Universal Biosensors says that revenue from the sale of Xprecia Stride PT-INR blood coagulation test strips to Siemens was \$1,425,171 for the three months to June 30, 2017.

Universal Biosensors said the revenue was up 63.4 percent from the \$872,444 for the three months to March 31, 2017, the first quarter of revenue for the strips.

The company said that Siemens Healthineers (formerly Siemens Healthcare) began sales of the Xprecia Stride Coagulation Analyser in the US.

Universal Biosensors said that quarterly service fees from sales of the Johnson & Johnson Lifescan Onetouch Verio blood glucose test strips fell 13.5 percent to \$4.67 million for the three months to June 30, 2016, despite a five percent increase in sales volume.

The company said that the fall in quarterly service fees was due to “the volume pricing threshold” in its agreement with Lifescan.

Universal Biosensors said it received a 1.25 US cents service fee for the first 500 million strips sold each year and 0.75 US cents for each strip sold thereafter during that year and the volume growth meant it hit that target earlier in 2017 than it did in 2016.

The company said it held \$19.9 million in cash and was expecting a Federal Government Research and Development Tax Incentive of \$7.52 million by October 2017.

Universal Biosensors fell 3.5 cents or 8.3 percent to 38.5 cents.

PHARMAUST

Pharmaust says its Epichem subsidiary has generated a record \$3.05 million in revenue for the year to June 30, 2017, a 30 percent increase over the previous year.

Pharmaust said that the revenue figure for its synthetic and medicinal chemistry division was subject to a final audit sign-off and the company was targeting \$4 million in revenue for the next financial year.

The company said that there was an increase in revenue across all of Epichem's business divisions, including its drug discovery services arm and the fine chemicals and technical services business.

Pharmaust said that Epichem's had applied for International Standards Organisation ISO17025 and ISO17034 quality accreditation, which were "the highest international standards for the production of reference standards".

The company said that the standards would facilitate access to further partners and was expected to drive significant growth in the high-margin catalogue business, with an outcome on the applications expected by the end of 2017.

Pharmaust said Epichem would expand its laboratory space by a further 50 percent, which would be part-funded by a \$466,000 loan from the Federal Government's Export Finance Insurance Commission to be repaid over four years.

Epichem managing-director Dr Wayne Best said the company's existing laboratories, which were expanded in 2015, were "running at full capacity".

"The new laboratories are needed to meet current and forecast demand," Dr Best said.

"The time could not be better for a further expansion," Dr Best said.

"The lower Australian dollar and the ongoing improvements to our quality accreditation levels are expected to continue driving significant revenue growth for the company and shareholders," Dr Best said.

Pharmaust was up half a cent or 6.85 percent to 7.8 cents.

RHINOMED

Rhinomed says its Mute anti-snoring nasal plugs have been added to Hamacher Resource Group's shop layout system for smaller and independent US pharmacies.

Rhinomed said that the sleep and breathing technology was included in the annual 'large set planogram' used by up to 10,000 American pharmacies to determine their store layout and what products appeared on shelves.

The company said that the Waukesha, Wisconsin-based Hamacher included the trial pack and medium pack of Mute nasal plugs in the layout's cold and allergy section.

Rhinomed said that the plan would be distributed to wholesalers and independent pharmacies from August 2017 and the inclusion was "a major milestone in the US distribution plan".

The company said Hamacher was a private category management, business strategy and marketing services company for the wholesale and consumer retail healthcare market.

Rhinomed said there were about 61,000 pharmacies in the US and the top 25 chains had about 35,000 shops while smaller community pharmacies had about 22,000 shops.

The company said that having Mute in the Hamacher layout opened "a significant opportunity within the independent pharmacy market".

Rhinomed said that one in four people had nasal obstruction or congestion and the Mute nasal plugs provided a drug-free alternative to steroid sprays and drug-based decongestants by stenting the nose and increasing airflow, helping people to breathe more, snore less and sleep better.

Rhinomed was up two cents or 10.5 percent to 21 cents.

IMPEDIMED

Impedimed says it has filed its US Food and Drug Administration 510(k) pre-market application for its Sozo diagnostic to aid in the clinical assessment of lymphoedema. Impedimed said that the submission used its L-Dex U400, which was cleared by the FDA in 2013, as a predicate (BD: June 7, 2013).

Impedimed chief executive officer Richard Carreon said the company was “extremely pleased that we have been able to move so quickly from a CE mark for Sozo to an FDA submission”.

“A critical requirement in obtaining our clearance is data, showing that the L-Dex values obtained from Sozo are substantially equivalent to our own U400 device,” Mr Carreon said. “We believe we have provided the necessary information in establishing equivalency.”

Mr Carreon said he expected the Sozo body fluid composition diagnostic to be launched in the US by the end of 2017.

Impedimed was up two cents or 2.8 percent to 74 cents.

OBJ

OBJ says that Proctor and Gamble has launched its cosmetic SK-II Magnetic Booster, incorporating OBJ magnetic transdermal technology in Singapore.

OBJ said that it was the second product licenced to Proctor and Gamble, after the Magnetic Eye Wand, using its technology and a wider release was scheduled over the coming months.

The company said it developed the Magnetic Booster under the internal name of Wave II and it contained a number of its innovations, including a skin-sensing switching technology, a vibration system and the multi-product magnetic micro array that allowed the Magnetic Booster to be used across a select number of SK-II skincare products.

OBJ said that the Magnetic Booster would be sold in Japan, Korea, Singapore, Taiwan, China, Hong Kong, Malaysia and Indonesia, with a roll-out from July to October 2017.

OBJ managing-director Jeff Edwards said the Magnetic Booster was “an excellent product at multiple levels”.

“It is elegant in design, beautifully engineered and superbly executed by SK-II,” Mr Edwards said.

OBJ was up 0.3 cents or 5.45 percent to 5.8 cents with 1.5 million shares traded.

USCOM

Uscom says Hong Kong’s Pacific Medical Systems has been appointed as a South East Asia distributor for its BP+ central blood pressure monitor and BP+ Reporter.

Uscom said that the three year agreement covered Thailand, Hong Kong, Macau, Singapore, Taiwan, Malaysia and Indonesia.

The company said that Uscom BP+ used supra-systolic oscillometric technology for central blood pressure monitoring and central pulse pressure wave analysis and the BP+ Reporter was the stand-alone software to archive patient examinations and images, display trend measures over time, analyse blood pressure waveforms and values and generate patient reports.

Uscom said the distribution agreement covered countries with a combined population of 393 million people, with Pacific Medical expected to generate about \$1.5 million in sales revenue over three years following regulatory approvals.

Uscom fell one cent or five percent to 19 cents.

OPTISCAN

Optiscan says it has appointed Dr Philip Currie as a non-executive director, with immediate effect.

Optiscan said that along with advancing its collaboration with the Oberkochen, Germany-based Carl Zeiss it had undertaken a performance review which “identified a gap in the clinical knowledge space on the board resulting in the need for a board member with strong credentials in the medical field”.

The company said that Dr Currie was a cardiologist with more than 35 years’ experience in the US and Australia with extensive experience in medical research, clinical cardiology and business.

Optiscan said that following his medical residency and cardiology fellowship at Melbourne’s Alfred Hospital, Dr Currie worked at the Mayo Clinic, the Cleveland Clinic and was the Michigan Heart and Vascular Institute’s director of echocardiography for eight years.

The company said that Dr Currie was involved in research and validation “of many of the major advances in echocardiography, including Doppler echo, intraoperative echocardiography and trans-oesophageal echo-cardiography”, including working with ultrasound manufacturers.

Optiscan said that Dr Currie returned to Australia in 1997 and established a private cardiology practice which evolved into an integrated multi-specialty medical organisation with 12 sites in Perth and Melbourne.

The company said that Dr Currie held a Bachelor of Medicine and Bachelor of Surgery from Melbourne’s Monash University and a Masters of Business Administration from the University of Michigan.

Optiscan climbed 0.8 cents or 8.25 percent to 10.5 cents.