



# Biotech Daily

Tuesday October 17, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: ONCOSIL UP 8%; AVITA DOWN 25%**
- \* **BIOTECH WINS \$9.6m FEDERAL ADVANCED MANUFACTURING GRANTS**
- \* **RESPIRI FACES BOARD SPILL**
- \* **USCOM BP+ CLIMBS EVEREST: 'BETTER THAN CONVENTIONAL ARM BP'**
- \* **VOLPARA H1 REVENUE UP 7% TO \$1.5m; 'TOTAL CONTRACT' UP 339% TO \$2m**
- \* **DIMERIX RECEIVES \$546k FEDERAL R&D TAX INCENTIVE**
- \* **MMJ CANADA GREEN LIGHT FOR MEDICAL MARIJUANA SALES**
- \* **RHS CLAIMS 98% PRE-IVF TESTING ACCURACY FOR ANEUPLOIDY**
- \* **PRIMA AGM FOR NAME CHANGE, 50m CEO 'PERFORMANCE' RIGHTS**
- \* **YARRA FUNDS BELOW 5% OF SIRTEX**
- \* **IMUGENE PLEADS SCHULTZ TO ASX 38% QUERY**
- \* **RACE AGM VOTES ON 4m DIRECTOR OPTIONS**

## MARKET REPORT

The Australian stock market was up 0.73 percent on Tuesday October 17, 2017 with the ASX200 up 42.8 points to 5,889.6 points. Ten of the Biotech Daily Top 40 stocks were up, 19 fell, nine traded unchanged and two were untraded. All three Big Caps were up.

Oncosil was the best, up one cent or eight percent to 13.5 cents with 2.1 million shares traded. Compumedics and Orthocell climbed more than six percent; Polynovo improved 4.4 percent; Admedus, Genetic Signatures, Pro Medicus and Starpharma rose two percent or more; Cochlear and Medical Developments were up one percent or more; with CSL, Ellex and Resmed up by less than one percent.

Avita led the falls, down 1.9 cents or 25.0 percent to 5.7 cents with 2.9 million shares traded. Both Neuren and Prima lost 9.1 percent; Bionomics, Impedimed, Sirtex and Uscom fell five percent or more; LBT and Mesoblast were down more than three percent; Opthea and Volpara shed more than two percent; Actinogen, Airxpanders, Living Cell, Osprey and Viralytics were down more than one percent; with Clinuvel, Nanosonics and Reva down by less than one percent.

## FEDERAL GOVERNMENT

Six Victorian and South Australian companies have won \$9,640,332 in the first round of Federal Government advanced manufacturing grants.

A media release from the acting Minister for Industry, Innovation and Science, Senator Michaelia Cash said that 20 companies had won \$29.96 million in grants in the first round, with 15 from Victoria and five from South Australia.

The Federal Government said it was “directly supporting regions affected by closures of automotive manufacturing plants, with 11 of the companies receiving grants located within the traditional automotive manufacturing corridors of each state”.

The media release said that the Advanced Manufacturing Growth Fund was part of the \$100 million Advanced Manufacturing Fund, announced in the 2017-'18 Budget.

“Supporting these businesses transition and expand into advanced manufacturing activities will boost innovation, skills and employment opportunities for Australians,” Senator Cash said. “This injection of funds will help transition Australia’s manufacturing sector from traditional, heavy industrial processes to knowledge based manufacturing of higher value products.”

The media release said that the Dandenong, Victoria Sypharma Pty Ltd won 2,500,000 for its pharmaceutical manufacturing facility to enable the production of human grade biopharmaceutical products with an advanced intra-venous fluid production system.

The Government said the Port Melbourne-based 3D-Meditech Pty Ltd won \$2,500,000 for a joint venture with dental company Ivoclar Vivadent to build a cleanroom and develop customized robotics and software

The media release said that South Australia’s ATI Implants Pty Ltd would receive \$1,500,000 to establish a manufacturing process to produce dental implants.

The Government said that Victoria’s Minifab Pty Ltd would receive \$1,297,000 to upgrade its facilities for the production of medical devices for “organ on a chip” technology.

The media release said that Dorsavi won \$1,104,332 to expand its manufacturing capacity with an automated sensor calibration system to accelerate production of its technology and Victoria’s Cylite Pty Ltd won \$739,000 for ophthalmic diagnostics with applications in myopia and cataract treatment with the manufacture of its first release instrument

The Government said \$15.3 million would be available in a further round later this year.

For details, go to: <https://www.business.gov.au/amgf>.

## RESPIRI (FORMERLY ISONEA, KARMELSONIX)

Respiri says Darwin’s Cozens Johansen Lawyers proposes directors Leon L’Huillier and Dr Timothy Oldham be replaced by Nicholas Johansen and Samuel Herszberg.

After the market closed, Respiri said Mr L’Huillier was due for re-election, and it said yesterday that Dr Oldham would retire at the annual general meeting, so the resolutions would not be put; and its directors would not recommend the election of Mr Johansen and Mr Herszberg, with major shareholder, Bruce Mathieson’s Investment Holdings, and other major shareholders expected to vote against their election (BD: Oct 16, 2017).

Last week, the company told the ASX its share price jumped 50 percent on a favourable review in a business publication (BD: Oct 11, 2017).

Respiri, and previously Isonesa and Karmelsonix, has been attempting to commercialize its wheeze test for asthma since 2006, saying it would be available in Europe and the US in February 2007 and in 2015, the then Isonesa said it had lost its fourth chief executive officer in 12 months and later said one of the issues with its asthma diagnostic was that it did not detect breath sounds (BD: Nov 24, 2006; Jan 23, Aug 6, 2015).

Respiri fell 0.4 cents or 8.9 percent to 4.1 cents with 1.6 million shares traded.

## USCOM

Uscom says a British altitude study shows its BP+ central blood pressure diagnostic is more sensitive than conventional methods for detecting changes at high altitude.

Uscom said the study of 90 British servicemen and women and the effects on their central blood pressure used the Uscom BP+ as they ascended from near sea level to 5,360 meters (17,585 feet) over 14 days in the Himalayas at the base of Mount Everest.

The company said the study found that systolic central blood pressure measured by the Uscom BP+ was more sensitive than conventional systolic brachial, or upper arm, blood pressure for detecting progressive changes of high altitude.

Uscom said the significance of the study was that increased cardiac work was a feature of hypertension and a predictor of cardiac morbidity, mortality and healthcare cost, and central blood pressure was “the new standard for measurement of [blood pressure] and hypertension”.

The company said that at increasing altitude the air oxygen content was reduced and the heart had to work harder to deliver adequate oxygen to the cells.

Uscom said the study of normal circulation as it adapted to increasing altitude, and increasing work, was a model that improved the understanding of the evolution of hypertension and the adaptation of the heart to an incremental increase in work.

The article, entitled ‘The effect of high altitude on central blood pressure and arterial stiffness’ was first published online in May 2017 in the Journal of Human Hypertension and an abstract is available at: <https://www.ncbi.nlm.nih.gov/pubmed/28540933>.

Uscom said that the pulse pressure wave parameter of augmentation index was not found to be independently associated with increasing altitude.

The company said that the researchers reported that “the accurate non-invasive assessment of [central blood pressure] and large artery stiffness has been traditionally very difficult”.

“It had required the need for either arterial catheterization or less portable and expensive non-invasive equipment limiting its research utility at high altitude,” Uscom reported the study saying.

The company quoted the researchers saying that the Uscom BP+ had “the advantage over several competing devices”.

“It is highly portable and only requires the use of an upper arm cuff, and therefore avoiding the need to assess either the radial or digital pulse where the signal-to-noise ratio may be less favourable,” Uscom reported the study saying.

Uscom executive chairman Prof Rob Phillips said the study showed that the BP+ measured more sensitively changes in blood pressure than brachial cuff measures.

“The study further establishes BP+ as the tool of choice for researchers and [pharmaceutical companies] as they evaluate new hypertension medications,” Prof Phillips said.

“It is also further proof of the applicability of the device in clinics and home care where the highest sensitivity of [blood pressure] measurements are essential for appropriate management of hypertension,” Prof Phillips said.

“For Uscom this study comes as we prepare the new Uscom BP+ device for market release,” Prof Phillips said.

Uscom said that about 40 percent of all adults over the age of 25 years had hypertension, which was a factor in about 50 percent of all cardiac deaths and strokes, costing the US alone \$45 billion a year.

The company said that improved blood pressure measurement could lead to improved therapy and reduced cost of hypertension management

Uscom fell one cent or 5.9 percent to 16 cents.

## [VOLPARA HEALTH TECHNOLOGIES](#)

Volpara claims that its “total contract value” is up 339 percent for the three months to September 30, 2017 compared to the prior corresponding period.

Volpara’s Appendix 4C quarterly report showed that receipts from customers for the six months to September 30, 2017 was up 7.1 percent to \$NZ1,604,000 (\$A1,468,840) compared to \$NZ1,498,000 (\$A1,372,330) for the six months to September 30, 2017.

Volpara reports its full year at March 31.

The company said it had signed six new sites to its Volpara Enterprise software in the three months to September 30, 2017, bringing the total number to 25 customers, including a number of “significant luminary sites”.

Volpara said that “total contract value” for the three months was up 339 percent to \$NZ2.32 million (\$A2.1 million) compared to the previous corresponding quarter.

The company said that annual recurring revenue increased 94 percent to \$NZ2.14 million and was on-track to exceed its 200 percent annual recurring revenue growth target for the year to March 31, 2018 and that the software-as-a-service revenue accounted for 95 percent of the company’s revenue and the company had a contracted revenue pipeline of \$NZ6.6 million.

Volpara chief executive officer Dr Ralph Highnam said the company had “delivered another strong result, in what is traditionally a softer quarter, which puts us well on track to achieve our stated goal of at least a 200 percent increase in [annual recurring revenue].”

“Our sales pipeline remains strong as we head into the second half and is building quite nicely,” Dr Highnam said.

“In a little over a year since launching Volpara Enterprise software, building our direct sales force and transitioning to a [software-as-a-service] model, we have secured a number of highly regarded luminary reference sites and are delivering solid quarter-on-quarter growth in [annual recurring revenue] and building a substantial pipeline of contracted revenue which will be recognised in future periods,” Dr Highnam said.

Volpara fell two cents or 2.8 percent to 68.5 cents.

## [DIMERIX THERAPEUTICS](#)

Dimerix says it has received \$545,771 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Dimerix said that the Tax Incentive related to expenditure in the year to June 30, 2017 for its lead program, DMX-200 for diabetic kidney disease.

Dimerix was unchanged at 0.8 cents with six million shares traded.

## [MMJ PHYTOTECH](#)

MMJ says that 59 percent subsidiary Harvest One Cannabis has Canadian approval for wholly-owned subsidiary United Greeneries to sell marijuana to registered patients.

MMJ said United Greeneries received an amendment to sell dried marijuana to registered patients under the Access to Cannabis for Medical Purposes Regulations.

MMJ chief executive officer Andreas Gedeon said the authorization “was the final and crucial missing piece for United Greeneries on the regulatory pathway to becoming a fully licenced producer under the [Regulations]”.

“With operations in place, immediate revenue secured and expansion in progress, management can now focus on the go forward strategy to manifest Harvest One as a leading player in the international cannabis industry,” Mr Gedeon said.

MMJ fell two cents or 5.3 percent to 35.5 cents with 1.3 million shares traded.

## RHS (REPRODUCTIVE HEALTH SCIENCE)

RHS says its pre-in-vitro fertilization implantation genetic sequencing system PG-Seq “provides accurate and robust chromosome copy number detection”.

RHS said the PG-Seq incorporating its Doplify whole genome amplification technology was designed to detect aneuploidy, an incorrect number of embryo chromosomes.

The company said that based on “almost 400 samples with known chromosome content” PG-Seq showed whole chromosome aneuploidy detection accuracy of 98.4 percent for five-cell samples and 95.8 percent for single cells.

RHS said the validation was “far the most extensive dataset released for any equivalent product” and the release of the cell line validation data coincided with the start of clinical validation at two independent clinical sites, each of which will generate comparative data from re-biopsied embryos that have previously been tested with Illumina’s Veriseq.

“PG-Seq will be priced similarly to the cost per sample of ... Veriseq ... but is designed and validated to process 48 biopsies simultaneously, twice that of Veriseq,” RHS said.

The company said that there were reservations over possible embryo damage or stress due to the biopsy procedure, which led to a cautious uptake of pre-in-vitro fertilization implantation genetic sequencing “even in light of clinical evidence supporting its use, particularly for women of advanced maternal age”.

RHS said about 10 percent of the world’s two million IVF cycles used pre-IVF implantation genetic sequencing (PGS) and with an average of three embryos biopsied per cycle, equated to an addressable market of 600,000 tests a year worth more than \$60 million.

The company said aneuploidy rates increased dramatically in the IVF embryos of women aged more than 35 years and more than 61 percent of Australia and New Zealand’s 76,309 IVF cycles in 2015 were undertaken by women aged more than 35 years.

RHS said that non-invasive PGS using embryo culture medium was expected to increase the use of PGS and its PG-Seq was shown to be an accurate and competitive product.

RHS was up 1.5 cents or 13.6 percent to 12.5 cents.

## PRIMA BIOMED

Prima says its annual general meeting will vote to change its name to Immutep and grant chief executive officer Marc Voigt 50,000,000 “performance” rights.

Prima said Mr Voigt would be awarded the free shares, vesting in three equal tranches and exercisable within one year of vesting on December 1, 2017, 2018 and 2019.

The company said it proposed to issue director Grant Chamberlain 13,272,356 shares in lieu of fees.

Supporting the name change, Prima chair Lucy Turnbull said that following the acquisition of Immutep SAS in 2014 and sale of cancer vaccine CVac to Sydys Corp, the focus was the development of the LAG-3 based immunotherapy assets.

“Many of our clinical partner associations are with Immutep and several patents remain registered under the Immutep name,” Ms Turnbull said. “More apparent is Immutep’s strong association with LAG-3 and its founder, Dr Frederic Triebel, who is also our chief scientific officer and chief medical officer.”

Prima said that shareholders would vote on the remuneration report, the election of directors Pete Meyers and Mr Chamberlain, the 10 percent placement capacity and to ratify a previous issue of 263,126,800 shares and 1,973,451 warrants, as well as approve termination benefits for eligible executives.

The meeting will be held at Minter Ellison, Governor Macquarie Tower, 1 Farrer Place, Sydney on November 17, 2017 at 11am (AEDT).

Prima was fell 0.3 cents or 9.1 percent to three cents with 19.9 million shares traded.

## SIRTEX MEDICAL

Yarra Funds Management says it has reduced below the five percent substantial shareholder level in Sirtex.

In January, the Melbourne-based Yarra Funds Management said it had become a substantial shareholder in Sirtex with 3,803,242 shares (6.59%) acquiring the shares for no cost (BD: Jan 22, 2017).

Today, Yarra Funds said it bought and sold shares on-market between January 19, and October 13, 2017 at prices ranging from \$11.58 to \$18.49 with a further 5,979 shares transferred out at no cost.

Yarra Funds said co-holders included AA Australian Finco Pty Ltd, TA SP Australia Topco Pty Ltd and TA Universal Investment Holdings, with registered holders RBC Dexia Investor Services, UBS AG Australia, BNP Paribas Australia, State Street Australia, National Australia Bank, National Asset Servicing, National Nominees, and JP Morgan Chase Bank and the group held the shares "through [the] acquisition of [an] investment management agreement to act as [the] investment manager for a range of client portfolios".

Sirtex fell 72 cents or five percent to \$13.76 with 724,899 shares traded.

## IMUGENE

Imugene 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 37.5 percent from 1.6 cents to 2.2 cents yesterday, October 16, 2017 and noted a significant increase in the trading volume. Imugene was unchanged at 1.9 cents with 16.5 million shares traded.

## RACE ONCOLOGY

Race says its annual general meeting will vote to issue 2,000,000 options each to directors Brendan de Kauwe and Chris Ntoumenopoulos.

Race said that 1,000,000 options each would be exercisable at a 50 percent premium to the 30-day volume-weighted average price to the date of issue and the balance at a 100 percent premium within two years of issue.

The company said that shareholders would vote to ratify the prior issue of 2,000,000 options to 708 Capital and 2,000,000 options to Merchant Capital Markets exercisable at 30 cents each by September 30, 2018 "in part consideration for services provided pursuant to a mandate agreement".

Race said the meeting would vote on the remuneration report, the 10 percent placement capacity and to elect directors Chris Ntoumenopoulos and Peter Molloy.

The meeting will be held at the Royal Automobile Club of Australia, 89 Macquarie Street, Sydney, on November 21, 2017 at 11am (AEDT).

Race was untraded at 33.5 cents.