



# Biotech Daily

Thursday October 26, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: USCOM UP 10%; PRIMA DOWN 10%**
- \* **MTP CONNECT \$7m, GENERATES \$22m, 20 PROJECTS, 200 PARTNERS**
- \* **ADMEDUS \$10m FACILITY**
- \* **UNIQUEST, MERCK COLLABORATE ON IMMUNO-ONCOLOGY THERAPIES**
- \* **AUSBIOTECH, J&J: LUSIA GUTHRIE, PLANET INNOVATION, CANCER AID**
- \* **OVENTUS: 'O2VENT T REDUCES SLEEP EVENTS 30%'**
- \* **CELLMID OPENS TOKYO ADVANGEN 'CONCEPT STORE'**
- \* **CORRECTION: PHOSPHAGENICS**
- \* **BIOTRON PLEADS SCHULTZ, AGAIN, OLDS TO ASX 27% QUERY**
- \* **ACRUX 55% REMUNERATION 1st STRIKE; 40% OPPOSE CEO SHARES**
- \* **MMJ VOTES ON 12m DIRECTORS 'PERFORMANCE RIGHTS'**
- \* **PLATINUM REDUCES TO 8% OF IMUGENE**
- \* **MELBOURNE UNI APPOINTS DUNCAN MASKELL VICE-CHANCELLOR**
- \* **COGSTATE LOSES 13-YEAR DIRECTOR DAVID SIMPSON**

## MARKET REPORT

The Australian stock market was up 0.18 percent on Thursday October 26, 2017 with the ASX200 up 10.7 points to 5,916.3 points. Thirteen of the Biotech Daily Top 40 stocks were up, 15 fell, eight traded unchanged and four were untraded.

Uscom was the best, up 1.5 cents or 9.7 percent to 17 cents with 200,754 shares traded. ITL climbed 7.7 percent; Benitec was up 5.3 percent; Neuren improved 4.35 percent; Pharmaxis and Orthocell were up more than three percent; Cochlear and Living Cell rose more than two percent; Actinogen, Clinuvel, Factor Therapeutics, Pro Medicus and Pro Medicus were up more than one percent; with CSL and Ellex up by less than one percent.

Prima led the falls, down 0.3 cents or 9.7 percent to 2.8 cents with 4.5 million shares traded. Compumedics lost 8.6 percent; Dimerix fell 4.55 percent; Avita, Mesoblast and Viralytics were down more than three percent; Acrux, Airxpanders, Osprey and Starpharma shed more than two percent or more; with Admedus, Medical Developments, Opthea and Volpara down more than one percent.

## MTP CONNECT

MTP Connect says has provided \$7.385 million for 20 national projects with about 200 partners which could leverage more than \$22 million in industry partner funds.

The Federal Government funded MTP Connect said the project fund program for the medical technology, biotechnology and pharmaceutical sector projects would “deliver results on a national scale and have sector-wide impact”.

An MTP Connect media release said that the recipient projects would receive between \$100,000 and \$1,000,000 over two years.

MTP Connect said it received 33 applications from industry, research organisations and universities to share in the funding available, with a proposed \$25.8 million of matched funding coming from the sector.

The organization said that last year it selected 15 projects to receive \$7.8 million in funding over two years, with matched funding of \$15.6 million.

MTP Connect chief executive officer Sue MacLeman said the “competitive, dollar-for-dollar matched funding program aims to invest in big, bold ideas to accelerate growth, drive greater commercialization opportunities and address key barriers in the sector”.

Ms MacLeman said the 20 projects “creatively address many of these barriers and have the potential to have a major impact on the sector”.

MTP Connect said that one of its priorities was “the need to create a highly productive commercialization environment from research to early clinical trials and proof-of-concept” and project that would help achieve the aim included the Bridge Tech Program; the Healthy Living Design Hub and the Clinical Manufacturing Training Hub.

The organization said that to strengthen Australia as an attractive clinical trial research destination it awarded Clintrial Refer Australia funding for an information technology platform connecting doctors and patients to improve clinical trial recruitment.

MTP Connect published a list of recipients which included listed and unlisted companies, from Alcidion and Regeneus to Luiniabio, Novotech, Quintiles and Seerpharma, a large number of research institutes as well as major foreign companies Abbvie, Amgen and Siemens and 2017 AFL Premiership winners the Richmond Football Club.

Avita, Orthocell and Proteomics said they were part of the Accelerating Australia project to build a cohesive and collaborative early stage biomedical translation ecosystem including academia, industry and healthcare providers.

The detailed list is available at: <https://www.mtpconnect.org.au/2017projects>.

## ADMEDUS

Admedus says the San Francisco-based Partners for Growth has provided “a secured debt facility” up to \$10,000,000.

Admedus said the facility consisted of a \$5,000,000 “revolving line-of-credit” at an interest rate of 9.75 percent and a \$5,000,000 term loan at an interest rate of 11.75 percent.

The company said both loans would be repayable in 36 months and a higher interest rate would apply for late payments as well as fees for multiple late payments.

Admedus chief executive officer Wayne Paterson said the “agreement is consistent with our longstanding commitment to avoid raising capital in a way that would unduly dilute the position of our very patient and enormously supportive shareholders”.

The company said it issued Partners for Growth a seven-year warrant, or option, for the issue of 4,938,799 shares at an exercise price of 25 cents a share.

Admedus reported that it had \$11,190,000 cash and cash equivalence at June 30, 2017, with a cash burn of \$3,148,000 for the three months to June 30, 2017.

Admedus fell half a cent or 2.9 percent to 16.5 cents.

### UNIQUEST, MERCK SHARP AND DOHME

Uniquet says it will collaborate with the Kenilworth, New Jersey-based Merck Sharpe and Dohme to develop a platform for new immuno-oncology therapies.

Uniquet said that the collaboration would combine the expertise of Merck's research laboratories in oncology and immunotherapy with the University of Queensland Diamantina Institute laboratories of Prof Ranjeny Thomas and Prof Riccardo Dolcetti to developing treatments for cancer.

Prof Thomas said that both teams would contribute "expertise in immunology and oncology, as well as their own proprietary technologies, to enhance the performance of a range of cancer therapies".

Uniquet chief executive officer Dr Dean Moss said the project built on a history of collaboration between Merck and the University of Queensland and "demonstrated the quality of the translational and clinical research undertaken at [the university]".

"This collaboration strengthens the relationship between [the University of Queensland's] world-class researchers and one of the world's largest pharmaceutical companies starting with the commercialization of the Gardasil [human papillomavirus] vaccine and, more recently, the research collaboration with Uniquet spin-out company Vaxxas to commercialise the Nanopatch vaccine delivery technology," Dr Moss said.

Uniquet said that Merck would be responsible for the clinical development activities of research outcomes.

### AUSBIOTECH, JOHNSON & JOHNSON INNOVATION

Ausbiotech says the winners of the Ausbiotech and Johnson & Johnson Innovation Industry Excellence Awards are Lusia Guthrie, Planet Innovation and Canceraid. Ausbiotech said that Ms Guthrie won the industry leadership award, Planet Innovation was the company of the year and Canceraid was the emerging company of the year.

The industry organization said the awards, presented at its Adelaide conference recognized "innovative companies and individuals in Australia's world-class biotechnology, medical technology and healthcare sectors".

Johnson & Johnson Innovation senior director Kathy Connell said winners aimed "to improve the health of people across the globe, which is an incredibly important mission and we are delighted to sponsor these awards that help recognise this important work".

Ausbiotech chief executive officer Glenn Cross said each recipient had made "a significant contribution to the sector and to the ongoing growth of Australia's biotechnology and medical technology, as well as the health of Australians".

Ausbiotech said Ms Guthrie was the chair of Clever Culture Systems AG a joint venture between Hedditch AG and LBT Innovations, of which Ms Guthrie was the chief executive officer for 12 years, and she was currently a director of the Bio-Melbourne Network and Andhealth and was recently appointed chair of the Medicines Manufacturing Innovation Centre at Monash Institute of Pharmaceutical Sciences.

The industry organization said Planet Innovation had doubled its revenue, opened more than 100 new jobs for the sector and "raised the profile of the Australian biotechnology industry to new levels of national and international recognition, through sustained company success, breakthrough innovations and proactive thought-leadership".

The industry organization said that Canceraid had developed a smartphone application for cancer patients, caregivers and clinicians to address issues faced in oncology to provide value-added services to cancer hospitals, health insurance providers and pharmaceutical companies, which had "become the number one cancer [application] in Australia, the US and the UK.

## OVENTUS MEDICAL

Oventus says a 10-patient study shows its O2Vent T reduces “sleep events” by 72 percent and is more effective than competitor products for obstructive sleep apnoea.

Oventus said that it sponsored the trial at the University of Western Australia and preliminary results would be presented by principal investigator Dr Jennifer Walsh at the Sleep Downunder conference in Auckland, New Zealand on October 27, 2017.

The company said that the poster presentation was entitled ‘The effect of a novel oral appliance therapy on obstructive sleep apnea: preliminary results’.

Oventus said the technology brought the lower jaw forward and added an airway to increase the ease of breathing, reduced “sleep events” or disruption to sleep, in patients with obstructive sleep apnoea.

The company said the number of events where sleep was interrupted by apnoea were measured using the “apnoea-hypopnoea index”.

Oventus said three polysomnography studies were used to establish a baseline and to compare the presence and absence of the oral appliance.

The company said the O2Vent T acted as a “second nose” and was effective for patients with nasal resistance and suggested it bypassed nasal or nasopharyngeal obstruction.

The poster concluded that the “provision of an oral route of breathing in an [oral appliance] device further reduces [obstructive sleep apnoea] severity in some individuals using [oral appliance] therapy, suggesting bypass of nasal/nasopharyngeal obstruction”.

“Further data is required to fully elucidate mechanisms and characteristics of individuals who may benefit from an [oral appliance] with an oral breathing route,” the poster concluded. “However, this preliminary data suggests that the degree of efficacy of this novel [oral appliance] device appears to be greater in those with higher nasal resistance,” the poster concluded.

Oventus was up three cents or 7.3 percent to 44 cents.

## CELLMID

Cellmid says it has opened its Advangen Hair Biology “concept store” in the Ginza Core building, in Tokyo’s shopping district.

Cellmid said the shop, stocking its wholly-owned consumer health subsidiary’s hair growth products, would be advertised on the QVC television shopping channel, and customers would receive hair assessments and trials of the products.

The company said that “initially selling Advangen’s Japanese FGF5 inhibitors, including the Jo-Ju and Lexilis brands, the ... store is expected to build on the success of the Jo-Ju products that have been sold on the QVC television shopping channel since 2015”.

Advangen Japan managing director Koichiro Koike said that it was “the first specialist store solely focused on solving hair challenges with clinically validated and naturally based products”.

Cellmid was unchanged at 1.9 cents with 2.6 million shares traded.

## PHOSPHAGENICS

Last night’s edition accidentally misquoted Phosphagenics chief executive officer Dr Ross Murdoch, saying he was pleased with the “\$.36 million” capital raising.

The raising was \$3.36 million, as correctly reported in the first sentence and headline.

The Wednesday sub-editor should have been slapped on the wrists, but Biotech Daily opposes all forms of physical assault, so he was terminated instead.

Phosphagenics rose 0.1 cents or 6.25 percent to 1.7 cents with 23.4 million shares traded.

## BIOTRON

Biotron 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 0.6 cents or 27.3 percent from 2.2 cents on October 24 to 2.8 cents yesterday, October 25, 2017 and noted a significant increase in the trading volume.

The ASX also noted the company's share price rose 0.3 cents or 15.8 percent from 1.9 cents on October 23 to 2.2 cents on October 24, 2017.

Biotron said it filed a 'presentation to investors' on October 6, 2017 regarding its phase II BIT-225 drug for HIV.

Biotron was up 0.2 cents or 7.7 percent to 2.8 cents with 8.3 million shares traded.

## ACRUX

The Acrux annual general meeting gave the remuneration report a 'first strike' with 8,736,407 votes (55.1%) against and 7,129,604 votes (44.9%) in favor.

Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 any company sustaining a vote of 25 percent or more against the remuneration report in two successive annual meetings is required to vote on a board spill and at the later meeting and if passed by more than 50 percent of votes the directors must stand for reelection at a subsequent meeting within 90 days.

Acrux's most recent Appendix 3B new issue announcement said that the company had 166,521,711 shares on issue, meaning that the votes against the remuneration report amounted to 5.2 percent of the company, sufficient to requisition extraordinary general meetings.

The company said that the grant to chief executive officer Michael Kotsanis of 4,000,000 'performance' rights worth \$660,000 at tonight's closing price of 16.5 cents was opposed by 5,851,842 votes (40.2%) and supported by 8,705,789 votes (59.8%).

Acrux said that the omnibus equity plan and the re-election of chairman Ross Dobinson faced opposition but were passed by wider margins.

Acrux fell half a cent or 2.9 percent to 16.5 cents.

## MMJ PHYTOTECH

MMJ says its annual general meeting will vote to issue 12,000,000 'performance rights' to four directors.

MMJ said it proposed to issue 4,500,000 performance rights each to chairman Peter Wall and chief executive officer Andreas Gedeon and 1,500,000 performance rights each to directors Winton Willesee and Jason Bednar.

The company said the rights would vest in three equal tranches, pending the performance hurdle of the company's shares meeting a 5-day volume-weighted average price of 50 cents, on December 31, 2017; June 30, 2018; and December 31, 2019, provided that the holder remains engaged by the company as a director, employee or consultant on that date.

The MMJ notice of meeting said that shareholders would vote to approve the remuneration report, the 10 percent placement capacity, the performance rights plan, the employee share option plan and the re-election of Mr Wall.

The meeting will be held at Quest Apartments, 54 Kings Park Road, West Perth on November 29, 2017 at 4pm (AWST).

MMJ was unchanged at 34 cents.

## IMUGENE

Platinum Investment Management says it has decreased its substantial shareholding in Imugene from 200,000,000 shares (9.24%) to 194,224,434 (8.2%).

The Sydney-based Platinum said it acquired 23,333,334 shares on April 11, 2017 for \$350,000 or 1.5 cents a share

Platinum said that between October 17 and 24, 2017, it sold 29,108,900 shares for \$552,725 or an average of 1.9 cents a share.

Imugene was up 0.2 cents or 10 percent to 2.2 cents with 24.4 million shares traded.

## UNIVERSITY OF MELBOURNE

The University of Melbourne says it has appointed biotechnology entrepreneur Prof Duncan Maskell as its next vice-chancellor, commencing in October 2018.

The University said that Prof Maskell was currently England's the University of Cambridge senior pro-vice-chancellor for planning and resources and was Cambridge's head of Veterinary Medicine for nine years before being appointed head of Biological Sciences in 2013.

The University of Melbourne said that Prof Maskell had overall responsibility for a turnover of about GBP2 billion (\$A3.4 billion) a year and was responsible for Cambridge's major building program.

The University said that Prof Maskell was a co-founder of four biotechnology companies, a member of the Cambridge Enterprise Seed Fund investment committee, a director of Genus PLC and a director of Cambridge Innovation Capital.

Prof Maskell said he was delighted to be chosen to lead Australia's number one university, which was among the world's top 40 higher education institutions.

"The University of Melbourne has been a centre of excellence for a long time, and its reputation and strength is recognised on the global stage," Prof Maskell said.

"I am honoured to be appointed its next vice-chancellor and I look forward to building on the excellent work of Prof Glyn Davis," Prof Maskell said.

## COGSTATE

Cogstate said that 13-year director David Simpson retired effective from the conclusion of its annual general meeting, yesterday, October 25, 2017.

Cogstate made the announcement in its meeting presentation and said that Mr Simpson joined the company on August 24, 2004.

Cogstate fell one cent or one percent to 95 cents.