



Biotech Daily

Tuesday October 10, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH EVEN: PRIMA UP 15%; LIVING CELL DOWN 11%**
- * **PARADIGM: '20 OF 24 (83%) OA PATIENTS REPORT REDUCED PAIN'**
- * **CARL ZEISS UNVEILS OPTISCAN 'CONVIVO' MICROSCOPE**
- * **MMJ TO BE MARIJUANA COMPANY INCUBATOR, NAME CHANGE**
- * **EPAT REGISTERS PAIN APPLICATION AS 'PAINCHEK'**
- * **IMAGION HIRES CHEMCONNECTION FOR CANCER TRIAL PARTICLES**
- * **CORRECTION: USCOM**
- * **US NON-CANCER PATENT FOR PHARMAUST MONEPANTEL**
- * **PROTEOMICS RECEIVES \$786k FEDERAL R&D TAX INCENTIVE**
- * **MEMPHASYS RECEIVES \$432 FEDERAL R&D TAX INCENTIVE**
- * **CYNATA 2m DIRECTOR DR PAUL WOTTON OPTIONS AGM**
- * **CONSONANCE TAKES 8% OF SIRTEX**
- * **FIL TAKES 9% OF FACTOR THERAPEUTICS**
- * **G MEDICAL CO SEC PETER WEBSE GOES, STEPHEN BUCKLEY STAYS**
- * **ADHERIUM APPOINTS VIK PANDA HEAD OF MARKETING**

MARKET REPORT

The Australian stock market was flat on Tuesday October 10, 2017 with the ASX200 down 1.2 points or 0.02 percent to 5,738.1 points. Fifteen of the Biotech Daily Top 40 stocks were up, 15 fell, eight traded unchanged and two were untraded. All three Big Caps fell.

Prima was best, up 0.4 cents or 15.4 percent to three cents with 16.7 million shares traded, followed by Mesoblast up 14.1 percent to \$1.735 with 1.6 million shares traded. Neuren climbed 12.0 percent; Factor Therapeutics was up 6.4 percent; Cellmid and Oncosil improved more than four percent; LBT and Starpharma were up more than three percent; Airxpanders and Bionomics rose more than two percent; with Clinuvel, Pro Medicus, Sirtex and Viralytics up more than one percent.

Living Cell led the falls, down 2.5 cents or 10.9 percent to 20.5 cents with 2.6 million shares traded. Uscom lost 8.6 percent; Psivida was down 7.4 percent; Compumedics fell 5.6 percent; Opthea was down 3.95 percent; Acrux, Genetic Signatures, Impedimed and Reva shed more than two percent; with Orthocell, Osprey and Resmed down more than one percent.

PARADIGM BIOPHARMACEUTICALS

Paradigm says 20 of 24 patients with osteoarthritis and bone marrow oedema lesions had reduced pain following treatment with pentosan polysulfate sodium.

Paradigm said the 24 patients had a median age of 57.5 years, ranging from 31 to 84 years and were treated under a Australian Therapeutic Goods administration special access system and .

The company said that 19 patients reported improved knee function.

Paradigm said the results provided “real-world evidence data” which the US Food and Drug Administration allowed in combination with randomized, controlled clinical trials to support product registration for re-purposed drugs under the 505(b)(2) pathway.

The company said it would generate an additional 75 case studies by the end of 2018 in addition to the results of the 100-patient, phase IIb randomized, double-blind, placebo-controlled trial which received ethics approval in September and was due to start “in the coming weeks” with results expected by April 2019 (BD: Sep 19, 2017).

Paradigm said osteoarthritis was a significant unmet medical need with a therapeutic market of \$US\$5 billion a year and a \$US128 billion economic burden in the US alone.

The company said the patients were diagnosed with osteoarthritis and sub-chondral bone marrow oedema lesions, or bone bruising, using magnetic resonance imaging, all had pain for at least six months and had failed standard-of-care which involved treatment with analgesics, non-steroidal anti-inflammatory drugs (NSAIDs) or corticosteroids.

Paradigm said that 17 patients (70%) had moderate to severe bone bruising ranging from 5mm to more than 20mm in diameter and seven had lesions of less than 5mm.

The company said that patients were administered two injections of 2.0mg/Kg pentosan polysulfate sodium (PPS) per week for three weeks and followed up at six weeks following the initiation of treatment and through the course of treatment, patients did not receive NSAIDs or corticosteroid treatment.

Paradigm said that at six weeks after the start of treatment 20 patients (83.3%) showed a reduction in pain, with 15 of the 20 patients showing pain reduction of 50 percent or more.

The company said that 19 patients (79.1%) showed an improvement in knee function; with nine (47.3%) showing an improvement in knee function of 50 percent or more.

Paradigm said the planned case studies would dose 25 patients with 2.0mg/Kg PPS twice a week for four weeks and 50 patients would receive 2.0mg/Kg PPS twice a week for six weeks.

Paradigm was up 3.5 cents or 10 percent to 38.5 cents with 1.3 million shares traded.

OPTISCAN IMAGING

Optiscan says the Jena, Germany-based Carl Zeiss Meditec has formally unveil its in-vivo “digital biopsy” microscope as the ‘Convivo’ in Boston this week.

Optiscan said that the Convivo unit was “a major medical breakthrough that will positively affect thousands of patients around the world”.

The company said that with US Food and Drug Administration approval expected in early 2018, Convivo was validation of years of Optiscan development.

Optiscan said that the Convivo system could allow neurosurgeons to perform a digital biopsy without the need for tissue extraction, with the microscope enabling real-time visualization of tissue microstructure, and allowing for checking a virtually unlimited number of samples throughout the operation.

The company said that the Convivo system could transfer and analyze digital images anytime and anywhere.

Optiscan was up 0.5 cents or 5.4 percent to 9.8 cents.

MMJ PHYTOTECH

MMJ says it will become a marijuana company incubator and change its name to MMJ Capital.

MMJ said the move followed the listing of United Greeneries and Satipharm AG on the Toronto Stock Exchange Venture Exchange (TSX-V) through Harvest One Cannabis Inc. The company said it had identified “a number of independent strategic investment opportunities” with the potential to deliver value.

MMJ said its aim would be to deliver a return to shareholders by providing exposure to a range of opportunities spanning the cannabis value chain in jurisdictions including Australia, Canada, North America, South America, Europe and Africa.

The company said it would “pursue early stage opportunities with the ability to deliver significant future revenue and the opportunity to provide dramatic global synergistic value once international regulations will be harmonized in the future”.

MMJ said it would target emerging cannabis-related sectors including healthcare products, technology, infrastructure, logistics, processing, cultivation, equipment, research and development, hemp food products and retail.

The company said it would retain its 59 percent holding in Harvest One Cannabis and 100 percent ownership of Israel research and development company Phytotech Therapeutics.

MMJ said it had “a robust cash position” and would recruit industry or investment professionals to an investment committee.

MMJ managing-director Andreas Gedeon said the “development of MMJ into a cannabis industry incubator is a logical and exciting evolutionary step”.

“Our operating entities United Greeneries, Satipharm and Phytotech Therapeutics are now established and moving towards optimal operation,” Mr Gedeon said.

“This gives us the opportunity to shift the focus to a number of other highly lucrative international investment opportunities,” Mr Gedeon said.

MMJ said that any investments or acquisitions would be subject to approvals.

MMJ originally as Phytotech listed on the ASX to commercialize medical marijuana, later broadening its market to recreational marijuana (BD: Jan 22, 2015; Nov 28, 2016).

MMJ was unchanged at 36 cents.

EPAT

Epat says it has registered its pain detection software application for patients unable to provide a pain scale as the Epat Painchek.

Epat said the Painchek was designed for dementia and paediatric patients and measures facial expressions to determine pain levels.

The company said it had acquired the internet domain site www.painchek.com.

Epat said it would launch the Painchek brand at an Alzheimer’s conference in Melbourne October 17 to 20, 2017 along with new marketing materials and the website.

Epat chief executive officer Philip Daffas said that “establishing a strong global brand was a key strategic objective to support the market entry and as we continue negotiations with potential customers”.

“In today’s global market, positive brand recognition is critical to successful commercialization and can also create significant business value in its own right,” Mr Daffas said.

Epat said that Painchek used smartphone cameras and computer tablets to capture a brief video of the person, which was analysed using facial recognition software to detect the presence of facial micro- expressions that indicate pain.

Epat fell 0.1 cents or 2.2 percent to 4.4 cents with 5.7 million shares traded.

IMAGION BIOSYSTEMS

Imagion says Chemconnection BV will produce and supply clinical grade Magsense nanoparticle formulations for its HER2 breast cancer trials.

Imagion said that the Oss, Netherlands-based Chemconnection was a development and manufacturing organization, with experience in producing nanoparticle-based products and medicines.

The company said the method transfer of the proprietary nanoparticle formulation would begin immediately and safety toxicology studies were expected to begin by April 2018.

Imagion chief executive officer Robert Proulx said that "finding the right partner to outsource the manufacturing of our nanoparticles was critical to our development plan".

"Chemconnection has both the experience working with our type of materials and formulations and the quality systems in place to meet regulatory requirements," Mr Proulx said.

Imagion said its Magsense technology would use the nanoparticles to tag cancers, which could be detected by its sensors to locate and characterize tumors at their earliest stages. Imagion was up one cent or 7.4 percent to 14.5 cents.

USCOM

Last night's edition published an incorrect closing price for Uscom following a study showing equivalence between the Uscom1A monitor and echocardiography.

The correct data was that Uscom was up 1.5 cents or 9.4 percent to 17.5 cents.

Today, Uscom fell 1.5 cents or 8.6 percent to 16 cents.

PHARMAUST

Pharmaust says it has been granted a US patent covering monepantel for non-cancer applications including neurodegenerative diseases, diabetes and age-related disorders.

Pharmaust said that the patent, entitled 'Compounds For The Treatment Of mTOR Pathway Related Diseases', related to the use of amino-acetonitrile derivatives for the treatment of mTOR pathway-related diseases, and providing protection until 2033.

Pharmaust chief executive officer Dr Richard Hopkins said that "in addition to granted patents covering the use of [amino-acetonitrile derivatives] to treat cancer, Pharmaust has secured a methods patent covering the use of these compounds for non-cancer indications such as neurodegenerative diseases, diabetes and age-related disorders".

"Pharmaust's non-oncology family of patents have now been granted in Europe and the US, which represent two major global markets," Dr Hopkins said.

Pharmaust said that the mTOR pathway was central in cellular metabolism and offered a key point of regulation of human disease and the patent expanded the range of indications that could be targeted.

Pharmaust was up 0.1 cents or two percent to 5.1 cents.

PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics says it has received \$786,225 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Proteomics said the rebate related to expenditure for the year to June 30, 2017 and the funds would be used for the commercialization of its diabetic kidney disease test

Promarkerd its biomarker discovery program and developing fee-for-service methods.

Proteomics was untraded at 18 cents.

MEMPHASYS (FORMERLY NUSEP)

Memphasys says it has received \$431,529 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Memphasys said that the funds would be used “to further develop its Felix device, [previously known as Spermsep] and for working capital”.

Memphasys was untraded at 0.3 cents.

CYNATA THERAPEUTICS

Cynata’s annual general meeting will vote to issue director Dr Paul Wooton 2,000,000 options, ratify placement and Fujifilm shares and re-elect director Dr John Chiplin.

Cynata said Dr Wooton’s options would be exercisable at \$1.50 each within two years of the grant and vesting in equal tranches, 12 months and 18 months from grant.

The company said the options were “a cost effective and efficient award ... to appropriately incentivize his continued performance, as opposed to alternative forms of incentive, such as payment of cash compensation ... [and would] only be of benefit if Dr Paul Wotton performs to a stellar level”.

The company said that shareholders would vote to ratify the previous issue of 8,088,403 shares to Fujifilm relating to a licence agreement, 9,230,770 placement shares, refresh the 10 percent placement capacity, and takeover provisions (BD: Jan 22, Feb 20, 2017).

The meeting will be held at the board room, Level 2, 62 Lygon Street Carlton South on November 15, 2017 at 7pm (AEDT).

Cynata fell three cents or 4.55 percent to 63 cents.

SIRTEX MEDICAL

Consonance Capital Management says it has increased its substantial holding in Sirtex from 4,089,728 shares (7.31%) to 4,645,760 shares (8.31%).

The New York-based Consonance said that Goldman Sachs was a registered holder of the shares with Mitchell Blutt, Kevin Livingston and Benny Soffer as associated holders.

Consonance said it bought shares between September 21 and October 9, 2017 with the single largest acquisition 198,300 shares for \$2,826,616 or \$14.25 a share.

Sirtex was up 26 cents or 1.8 percent to \$14.91 with 448,613 shares traded.

FACTOR THERAPEUTICS

The Hong Kong-based FIL says it has increased its substantial shareholding in Factor Therapeutics from 56,572,748 shares (7.75%) to 64,310,795 shares (8.81%).

The notice said that FIL bought 7,738,047 shares between July 28 and October 3, 2017 at six cents a share and 681,211 shares on October 5 at four cents a share.

Factor was up 0.3 cents or 6.4 percent to five cents.

G (GEVA) MEDICAL INNOVATIONS

G Medical says joint company secretary Peter Webse has resigned with Stephen Buckley continuing as the sole company secretary.

G Medical said that Mr Buckley had 35 years’ experience in financial markets in Australia and New Zealand and was the managing director of Company Secretary Solutions which provided company secretarial and corporate services.

G Medical fell 1.5 cents or 3.8 percent to 38 cents with 1.3 million shares traded.

ADHERIUM

Adherium says it has appointed Vik Panda as its head of marketing to be based at the company's headquarters in San Mateo, California.

Adherium chief executive officer Arik Anderson said that Mr Panda has "extensive experience in building large communities of users" which would be applied to the company's direct-to-consumer sales channel to build the number of patients directly adopting the Smartinhaler sensor and Smartinhaler application to manage their asthma or chronic obstructive pulmonary disease.

The company said that previously Mr Panda worked in the data and health sectors, most recently as crowd-sourcing data collection company Findyr's chief executive officer, before that was Fitocracy's chief marketing officer and had worked for Citigroup and Nokia.

Adherium said that Mr Panda held a Bachelor of Arts and Master of Arts from New York University and a Master of Business Administration from the Paris-based Institut Européen d'Administration des Affaires (European Institute of Business Administration).

Adherium was up 0.4 cents or 4.2 percent to 10 cents.