



Biotech Daily

Wednesday October 18, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: BENITEC UP 20%; CYCLOPHARM DOWN 8%**
- * **CSL CEO FACES 18% DISSENT OVER \$7m MORE PERFORMANCE SHARES**
- * **ANALYTICA RAISES \$1.3m OF HOPED-FOR \$1.6m**
- * **MEXICO APPROVES MEDICAL DEVELOPMENTS PENTHROX**
- * **RESONANCE, PERTH CLINIC WORK ON AI-FERRISCAN; ALISON LAWS**
- * **US ISSUES BENITEC RNA-I HEPATITIS B PATENT**
- * **ANTEO UP 178% ON NANO-COATING SILICON-LITHIUM BATTERIES**
- * **IMMURON AGM: 875k GRANDLODGE SHARES, 1m DIRECTOR OPTIONS**
- * **RESONANCE AGM FOR 7m DIRECTOR OPTIONS**
- * **BPH, CORTICAL DYNAMICS FRENCH BAR MONITOR TRIAL**
- * **VISIONEERING RELEASES 1.7m ESCROW SHARES**
- * **DIMERIX APPOINTS DMX-200 CHRONIC KIDNEY DISEASE ADVISORS**

MARKET REPORT

The Australian stock market edged up 0.02 percent on Wednesday October 18, 2017 with the ASX200 up 0.9 points to 5,890.5 points. Nineteen of the Biotech Daily Top 40 stocks were up, 13 fell, six traded unchanged and two were untraded. All three Big Caps rose.

Benitec was the best, up three cents or 20 percent to 18 cents with 1.8 million shares traded. Oncosil was up 14.8 percent; Dimerix rose 12.5 percent; Avita improved 4.9 percent; Airxanders and Clinuvel were up more than three percent; Compumedics, Opthea, Polynovo and Universal Biosensors rose more than two percent; Actinogen, CSL, Impedimed, LBT, Medical Developments, Pro Medicus, Resmed, Sirtex and Volpara were up one percent or more; with Cochlear and Nanosonics up by less than one percent.

Cyclopharm led the falls, down 6.5 cents or 7.8 percent to 77 cents with 3,950 shares traded. Genetic Signatures lost 6.4 percent; Cellmid fell 4.2 percent; Admedus, Orthocell, Prana, Prima and Reva were down more than three percent; Acrux shed 2.8 percent; Bionomics, Factor Therapeutics and Mesoblast were down more than one percent; with Ellex down 0.4 percent.

CSL

CSL says 48,585,584 votes (18.3%) opposed the issue of \$6,786,729 performance shares to chief executive officer Paul Perreault, with 216,316,176 votes (81.7%) in favor.

CSL said that the remuneration report was opposed by 32,230,792 votes (12.2%) and supported by 232,667,334 votes (87.8%).

The company was facing a second strike but a potential spill motion was withdraw.

CSL said that votes filed before the meeting showed that a board spill was opposed by 94.3 percent of proxy votes and supported by 3.9 percent, with 1.8 percent abstentions.

Last year, CSL narrowly earned a first strike vote with 26.02 percent of votes opposing the remuneration report, with Mr Perreault's \$6,636,637 performance rights and options opposed by 27.25 percent and a 33 percent increase in directors' fees to \$4,000,000 opposed by 33.82 percent (BD: Oct 12, 2016).

In previous years, resolutions to issue performance stock to Mr Perreault were passed but with up to 19.5 percent opposition (BD: Oct 16, 2013; Oct 15, 2014; Oct 15, 2015).

The re-election of directors Prof John Shine, Bruce Brook and Christine O'Reilly were passed overwhelmingly.

According to CSL's most recent Appendix 3B new issue announcement, the company had 452,230,942 shares, meaning the vote against Mr Perreault's stock amounted to 10.7 percent of the company, sufficient to requisition extraordinary general meetings.

CSL was up \$2.50 or 1.8 percent to \$141.45 with one million shares traded.

ANALYTICA

Analytica says it has raised \$1,334,198 of the hoped for \$1,593,210 in its renounceable, one-for-eight share offer at 0.5 cents a share (BD: Sep 18, 2017).

Analytica said that each share came with one option exercisable at 0.5 cents by January 31, 2018 and one option exercisable at 0.5 cents by May 31, 2018, with chairman Dr Michael Monsour and director Dr Peter Corr taking up their entitlements under the offer.

Analytica fell 0.05 cents or 11.1 percent to 0.4 cents.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says that Mexico has approved for sale its methoxyflurane analgesic Pentrox.

Medical Developments said the Mexican Federal Commission for the Protection against Sanitary Risk approved Pentrox for patients with moderate to severe trauma pain and for the relief of pain in surgical procedures.

The company said Mexico had 127 million people and about 37 million patients received some sort of medical consultation each year, many of whom were treated for trauma and/or required analgesia for surgical procedures.

Medical Developments chief executive officer John Sharman said the company had been "waiting on the Mexican authorities to complete the approval process for two years".

"Now that it has arrived we are delighted that we can begin to sell product in Mexico, a key market in Latin America," Mr Sharman said.

"Our partner, Probiomed, estimate that in time Pentrox could sell 800,000 doses per annum in the trauma pain hospital setting," Mr Sharman said.

"The numbers of doses that may be used for surgical procedures is harder to estimate, but anecdotally it is possible this part of the market could be larger than for trauma," Mr Sharman said.

Medical Developments was up seven cents or 1.2 percent to \$5.75.

[RESONANCE HEALTH](#)

Resonance says a collaboration with the Perth Radiological Clinic will use its artificial intelligence (AI) to assess the viability of several diagnostic tools.

Resonance said its artificial intelligence expertise recently resulted in the development and prototype testing of a diagnostic for liver iron concentration measurement currently in beta-testing to provide an automated internet cloud-based Ferriscan service to “emerging growth markets”.

Resonance general-manager Sander Bangma told Biotech Daily that emerging growth markets primarily meant the Middle East and South-East Asia, which was “referred to as the thalassaemia belt, with large numbers of patients suffering from this iron overload disorder”.

The company said it would apply existing skills in medical image diagnostics and artificial intelligence to de-identified data sets from several highly prevalent medical conditions with a view to developing new artificial intelligence analysis services.

Resonance said that Perth Radiological Clinic would provide access to computed tomography (CT) and magnetic resonance imaging (MRI) data sets.

Separately, the company said that following beta-testing its artificial intelligence product would proceed to field testing in November at several large thalassaemia centres in the emerging growth markets.

Resonance said its collaboration with the Thalassaemia International Federation and discussions with opinion leaders resulted in a shortlist of sites and a further roll-out was scheduled to begin in parallel with continued testing at the primary site in Vietnam.

The company said that user interface and experience upgrades were designed over the past 30-day trial period, allowing new users to access an improved product.

Resonance said that a second stage of beta-testing would evaluate the user-interface and usability of the new internet cloud-based service alongside Ferriscan.

The company said it had appointed account manager Alison Laws as chief business development officer to help facilitate the roll-out of the artificial intelligence product and improve efficiencies in the commercialization of products.

Resonance was up 0.2 cents or 9.5 percent to 2.3 cents.

[BENITEC BIOPHARMA](#)

Benitec says it has been issued a new US patent relating to the use of its RNA-interference technology to treat hepatitis B.

Benitec said the patent, entitled ‘HBV Treatment’ would provide intellectual property protection until February 18, 2031.

The US Patent and Trademark Office website said that Dr Michael Graham and Dr Peter French were among the co-inventors named on the patent.

Dr Graham was named on the first main family of Benitec’s DNA-directed RNA-interference (ddRNAi) technology developed with the Commonwealth Scientific and Industrial Research Organisation (BD: Feb 17, 2011).

Benitec chief executive officer Greg West said the US patent was “an important addition to Benitec’s intellectual property portfolio and provides protection for our advanced stage research activities towards new treatments for [hepatitis B]” and followed previous US patent grants.

Benitec was up three cents or 20 percent to 18 cents with 1.8 million shares traded.

ANTEO DIAGNOSTICS

Anteo says that following a report from Polaris Battery Labs it will continue intellectual property protection for its surface nano-coating technology for lithium-ion batteries.

Anteo said that prior to taking the technology to the national phase of patent application it asked the Portland, Oregon-based Polaris to review the technology.

The company said the global lithium ion battery market was “large and growing rapidly” worth about \$22.5 billion a year and expected to increase to \$52.5 billion a year by 2025. Anteo said that most lithium-ion batteries used graphite as an anode material, but silicon was able to store 10 times more energy than graphite.

The company said that a key challenge for silicon anode batteries was the expansion and contraction of the silicon anode while charging and discharging which resulted in cell degradation and reduced performance.

Anteo said it completed proof of concept work which demonstrates that its nano-coating acted as a stabilizer to silicon anodes within a battery cell which reduced battery degradation (BD: Apr 21, May 26, 2015; Apr 13, 2016; Apr 11, 2017).

The company quoted Polaris saying that it was “not aware of any products on the market today, or under development, that act as a stabilizer for silicon anodes”.

“The closest known technologies ... are traditional binders used in higher ratios than normal, foil adhesion promoters [such as] copper foil pre-coated with carbon nanotubes, or mechanical methods to enclose or contain the silicon ... nanowires, graphene, or three-dimensional substrates to embed the silicon material inside,” Anteo quoted Polaris.

The company said that Polaris summarised its work saying “the Anteo surface coating nano-technology has a positive impact on silicon anode performance and that this could be a very important solution to developers struggling to solve the cell cycling issues that are preventing the widespread use of silicon in cells today”.

Anteo executive chairman Dr John Hurrell said the review of the battery technology was part of the company’s overall strategy review.

“We are continuing discussions with Polaris and other companies in the lithium-ion battery market as we determine the best way forward,” Dr Hurrell said.

“The Polaris report gives us the confidence to vigorously protect and expand our [intellectual property] and to ramp-up our research efforts in this field,” Dr Hurrell said.

Anteo climbed 1.6 cents or 177.8 percent to 2.5 cents with 201.4 million shares traded.

IMMURON

Immuron will vote to grant director Stephen Anastasiou’s Grandlodge Pty Ltd 875,000 shares and director Prof Ravi Savarirayan 1,000,000 options.

Immuron said that in June 2013, it entered into a service agreement with Grandlodge “for the provision of management, sales, logistics, warehouse and marketing services” and the shares were in lieu of \$140,000 payable for the two years to December 31, 2017.

The company said that Prof Savarirayan’s options would be exercisable at 50 cents by November 27, 2019.

Immuron said shareholders would vote on the remuneration report, the prior issue of 399,045 shares to SBI Investments and 3,660,000 options for the underwriters of the Nasdaq initial public offer, approve the executive share and option plan, the cancellation of 2,000,000 shares, to refresh the 10 percent placement capacity and to re-elect chairman Dr Roger Aston and director Ravi Savarirayan.

The meeting will be held at Level 2, 62 Lygon Street, Carlton, Victoria on November 13, 2013 at 3.30pm (AEDT).

Immuron was unchanged at 15.5 cents.

[RESONANCE HEALTH](#)

Resonance shareholders will vote to issue chairman Dr Martin Blake 3,000,000 options with 2,000,000 each for directors Dr Travis Baroni and Simon Panton.

Resonance said the options would vest in three tranches exercisable at three cents within 36 months, with one third vesting on approval and one third each after 12 and 24 months. The company said that the annual general meeting would vote on the incentive option plan, approval of the 10 percent placement capacity, the remuneration report and the re-election of directors Dr Baroni and Mr Panton.

The meeting will be held at the University of Western Australia Water Sports Complex, Hackett Drive, Crawley on November 23, 2017 at 10am (AWST).

[BPH ENERGY](#)

BPH says 4.6 percent investee Cortical Dynamics has shipped a brain anaesthesia response (BAR) monitor the France's Hôpital Foch as part of a trial agreement.

BPH said the Paris-based Hôpital Foch was the second off-shore installation after New Zealand, but provided no further information about the trial.

BPH was up 0.05 cents or 25 percent to 0.25 cents.

[VISIONEERING TECHNOLOGIES](#)

Visioneering says 1,666,668 Chess depository instruments (CDIs), equivalent to US shares, will be released from escrow, next month.

Visioneering said 39,683 CDIs would be released on November 1, 39,683 CDIs would be released on November 2 and 1,587,302 CDIs would be released on November 7, 2017.

In a previous Appendix 3B new issue announcement, the company said it had 181,938,314 Chess depository instruments (CDIs) available for trading on the ASX with a further 10,927,338 US shares and 4,123,704 CDIs held in ASX escrow until March 2019.

Visioneering fell 0.5 cents or 1.25 percent to 39.5 cents.

[DIMERIX](#)

Dimerix says it has appointed a medical advisory board to help guide its DMX-200 clinical program for chronic kidney disease.

Dimerix said that Melbourne Renal Research Group director Prof David Packham would chair the board, with Austin Health director of nephrology Prof David Power, University of Toronto medicine professor Prof Daniel Cattran, University of Miami professor of medicine and molecular and cellular pharmacology Prof Alessia Fornoni and University of Pennsylvania Penn Glomerular Disease Centre clinical director Dr Jonathan Hogan.

Dimerix chief executive officer Kathy Harrison said the company was "delighted to have attracted such a respected group of nephrologists" to join its medical advisory board.

Dimerix said that the board would be compensated for its time through a combination of cash and equity, with the total number of shares to be issued 2,743,000 shares and a package of options with a total value of \$10,000 for the five member board, with the precise number and exercise price to be determined.

Dimerix was up 0.1 cents or 12.5 percent to 0.9 cents with 2.5 million shares traded.