



# Biotech Daily

Tuesday July 25, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: LIVING CELL UP 8%, MESOBLAST DOWN 5%**
- \* **STC TAKES \$160k VICTORIA MEDTECH'S GOT TALENT NATIONAL**
- \* **ITL UNNAMED US BLOOD BANK SAMPLOK CONTRACT EXTENDED**
- \* **USCOM SALES UP 20% TO \$3.5m**
- \* **EPAT PAYS NVISO \$393k, 31m SHARES FOR PAIN TEST SOFTWARE**
- \* **MEMPHASYS REQUESTS LITIGATION TRADING HALT**
- \* **ESENSE TO DEVELOP CANNABIS WITH OREGON'S WILD ROGUE**
- \* **CORRECTION: EPAT**
- \* **G MEDICAL REQUESTS CHINA CALL CENTRE, DISTRIBUTION HALT**
- \* **DIRECTOR MICHAEL STORK DILUTED TO 12% IN PATRYS**
- \* **ELLEX CEO TOM SPURLING TO US, DR MEERA VERMA TO EXECUTIVE**
- \* **ONCOSIL LOSES CO SEC PETER CASEY, CFO TOM MILICEVIC CO SEC**
- \* **KEVIN HART REPLACES PHYLOGICA CO SEC GRAEME BODEN**

## MARKET REPORT

The Australian stock market climbed 0.68 percent on Tuesday July 25, 2017 with the ASX200 up 38.5 points to 5,726.6 points. Sixteen of the Biotech Daily Top 40 stocks were up, 13 fell, eight traded unchanged and three were untraded. All three Big Caps were up.

Living Cell was the best, up one cent or 8.3 percent to 13 cents, with 342,611 shares traded. Atcor climbed 6.4 percent; Acrux, Ellex and Prana were up more than five percent; ITL and Prima improved more than four percent; both LBT and Orthocell climbed three percent; CSL and Medical Developments rose two percent or more; Admedus, Clinuvel, Cochlear and Compumedics were up more than one percent; with Nanosonics, Pro Medicus, Resmed and Sirtex up by less than one percent.

Mesoblast led the falls, down 10 cents or 5.3 percent to \$1.775 with 1.6 million shares traded. Airxpanders, Benitec and Universal Biosensors lost more than three percent; Bionomics and Uscom shed more than two percent; Factor Therapeutics, Impedimed, Neuren, Opthea, Osprey and Psivida were down one percent or more; with Viralytics down 0.55 percent.

## VICTORIA GOVERNMENT, SMALL TECHNOLOGIES CLUSTER (STC) AUSTRALIA

The Victoria and Federal Government-funded STC says applications have opened for the \$160,000 national 'Medtech's Got Talent' training and mentorship program.

STC said the innovation talent quest was funded by the Victoria State Government and the Federal MTP Connect and was in its "fourth and largest year ... seeking Australia's aspiring next generation [medical technologies] entrepreneurs and innovators.

The organization said that it had expanded from being a Victoria-only contest for the past three years to be open to all Australian medical technology innovators and entrepreneurs. An STC media release said that the program would identify and refine potential medical technology concepts from early stage entrepreneurs and innovators associated with Australian universities, hospitals and research institutes.

STC said that contestants would receive support to develop an investible start-up pitch, develop a go-to-market strategy and initiating commercial activities, with more than \$160,000 in cash prizes plus critical support, such as mentoring from Australia's leading commercialization and technology experts.

STC chief executive officer Dr Buzz Palmer said that his organization was "incredibly excited to be taking Medtech's Got Talent national this year".

"Our mission is to support our home-grown talent within their local innovation ecosystems and with the incredible successes achieved by our alumni, we are eager to see the game-changing ideas sure to emerge this year," Dr Palmer said.

Victoria Minister for Small Business, Innovation and Trade Philip Dalidakis said he was "proud that a home-grown Victorian innovation program is going national, having set the standard for nurturing Australian Medtech entrepreneurship".

STC said that applications close on August 25, 2017 and applications submitted before August 17 would receive in-depth feedback to increase the chances of advancing to the first 'rapid fire round' in September.

The organization said that 'boot camp' would be held on September 28 in which teams would have one week of intensive training and mentoring led by industry experts, prior to the October 25 elimination round, with the top teams receiving up to \$1,000 and advancing to the November 30 final round where five finalists receive \$20,000 each and a place in the 'accelerated technology road-mapping' stage.

STC said that the road-mapping stage from December 2017 to February 2018 was a six-week training program to prepare start-ups to pitch for equity investment

The organization said that the program culminated in 'investor deal pitch' on March 20, 2018 when the five finalists pitch to seed-stage investors, with the most investible team receiving an additional \$40,000.

For details, eligibility and to apply, go to: visit [www.medtechchallenge.com](http://www.medtechchallenge.com).

## ITL HEALTH GROUP

ITL says it has a 12-month contract extension with an unnamed East Coast US community blood bank for its Samplok blood sampling kit.

ITL said that its bio-medical division had been a supplier to the large North Eastern blood centre for more than four years.

The company said that the blood culture testing market was estimated to be worth \$US3.3 billion in 2016 and its Samplok kit was used in the blood-banking market to transfer platelet samples during bacterial detection testing, reducing potential for needle-stick injuries and minimizing bio-hazard waste, among other benefits.

ITL was up two cents or 4.2 percent to 50 cents.

## USCOM

Uscom says that cash receipts for the 12 months to June 30, 2017 are up 20.0 percent to \$3,522,859 climbing from \$1,043,460.

Uscom said cash receipts, primarily from sales of its Uscom 1A ultra-sonic cardiac output monitor, for the year to June 30, 2013 provided a 36 percent compound growth rate.

Uscom fell half a cent or 2.8 percent to 17.5 cents.

## EPAT TECHNOLOGIES

Epat says it will pay the Lausanne, Switzerland-based Nviso SA \$392,500 and issue 31,250,000 shares for use of its pain assessment software development kit.

Epat said that the licence would be a “perpetual, exclusive, global licence for the pain assessment software development kit for use in the field of pain assessment and pain monitoring for mobile applications” and remove the payment of royalties on sales.

The company said that Nviso developed “artificial intelligence technologies to capture and measure real-time facial expressions and precisely decode and convert facial, head and eye movements into the underlying emotions and behaviors”.

Epat said the two companies had collaborated over the past three years under a non-exclusive five-year licence to develop a specific software development kit version for use in the Epat pain assessment mobile telephone application.

The company said that a prototype model had been trialled for people with dementia in Australian resident aged care and a beta version had been completed for market introduction by the end of 2017.

Epat said it would pay Nviso \$300,000 on signing the agreement and \$92,500 by December 31, 2018 with the 31,250,000 shares in escrow until December 31, 2018.

Epat managing-director Philip Daffas said that the new agreement “provides Epat with long term access to and development of unique artificial intelligence technology with real time pain assessment, plus introduces a key strategic investor to our business”.

“It also provides Epat with the platform to build our own capability in visual pain assessment and continue making the facial visual component an even stronger element of the pain assessment process in the future,” Mr Daffas said.

Epat was up 0.1 cents or 2.4 percent to 4.3 cents with 109.5 million shares traded.

## MEMPHASYS (FORMERLY NUSEP)

Memphasys has requested a trading halt “pending the announcement of the outcome of litigation with Prime Biologics Pte Ltd”.

In February, Memphasys said that following the set aside of a dispute with Prime Biologics Pte Ltd it was hoping to negotiate settlement of a dispute over a blood separation machine (BD: Feb 15, 17, 2017).

Memphasys said it agreed with Prime to set aside legal proceedings over a \$S4,821,623 (A4,424,437) dispute but a further court action continued in relation to the GF100 blood separation machine which Memphasys said it rented to Prime but Prime was now claiming to own (BD: May 17, 2016).

The company said it had filed an application for arbitration in Singapore to hear and resolve the dispute between Memphasys, Prime Biologics and Manukan over the \$S4,821,623 debt associated with the fit-out of the Prime rental facility in Singapore, the value of the B class shares in Prime and the enforceability of the option agreement.

Trading will resume on July 27, 2017 or on an earlier announcement.

Memphasys last traded at 0.15 cents.

## ESENSE-LAB

Esense says it has a memorandum of understanding with US cannabis concentrate producer and product development company Wild Rogue Extracts LLC.

Esense said that the White City, Oregon Wild Rogue was “a boutique cannabis concentrate producer and developer of 100 percent cannabis essential oils”.

The company said that it would collaborate with Wild Rogue in the development and marketing of a new line of cannabidiol (CBD) based products including but not limited to vapors and vape pens, including oils and concentrates, tinctures, salves and other topical applications and concentrates.

Esense said that Wild Rogue would buy initial quantities of its terpene profiles for development purposes, with a definitive agreement to be finalized after the development phase, outlining the ongoing pricing and quantities as determined by the end use applications.

The company said each party would retain its respective intellectual property with consideration to share any future jointly developed intellectual property.

Esense said that Wild Rogue would market its terpene profiles to its clients and would be entitled to commissions from sales and it would provide Wild Rogue with ongoing advice to improve Wild Rogue’s growing capabilities of cannabis plants.

Esense chief executive officer Haim Cohen said the company was “very pleased to continue to expand our manufacturing and product development relationships in North America”.

“This further highlights the enthusiasm surrounding our unique medical cannabis profiles,” Mr Cohen said.

Esense said that retail cannabis sales in 2016 was about \$US4.5 billion, expected to grow to \$US6.1 billion for 2017.

Esense was up four cents or 18.2 percent to 26 cents.

## EPAT

In last night’s edition the first sentence of the Epat article said the company received EU and Australian approvals for its pain recognition software on July 19, 2017.

The correct date was July 18. The rest of the article was correct.

## G (GEVA) MEDICAL INNOVATIONS

G Medical has requested a trading halt “pending an announcement in relation to ... a binding [agreement] for distribution and call centre cooperation in China”.

The Grand Cayman Island-based G Medical has said it was commercializing its mobile telephone electronic health devices (BD: May 10, 2017).

Trading will resume on July 27, 2017 or on an earlier announcement.

G Medical last traded down half a cent or 2.8 percent to 17.5 cents.

## PATRYS

Patrys director Michael Stork’s Stork Holdings 2010 Ltd 95,731,764 share-holding has been diluted from 14.77 percent to 12.28 percent.

The Ontario, Canada-based Mr Stork said the dilution was through the company’s issues of shares between January 14, 2014 and July 17, 2017.

Patrys was unchanged at half a cent.

### ELLEX MEDICAL LASERS

Ellex says that chief executive officer Tom Spurling will relocate to Fremont, California, to head the new base for the Ellex Itrack consumables business.

Ellex said that the core laser and ultrasound capital equipment business would remain in Adelaide and the two divisions would have distinct manufacturing capabilities and business models operating with separate and targeted sales teams.

The company said that Mr Spurling's relocation to California was to accelerate market penetration for minimally invasive glaucoma surgery (MIGS) device and focus management on Itrack sales growth.

Ellex said that director Dr Meera Verma would assume responsibility for managing the laser and ultrasound business based in Adelaide.

The company said that Dr Verma had been an independent director for four years and had expertise in healthcare, medical devices and biotechnology and was formerly a site director of Hospira Inc and a non-executive director of Ausbiotech and Biosensis Pty Ltd. Dr Verma's LinkedIn page said that she held a Bachelor of Science from Sophia College, Bombay and Master of Science from the Gujarat, India-based Maharaja Sayajirao University of Baroda and a Doctor of Philosophy in biochemistry from the University of Adelaide

Ellex was up five cents or 5.3 percent to 99.5 cents.

### ONCOSIL MEDICAL

Oncosil says Peter Casey has resigned as company secretary, with immediate effect, with chief financial officer Tom Milicevic continuing as sole company secretary.

Oncosil was unchanged at 9.8 cents.

### PHYLOGICA

Phylogica says Kevin Hart will replace company secretary Graeme Boden as company secretary and chief financial officer.

Phylogica said that Mr Hart was an accountant with more than 30 years' experience in accounting and the management and administration of public listed entities, and was currently a partner in advisory firm Endeavour Corporate which specialized in the provision of company secretarial and accounting services to ASX-listed entities.

The company thanked Mr Boden for his contribution to the company.

Phylogica was up 0.1 cents or 2.2 percent to 4.6 cents with 1.2 million shares traded.