



Biotech Daily

Thursday November 23, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: FACTOR THERA UP 6%; BENITEC DOWN 5%**
- * **PRIMA LOSES CHAIR LUCY TURNBULL, DIRECTOR ALBERT WONG**
- * **IMUGENE PLACEMENT, RIGHTS OFFER FOR \$8.7m**
- * **BOTANIX STARTS CANNABIDIOL BTX1204 ATOPIC DERMATITIS TRIAL**
- * **ACRUX, ELI LILLY LOSE AXIRON APPEAL**
- * **PHARMAUST: 'AAD COMPOUNDS KILL CANCER 6 TIMES MONEPANTEL'**
- * **NOXOPHARM'S DR GRAHAM KELLY: 'I INVENTED NOX66 PRE-NOVOGEN'**
- * **MEDLAB WELCOMES NEW TGA MARIJUANA LICENCING**
- * **CRESO PHARMA REQUESTS CAPITAL RAISING TRADING HALT**
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- * **CELLMID SURVIVES 23.5% REMUNERATION 1st STRIKE**
- * **RESONANCE DIRECTORS FACE 24% DISSENT**
- * **OPTHEA 11% OPPOSE INCREASED PLACEMENT CAPACITY**
- * **PROBIOTEC 13% OPPOSE REMUNERATION REPORT**
- * **DORSAVI: CAROLINE ELLIOTT DIRECTOR, CHAIR HERB ELLIOTT RETIRES**

MARKET REPORT

The Australian stock market was flat on Thursday November 23, 2017, with the ASX200 down 0.2 points to 5,986.2 points. Sixteen of the Biotech Daily Top 40 stocks were up, 14 fell, six traded unchanged and four were untraded. All three Big Caps were up.

Factor Therapeutics was the best, up 0.3 cents or 6.25 percent to 5.1 cents with 85,526 shares traded. Both Bionomics and Cellmid climbed 5.3 percent; Polynovo and Pro Medicus improved four percent or more; Avita, Medical Developments and Neuren were up more than three percent; Clinuvel and Psivida rose more than two percent; with Orthocell, Osprey, Pharmaxis, Starpharma and Universal Biosensors up more than one percent.

Benitec led the falls, down one cent or 5.1 percent to 18.5 cents, with 217,500 shares traded. Prima fell four percent; Acrux, Actinogen, Cyclopharm, Living Cell and Oncosil were down more than three percent; Prana and Viralytics shed more than two percent; with Admedus, LBT, Mesoblast and Nanosonics down more than one percent.

PRIMA BIOMED

Prima says that director Dr Russell Howard will replace chair Lucy Turnbull who resigned at last week's annual general meeting, along with director Albert Wong.

In Appendix 3Z announcements, filed after the market closed last night, Ms Turnbull and Mr Wong said they had retired from the company effective from November 17, 2017.

Ms Turnbull announced the decision in her address to the annual general meeting on November 17, 2017, published on the ASX platform, and Mr Wong's departure was included in a letter from Ms Turnbull with the notice of meeting on October 17, 2017.

In her chairman's address Ms Turnbull said "this is not a decision I have taken lightly".

"Due to my extensive professional and personal commitments I feel the time is right for me to step down," Ms Turnbull said.

"Albert [Wong] and I leave your company under sound stewardship from our fellow board members and excellent management team," Ms Turnbull said.

"It is today very different to the one we joined seven years ago," Ms Turnbull said.

"I remain a significant shareholder and will retain a keen interest in the progress of the business, which has transformed from having a single cancer vaccine to being a multi-product leader in the exciting field of immunotherapy," Ms Turnbull said.

Ms Turnbull's Appendix 3Z said she left the company with 20,359,576 shares or 0.86 percent of the company, while Mr Wong said he held 3,837,500 shares.

Ms Turnbull was appointed Prima's chair in 2010 replacing Mr Wong, who in turn replaced chair Ata Gokyildirim, following the departure and reinstatement of then chief executive officer Martin Rogers (BD: Jun 25, Jul 23, 28, Oct 7, 2010).

In 2012, Matthew Lehman replaced Mr Rogers as chief executive officer and in 2014 was replaced by current chief executive officer Marc Voigt (BD: May 24, 2012; Jul 23, 2014).

Mr Rogers resigned from the company in 2013 following an annual general meeting resolution to re-elect him was withdrawn prior to the meeting (BD: Nov 15, 2013).

Mr Rogers has been credited with reviving Prima and its share price rose from half a cent to 42 cents following his appointment as a director (BD: Oct 16, 2007; Oct 27, 2017).

Biotech Daily understands that Ms Turnbull resigned all her other public company directorships when her husband, Malcolm Turnbull, became Australia's Prime Minister.

In 2014, Prima acquired France's Immutep and last week the change of company name to Immutep was passed overwhelmingly (BD: Oct 2, Dec 17, 2014; Nov 17, 2017).

Prima fell 0.1 cents or four percent to 2.4 cents with 12.9 million shares traded.

IMUGENE

Imugene says it has commitments to raise \$8.7 million through a \$6.7 million placement and a \$2.03 million underwritten entitlement offer at 1.8 cents a share.

Imugene said the funds would be used for its phase Ib/II HERVaxx cancer trial along with trial expansion and development of its clinical pipeline.

The company said that placement included one option for every two new shares issued, exercisable at 2.6 cents by November 30, 2020.

Imugene said the on-for-21, non-renounceable entitlement offer, with one option for every two new shares issued was fully underwritten by Bell Potter Securities.

The company said that the record date would be November 29, the offer would open on December 4 and close on December 18, 2017.

Imugene chief executive officer Leslie Chong said the "level of demand ... in this raise speaks to the commercial and clinical potential of Imugene's technology."

Imugene fell 0.4 cents or 17.4 percent to 1.9 cents with 36.6 million shares traded.

BOTANIX PHARMACEUTICALS

Botanix says it has begun enrolment in its up-to 36 patient phase Ib trial of its synthetic cannabidiol BTX1204 for atopic dermatitis, delivered with its Permetrex technology. Botanix said it was developing BTX1204 for mild to moderate atopic dermatitis, or serious eczema, and the randomized, double blind, placebo-controlled safety and tolerability study at four Australian clinics was expected to be completed by July 2018. (BD: Oct 31, 2017). The company said that the study would collect data on the improvement of atopic dermatitis lesions and symptoms of atopic dermatitis. Botanix said that following the study it planned to file an investigational new drug application with the US Food and Drug Administration for a larger phase II safety and efficacy study to begin in the US by July 2018. Botanix was up 0.1 cents or 1.7 percent to six cents with 5.7 million shares traded.

ACRUX

Acrux says the US Court of Appeals for the Federal Circuit has affirmed a previous judgement that invalidated its Axiron patent. Acrux said that in August 2016, the US District Court for the Southern District of Indiana ruled that the formulation and axilla application patents granted for Axiron were invalidated and would not be infringed by the commercialization of generic versions of Axiron by the generic companies that challenged the patents, with the applicator patent valid but not infringed by the majority of parties. Acrux said the launch of the generic versions of Axiron made it no longer commercially viable to market it in the US, and the product was withdrawn on September 5, 2017. In September, Acrux said it and Eli Lilly and Co agreed to terminate their licencing agreement for its Axiron testosterone replacement, ending US sales (BD: Sep 6, 2017). The company said at that time that a US Food and Drug Administration-required trial would have cost "hundreds of millions of dollars" and sales had fallen since July 5, 2017, when generic versions of Axiron appeared on the market. Acrux fell half a cent or 3.45 percent to 14 cents.

PHARMAUST

Pharmaust says it has identified amino-acetonitrile compounds that kill cancer cells grown in-vitro up to six times more effectively than the parent compound, monepantel. Pharmaust said the initial screens of its library of amino-acetonitrile (AAD) compounds identified the molecules and all of the more active analogues were chemically distinct from monepantel, which was being developed as an anti-cancer therapy for dogs and humans. The company said that monepantel, formerly known as PPL-1 and initially used as a sheep round worm treatment, was owned by Elanco, but Pharmaust owned the intellectual property rights to use the drug as an anti-cancer treatment. Pharmaust chief executive officer Dr Richard Hopkins said the company was "encouraged by these early stage cell-screening results, which suggest there is considerable scope to improve on the efficacy of monepantel". "It also supports our decision to acquire the library of AAD compounds from Nihon Nohyaku in order to develop our own proprietary pipeline of cancer drugs," Dr Hopkins said. "The fact we've already identified compounds with improved potency, which we fully own, is a very encouraging start," Dr Hopkins said. Pharmaust was unchanged at five cents with 1.7 million shares traded.

[NOXOPHARM, KAZIA THERAPEUTICS \(FORMERLY NOVOGEN\)](#)

Noxopharm chief executive officer Dr Graham Kelly says he invented NOX66 before he returned to the company he founded, Novogen.

Dr Kelly founded Novogen in 1993, resigned in 2006 and returned as chief executive officer in 2012, later resigning in 2015 (BD: Oct 30, 2006; Dec 7, 2012; Jul 1, 22, 2015).

Noxopharm raised \$6 million in an initial public offer and listed on the ASX in August 2016 with Dr Kelly as its chief executive officer.

Today, Dr Kelly told Biotech Daily that he invented NOX66 in the time between his employment at Novogen in 2006 and 2012.

Noxopharm said that a media report and subsequent ASX announcement on the invention of NOX66 “had the potential to misinform the market”.

The company said the media report “inaccurately stated that experimental drug NOX66 was developed by Dr Graham Kelly while an employee of Kazia Therapeutics, formerly Novogen, a company founded by Dr Kelly”.

Noxopharm said the statement had been retracted and the media report corrected “to state the factual situation that NOX66 was developed by Dr Kelly before he became an employee of Novogen”.

Noxopharm said it was “the owner of the NOX66 intellectual property and strongly refutes any suggestion by any person that this is not the case”.

Yesterday, Kazia (Novogen) referred to the media report and said it was in legal discussions Dr Kelly and Noxopharm (BD: Nov 23, 2017).

Noxopharm fell 1.5 cents or 1.8 percent to 80.5 cents.

[MEDLAB CLINICAL](#)

Medlab has welcomed changes to Australian Therapeutic Goods Administration marijuana regulation that will benefit patients.

Medlab chief executive officer Sean Hall said that the process had been evolving but in the past two weeks, the TGA had opened the possibility for general practitioners to be able to prescribe medical marijuana products, pending specific conditions.

“The system of approval is clearer and the licencing is more understandable and easier for companies to conform with the regulations,” Mr Hall said. “The quantities of imported products are large enough to be meaningful for patient needs.”

“The TGA process is now far more beneficial for patients, with general practitioners able to prescribe medical marijuana pending strict vetting procedures,” Mr Hall said.

In a media release to the ASX, Medlab said doctors would be allowed to prescribe the company’s cannabis Nanabis combination cannabidiol (CBD) and tetrahydrocannabidiol (THC) for pain product and its Nanabidiol CBD seizure product.

The company said that its Australian-manufactured cannabis product was expected to be available in late February 2018.

Medlab said that it was preparing for its first clinical trial of Nanabis for oncology pain at Sydney’s Royal North Shore Hospital.

Medlab was up seven cents or 9.8 percent to 78.5 cents.

[CRESO PHARMA](#)

Creso has requested a trading halt “pending an announcement in relation to a placement and share purchase plan”.

Trading will resume on November 27, 2017, or on an earlier announcement.

Creso last traded at \$1.345.

VIRALYTICS

Viralytics says its annual general meeting passed all resolutions except the 10 percent placement capacity and with dissent against the increase in the directors fees pool.

Viralytics said that 30,315,245 votes (33.31%) opposed the 10 percent placement capacity, which was a special resolution requiring a 75 percent majority.

The company said that 18,820,911 votes (22.0%) opposed the increase in the maximum aggregate remuneration of non-executive directors from \$500,000 to \$600,000, with 66,742,601 votes (78.0%) in favor.

Viralytics said that all other resolutions, including the re-election of chairman Paul Hopper, the remuneration report and the issue of options to directors were passed easily.

Viralytics' most recent Appendix 3B new issue announcement said it had 240,924,252 shares on issue, meaning that the votes against the 10 percent placement capacity amounted to 12.6 percent of the company, sufficient to requisition extraordinary general meetings.

Viralytics fell two cents or 2.8 percent to 70 cents.

CELLMID

Cellmid says its annual general meeting voted significant dissent against several resolutions, including the remuneration report and employee incentive plan.

Cellmid said that the remuneration report was passed with 235,789,258 votes (75.58%) in favor and 73,306,760 votes (23.50%) against with 2,867,532 votes (0.92%) at the proxy's discretion.

The employee incentive plan faced 79,942,685 votes (25.59%) against, with 229,575,999 votes (73.48%) in favor and 2,926,532 (0.94%) at the proxy's discretion.

Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 a 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.

The consolidation of securities and ratification of a prior share issue were passed by wider margins with the re-election of directors Dr Fintan Walton and Dr Martin Cross passed overwhelmingly.

Cellmid's most recent Appendix 3B new issue announcement said it had 1,068,456,303 shares on issue, meaning that the votes against the employee incentive plan amounted to 7.5 percent of the company, sufficient to requisition extraordinary general meetings.

Cellmid was up 0.1 cents or 5.3 percent to two cents.

RESONANCE HEALTH

Resonance says its annual general meeting voted significant dissent against the re-election of directors Simon Panton and Travis Baroni.

The company said that both directors faced 31,014,802 votes (24.0%) against with 98,178,555 votes (76.0%) in favor.

Resonance said that the remuneration report and the 10 percent placement capacity were passed easily.

The company's most recent Appendix 3B new issue announcement said it had 402,330,902 shares on issue, meaning that the votes against the directors amounted to 7.7 percent of the company, sufficient to requisition extraordinary general meetings.

Resonance was untraded at 2.1 cents.

OPTHEA

Opthea says its annual general meeting passed all resolutions, but the approval of the 10 percent placement capacity faced 11.1 percent dissent.

Opthea said that 11,413,526 votes (11.2%) opposed the 10 percent placement capacity, with 90,567,728 votes (88.8%) in favor.

The company said that all other resolutions were passed overwhelmingly.

Opthea's most recent Appendix 3B new issue announcement said it had 200,624,570 shares on issue, meaning that the votes against the 10 percent placement capacity amounted to 5.7 percent of the company, sufficient to requisition extraordinary general meetings.

Opthea was untraded at 69 cents.

PROBIOTEC

Probiotec says its annual general meeting passed all resolutions, but the remuneration report faced 12.9 percent dissent.

Probiotec said that 3,198,434 votes (12.9%) opposed the remuneration report, with 21,640,493 (87.1%) in favor.

The company said that all other resolutions were passed by wider margins.

Probiotec's most recent Appendix 3B new issue announcement said it had 60,829,356 shares on issue, meaning that the votes against the remuneration report amounted to 5.3 percent of the company, sufficient to requisition extraordinary general meetings.

Probiotec was up four cents or 6.6 percent to 65 cents.

DORSAVI

Dorsavi says that Caroline Elliott has been appointed as an independent non-executive director, effective from November 24, 2017.

Dorsavi said Ms Elliott had financial and commercial experience in several industries as well as governance knowledge through executive and non-executive board roles.

The company said that Ms Elliott had a background in developing and delivering strategic programs with a focus on start-ups and organizations going through business integration and growth transition, as well as driving business performance, raising capital, restructuring and the transition to growth.

Dorsavi said Ms Elliott was currently a director of the National Film and Sound Archive of Australia and St John's Ambulance Australia and was previously a director of Cell Therapies, the Peter MacCallum Cancer Centre and the Public Transport Ombudsman.

The company said Ms Elliott was currently fashion company Kookai's chief operating officer and was previously the chief financial officer and company secretary at Optal.

Dorsavi said Ms Elliott held a Bachelor of Economics from Monash University.

The company said that director Greg Tweedly would succeed chairman Herb Elliott, who would retire from the company at today's annual general meeting

The company said Mr Elliott joined the board in October 2013 and thanked him "for his significant efforts and strong leadership".

A Dorsavi spokesperson told Biotech Daily that the Elliotts were not related.

Dorsavi was unchanged at 29 cents.