Biotech Daily

Tuesday August 22, 2017

Daily news on ASX-listed biotechnology companies

*** ASX UP, BIOTECH EVEN: DIMERIX UP 11%, ADMEDUS DOWN 8%**

*** TERUMO TAKES PHOSPHAGENICS OXYMORPHONE, NOT OXYCODONE**

*** COGSTATE REVENUE UP 28% TO $35m, PROFIT TO LOSS OF $824k**

*** REGENEUS REVENUE UP 436% TO $10m, LOSS TO $3.3m PROFIT**

*** USCOM REVENUE UP 19% TO $3.5m, LOSS DOWN 6% TO $1.8m**

*** ST VINCENT'S, JANSSEN SMALL MOLECULES FOR ALZHEIMER'S**

*** CLINICAL GENOMICS, QIAGEN BLOOD TEST FOR COLORECTAL CANCER**

*** ONCOSIL RECRUITS 1st UK PATIENT IN PANCREATIC CANCER TRIAL**

*** G MEDICAL PLEADS SCHULTZ TO ASX 44% QUERY**

*** NAOS TAKES 10.6% OF BIOTECH CAPITAL**

*** NOVOGEN APPOINTS CHILTERN PHASE II GDC-0084 GLIOMA TRIAL CRO**

*** P&G OLAY LAUNCHES OBJ MAGNEMASKS TECHNOLOGY IN CHINA**

MARKET REPORT

The Australian stock market was up 0.42 percent on Tuesday August 22, 2017 with the ASX200 up 24.2 points to 5,750.1 points. Fifteen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and four were untraded. All three Big Caps were up.

Dimerix was the best, up 0.1 cents or 11.1 percent to one cent with 725,000 shares traded. Yesterday, Dimerix was unchanged at 0.9 cents. The mistake was caused by Commsec Iress reporting a Chi-X trade. Psivida climbed 6.2 percent; Cellmid was up four percent; Airxpanders, Bionomics, ITL and Oncosil rose more than two percent; CSL, Impedimed, LBT, Neuren and Pharmaxis were up more than one percent; with Clinuvel, Cochlear, Ellex, Nanosonics, Resmed and Sirtex down by less than one percent.

Admedus led the falls, down two cents or 8.2 percent to 22.5 cents with 336,191 shares traded. Acrux, Actinogen and Avita lost more than five percent; Compumedics fell 4.65 percent; Benitec was down 3.85 percent; Opthea, Osprey, Polynovo, Starpharma and Uscom shed more than two percent; Mesoblast, Pro Medicus and Universal Biosensors were down more than one percent; with Medical Developments down 0.4 percent.

PHOSPHAGENICS

Phosphagenics says Terumo Corp has signed a development agreement for tocopheryl phosphate mixture (TPM) oxymorphone patch but rejected oxycodone.

In January, Phosphagenics said it had signed a term sheet with Japan's Terumo Corp for its TPM-oxymorphone patch and would receive a non-refundable payment of JPY35 million ($A400,000) within 30 days of signing the term sheet, in exchange for granting exclusive negotiation rights (BD: Jan 31, 2017).

Last year, Phosphagenics said Terumo was assessing several technologies including the anaesthetic TPM-propofol and the opiate TPM-oxycodone (BD: Jul 29, 2016).

Today, the company said that Terumo had decided not to progress two TPM-enabled patches in parallel and the TPM-oxycodone patch was "free to be partnered by other companies across all territories".

Phosphagenics said that Terumo would have exclusive rights to develop, market and sell a TPM-oxymorphone patch in Japan and the companies had collaborated to finalize a patch specifically for Japan, which preferred a 1-day 24-hour patch.

The company said that developing the patch allowed progress to a new binding agreement and benefited its 3-day patch, designed for the US market.

Phosphagenics said that the agreement targetted progress of a 1-day TPM-oxymorphone patch into clinical trials within 12 months followed by a consultation with Japanese regulatory authorities to determine the most efficient way to market.

The company said it would undertake some of the activities associated with progression of the patch and would receive up to $2 million in development milestone payments.

Phosphagenics said that on completion of the first phase I study and regulatory consultation, Terumo could activate an exclusive option and progress to a full licence, with Terumo paying all Japanese development costs, providing additional milestones and paying Phosphagenics single to double digit royalties on net sales in Japan.

The company said it retained rights to market and/or partner both the 1-day or 3-day TPM-oxymorphone patch in any market outside Japan.

Phosphagenics chief executive officer Dr Ross Murdoch said the two companies had "worked very closely to progress multiple TPM based projects including the TPM-oxymorphone patch".

"Success with this patch has the potential to provide Phosphagenics tens of millions of dollars from milestones and royalties as well as valuable data to help us partner and market TPM products across all markets," Dr Murdoch said.

Phosphagenics was up 0.3 cents or 16.7 percent to 2.1 cents with 2.3 million shares traded.

COGSTATE

Cogstate says revenue for the 12 months to June 30, 2017 was up 28.1 percent to $35,016,035, with last year's $2.6 million net profit after tax turned to an $823,948 loss.

Cogstate said that its clinical trial business was the main source of revenue up 27.7 percent to $34,652,048, with healthcare contributing $272,850 and research and development contracts earning $16,674.

The company said that net tangible asset backing per share was unchanged at nine cents, diluted loss per share was 0.7 cents compared to the previous year's earnings of 2.3 cents, with cash and cash equivalents of $9,304,562 at June 30, 2017 compared to $7,471,284 for the previous corresponding period.

Cogstate fell 0.5 cents or 0.5 percent to $1.045.

REGENEUS

Regeneus says that revenue for the year to June 30, 2017, was up 436.2 percent to $10,068,580 with last year's loss turned to a $3,270,592 net profit after tax.
Regeneus said that the improvement "was primarily driven by the licence fee received from AGC and it highlights the financial benefit that the licencing strategy delivers", with licence income exceeded $9.9 million of which the Tokyo-based AGC Asahi Glass contributed $8.9 million.
The company said that other local licence fee income for the use of its Hiqcell fat-derived stem cell treatments declined slightly, while revenue from other operational activities declined as the move to a licencing business from marginally profitable early stage commercial activities was completed.
The company said that net tangible asset backing per share was up 69.0 percent from 2.29 cents at June 30, 2016 to 3.87 cents at June 30, 2017, with diluted loss per share of 1.7 cents turned to diluted earnings per share of 1.6 cents.
Regeneus said that it had cash and cash equivalents of $4,135,136 at June 30, 2016 compared to $528,670 at June 30, 2016.
Regeneus was up one cent or 8.3 percent to 13 cents.

USCOM

Uscom says that revenue for the year to June 30, 2017, was up 19.2 percent to $3,498,959 with net loss after tax down 6.0 percent to $1,800,849.
Uscom executive chairman Prof Robert Phillips said the revenue was primarily from sales of Uscom 1A ultra-sonic cardiac output monitors, with small amounts from the first sales of the lung function spirometry and BP+ diagnostics.
The company said that research and development spending increased 13.1 percent to $614,117.
Uscom said that net tangible asset per share fell 29.0 percent to 0.022 cents, with diluted loss per share down 20.0 percent to 1.6 cents.
The company said that it had cash and cash equivalents of $1,663,565 at June 30, 2017 compared to $2,839,773 at June 30, 2016.
Uscom fell half a cent or 2.7 percent to 18 cents.

ST VINCENT'S INSTITUTE OF MEDICAL RESEARCH

Melbourne's St Vincent's Institute says it will collaborate with Johnson & Johnson's Janssen Pharmaceuticals on small molecules for Alzheimer's disease.
St Vincent's Institute said the collaboration and licence agreement aimed to develop and commercialize small molecule modulators of microglial function and inflammation, with the aim of reducing the amyloid plaque burden and Alzheimer's disease severity.
The Institute said that the collaboration leveraged its research capability and the expertize of structural biologist Prof Michael Parker with Janssen's drug discovery and development expertise.
Prof Parker said that the burden of Alzheimer's on our ageing society was "ever-increasing, so there is a great need for effective treatments that will lessen this burden and improve the quality of life for people not only in Australia, but throughout the world".

CLINICAL GENOMICS

Clinical Genomics says it has partnered with Qiagen for a blood test to monitor patients for recurrence of colorectal cancer.

Clinical Genomics said that its Colvera blood test for colorectal cancer recurrence would use the Paxgene blood circulating cell-free DNA (ccfDNA)collection system, developed by the Venlo, Netherlands-based Qiagen and Franklin Lakes, New Jersey-based Becton Dickinson joint venture company Preanalytix GmbH.

The company said that Colvera was “an integrated liquid biopsy” product designed to enable easy and accurate monitoring for recurrence of colorectal cancer with a simple blood test collected in a physician’s office.

Clinical Genomics chief executive officer Dr Lawrence LaPointe said that the company was “extremely pleased to use the highly automated Qiasymphony Paxgene blood ccfDNA collection and sample processing workflow for collection and handling of Colvera samples”.

Dr LaPointe said that the Paxgene system would allow physicians to provide Colvera testing as conveniently as possible, “with a simple blood collection at the physician’s office, with no on-site processing required, which is a great step forward from our alternative sample collection methods”.

Clinical Genomics said that the Paxgene Colvera performance was equivalent to blood samples collected in tubes, spun down to plasma and frozen within eight hours of collection, with the Paxgene process demonstrating “a significantly superior ease of use and robustness”.

Clinical Genomics is a private company.

ONCOSIL MEDICAL

Oncosil says first British subject has been recruited at the University of Leicester for its pivotal, 300-patient, ‘Oncopac-1’ pancreatic cancer trial.

Oncosil said the patient was the eighteenth recruited and the first recruited outside Australia in the multi-centre, randomized, open-label 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.

The company said that all 18 patients were eligible to contribute to the 20-subject supplemental data request for Conformité Européenne (CE) mark approval.

Oncosil said its immediate focus was to accelerate recruitment at the 10 active sites in the UK, US and Australia.

Oncosil chief executive officer Daniel Kenny said that “data from implant procedures outcomes already completed is positive and encouraging”.

Oncosil was up 0.2 cents or 2.25 percent to 9.1 cents.

G (GEVA) MEDICAL INNOVATIONS

G Medical 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 43.6 percent from 27.5 cents on August 18 to 39.5 cents today, August 22, 2017 and noted an increase in the trading volume.

G Medical closed up 2.5 cents or 7.25 percent at 37 cents with 4.4 million shares traded.

BIOTECH CAPITAL

Naos Asset Management has increased its substantial shareholding in Biotech Capital from 11,835,879 shares (9.31%) to 13,435,879 shares (10.57%).
The Martin Place, Sydney-based, Naos said it was acting as investment manager for "various trustee companies" and the registered holder was Australian Executor Trustees, but again failed to cite the cost of the 1,600,000 shares acquired on-market, as required under the Corporations Act 2001 (BD: Feb 24, Jun 14, Aug 1, 2017).
Biotech Capital was unchanged at 18 cents.

NOVOGEN

Novogen says it has appointed the Slough, Berkshire UK-based Chiltern Oncology as its contract research organization for the phase ll GDC-0084 for glioma program.
Novogen said it licenced GDC-0084 from Genentech in 2016 following a phase I clinical trial in advanced glioma and the phase II trial was on-track to begin by the end of 2017.
The company said that patents had been granted in five territories including the US and Australia.
Novogen chief executive officer Dr James Garner said that "the need for new therapeutic options in brain cancer is substantial, and we hope that GDC-0084 will have an important role to play".
Novogen was up 0.2 cents or five percent to 4.2 cents.

OBJ

OBJ says that Procter & Gamble's Olay brand using its magnetic infuser Magnemasks technology has been launched in China.
OBJ said that Olay Magnemasks were part of the brand's skin care product line using OBJ's magnetic microarray technology, to enhance the penetration of overnight mask cream ingredients.
The company said that "when used with the cream mask by gliding the magnetic infuser gently across skin, it infuses more of the key mask ingredients deep within the skin's surface by natural magnetic force, as compared to finger application".
OBJ said that Olay Magnemasks were the third product incorporating its technology, following the Magnetic Eye Wand marketed in Olay and SK-II brands and the Magnetic Booster which was recently launched under the SK-II brand.
OBJ fell 0.1 cents or two percent to 4.9 cents with 1.7 million shares traded.