



Biotech Daily

Thursday December 7, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: DIMERIX UP 17%; IMMUTEP (PRIMA) DOWN 8%**
- * **CSL OPENS \$230m ADVANCED ALBUMIN MANUFACTURING FACILITY**
- * **W.H.O. APPROVES ATOMO HIV SELF-TEST**
- * **MEDIGARD SHARE PLAN FOR \$640k**
- * **BIOTECHS WIN 5 OF 15 FEDERAL \$33m CRC GRANTS**
- * **LBT, PARTNERS WIN FEDERAL \$2.5m CRC PROJECT GRANT**
- * **NOVITA WINS \$1.2m FEDERAL CRC GRANT**
- * **ADALTA COLLABORATOR WINS \$768k NHMRC GRANT FOR AD-114**
- * **ORTHOCELL TREATS 1,000th PATIENT**
- * **ALCIDION TO ACQUIRE ONCALL FOR \$2.7m**
- * **CELLMID SIGNS SOFT SURROUNDINGS FOR US ÉVOLIS DISTRIBUTION**
- * **US PATENT FOR CYNATA CYMERUS STEM CELLS**
- * **AUSCANN, TAS ALKALOIDS MARIJUANA MANUFACTURING LICENCE**
- * **HYDROPONICS LICENCE WITH CANADA'S NATIONAL ACCESS CANNABIS**
- * **BIOXYNE LAUNCHES HEALTH, BEAUTY PRODUCTS IN ASIA**
- * **ANTEO CEO DR STEFAN ENDERLING TO START ON \$260k**
- * **HOURY YOUSOUFIAN REPLACES GI DYNAMICS JAMES MURPHY**

MARKET REPORT

The Australian stock market climbed 0.54 percent on Thursday December 7, 2017 – the day Australia finally passed the Marriage Equality Bill - with the ASX200 up 32.0 points to 5,977.7 points. Twelve of the Biotech Daily Top 40 stocks were up, 18 fell, eight traded unchanged and two were untraded. All three Big Caps were up.

Dimerix was the best, up two cents or 16.7 percent to 14 cents with 795,113 shares traded. Benitec climbed 7.9 percent; Airxpanders was up 6.15 percent; Impedimed and Telix improved more than five percent; Medical Developments was up three percent; Actinogen, LBT and Nanosonics rose more than two percent; with Cochlear, Prana, Viralytics and Resmed up by more than one percent.

Immutep (Prima) led the falls, down 0.2 cents or 7.7 percent to 2.4 cents with 1.9 million shares traded. Volpara lost 6.35 percent; Admedus and Avita fell more than four percent; Acrux and Reva were down more than three percent; with Compumedics, Oncosil and Osprey shedding more than two percent.

CSL

CSL says it has opened a \$230 million advanced albumin manufacturing facility at its CSL Behring site in Broadmeadows.

CSL chief executive officer Paul Perreault said that the Victoria Government supported the project and “helped secure the facility for Broadmeadows ... contingent on our meeting agreed project milestones and employment outcomes”.

The company said that the facility was “an important addition to the Australian pharmaceutical manufacturing landscape ... expected to produce therapies with an estimated annual market value of \$850 million as well as generate up to 200 new jobs by 2026”.

CSL said the facility would help meet the global demand for albumin, a protein derived from human blood plasma used in critical care to treat burns and shock.

The company said the plant would be constructed in two modules, with today’s opening marking the completion of module one, which would expand albumin production on the site to 100 tonnes a year, and when the second module was completed it would add a further 100 tonnes in capacity.

CSL said that the facility would export product to the US and Europe while producing commercial product for Australia and the Asia Pacific.

The company said its Broadmeadows site “played a key role in [its] expansion strategy with over \$610 million invested into the site in the past five years”.

CSL was up 76 cents or 0.5 percent to \$142.15 with 633,099 shares traded.

ATOMO DIAGNOSTICS

Atomo says its self-administered HIV blood test has been approved by the World Health Organization’s expert panel for diagnostics.

Atomo said approval from the panel meant that the self-administered, finger-prick, blood test would be eligible for procurement by the Geneva, Switzerland-based Global Fund to Fight AIDS, Tuberculosis and Malaria and the Geneva-based World Health Organization partner organization Unitaid.

The company said the World Health Organization panel recognized the test as an “innovative diagnostic product”.

The company said it received the Conformité Européenne (CE) mark on October 10, 2017, and the approval from the World Health Organization panel would facilitate expansion in Europe as well as in middle and low income countries.

Atomo chief executive officer John Kelly said the company was “delighted that the expert review panel for diagnostics [had] included the Atomo HIV Self Test on the Global Fund procurement list”.

Mr Kelly said the World Health Organization approval would “enable further expansion of HIV self-testing beyond the private sector and into the growing global health sector, and [would] support programs aimed at ensuring early diagnosis of HIV”.

Atomo is a public unlisted company.

MEDIGARD

Medigard says it hopes to raise up to \$640,000 in a share purchase plan, with eligible investors able to subscribe for parcels of up to \$15,000 worth of shares.

Medigard said the record date for the share plan would be December 6, the plan would open on December 11 and close on December 22, 2017.

Medigard was up 0.1 cents or 3.45 percent to three cents.

FEDERAL GOVERNMENT, CO-OPERATIVE RESEARCH CENTRES

The Federal Government has provided \$33 million for 15 co-operative research centre (CRC) project grants, with biotechnology winning five of the grants worth \$11.5 million. A media release from the Assistant Minister for Industry, Innovation and Science Craig Laundry said the funding would support short-term, industry-led collaborations and the \$33 million would “leverage an additional \$98 million in cash and in-kind contributions from 97 project partners”.

“To date, the Australian Government’s CRC-P program has awarded \$133 million in 63 high-quality research projects where businesses, industry and research institutions are working together to solve industry-specific issues and develop new products, technologies or services,” Mr Laundry said.

“These projects are delivering tangible outcomes for Australia’s industry sectors like energy, mining and resources, manufacturing, healthcare, agriculture and transport,” Mr Laundry said.

Apart from the grants to LBT and Novita (below) the media release said that Vivazome Therapeutics Pty Ltd, Seerpharma Pty Ltd and La Trobe University were awarded \$2,179,531 for “Enabling exosome therapy: developing an advanced manufacturing process”; Mesoblast, Cartherics Pty Ltd, Cell Therapies Pty Ltd, Hudson Institute of Medical Research and Monash University won \$2,987,000 for “Allogeneic stem cell cancer immunotherapies”; and Emvision Medical Devices, the University of Queensland, GE Healthcare Australia and Metro South Hospital and Health Service were granted \$2,600,000 for a “Portable brain scanner for early stroke detection and monitoring”.

LBT INNOVATIONS

LBT says it has been awarded a Federal Government \$2,513,000 grant for its Woundvue prototype device.

LBT said the Department of Innovation Industry and Science competitive Cooperative Research Centre (CRC) Projects grant was a joint application with the University of Melbourne and Planet Innovation which were collaborating on the development of the Woundvue device.

LBT said the group would “work through a detailed funding agreement plan, with funds then able to be drawn down over a three year period and spent on development of the Woundvue prototype device”.

LBT chief executive officer Brent Barnes said the grant was “an exceptional outcome for LBT following a comprehensive business case submitted as part of the application”.

Mr Barnes said that wound management was a multi-billion dollar industry impacting an ageing population and was an economic burden on healthcare systems.

“Participant contributions are a combination of cash and in-kind services, in addition to the awarded cash contribution of \$2,513,000 over three years from the Federal Government,” Mr Barnes said.

LBT was up half a cent or 2.1 percent to 24 cents.

NOVITA HEALTHCARE

Novita says it has been awarded a \$1,200,125 Federal Government’s Cooperative Research Centre (CRC) project grant for its Tali Detect childhood inattention device.

Novita said the grant would fund the design, development and commercialize of the Tali Detect for attention deficit hyperactivity disorder.

Novita was up 0.1 cents or 2.2 percent to 4.6 cents with 3.6 million shares traded.

ADALTA

Adalta says the University of Sydney's Prof Carol Pollock has won a \$768,000 National Health and Medical Research Council grant for its AD-114 for chronic kidney disease.

Adalta said the NHMRC four year project grant was entitled 'A novel and unique protein I-body for the treatment of chronic kidney disease through targeting CXCR4'.

The company said that AD-114 was the only anti-CXCR4 drug candidate being developed for the treatment of fibrosis and had the potential to provide a treatment for chronic kidney disease which affected about 1.7 million Australians.

Adalta was untraded at 23 cents.

ORTHOCELL

Orthocell says it has begun treatment of its one thousandth patient using its regenerative treatments for cartilage and tendon damage.

Orthocell said the milestone for its autologous tenocyte implantation (Ortho-ATI) treatment for damaged tendons and its autologous chondrocyte implantation (Ortho-ACI) treatment for damaged cartilage provided clinical validation and would "drive entry into the US".

Orthocell managing-director Paul Anderson told Biotech Daily that the one thousandth patient was receiving Ortho-ATI for a "bilateral tennis elbow" condition.

In a media release Mr Anderson said that treating the one thousandth patient was a "significant milestone in the development of Orthocell's cell therapies, providing strong clinical data and in-market validation of the safety and effectiveness of our technologies for the repair and regeneration of soft tissue".

Orthocell fell half a cent or 1.3 percent to 37.5 cents.

ALCIDION GROUP

Alcidion says it will pay up to \$NZ3 million to acquire Oncall Systems for its clinical messaging and mobile task management systems for hospitals and allied healthcare.

Alcidion said that the Auckland, New Zealand-based Oncall had designed Smartpage, a clinical communications suite that comprised three software modules for clinical, orderly and emergency messaging and tasking delivered through the internet "cloud".

The company said it would pay Oncall an upfront payment of \$NZ750,000 (\$A681,087) with a second component capped at of \$NZ2,250,000 with 40 percent cash and 60 percent in scrip.

Alcidion said Oncall had two large, acute, teaching hospital customers in Auckland and Wellington and generated revenue of \$NZ350,000 in 2016-'17".

Alcidion fell 0.2 cents or 3.45 percent to 5.6 cents with two million shares traded.

CELLMID

Cellmid says that it has signed a distribution deal for its Évolis hair care products with the St Louis, Missouri-based Soft Surroundings.

Cellmid said that Soft Surroundings had 59 shops across the US and an online electronic commerce platform.

The company said it was its second distribution agreement for the Évolis range after signing a distribution deal with the Dallas, Texas based Neiman Marcus in August, 2017.

Cellmid said it was targeting the "prestige haircare market", which the company said was expected to have annual sales of \$US14.7 billion in the US by 2021.

Cellmid fell one cent or 2.6 percent to 38 cents.

CYNATA THERAPEUTICS

Cynata said the US Patent and Trademark Office has allowed a further patent for its Cymerus mesenchymal stem cell technology.

Cynata said the patent application, entitled 'Methods and material for haemato-endothelial differentiation of human pluripotent stem cells under defined conditions' was owned by the University of Wisconsin Madison's Wisconsin Alumni Research Foundation and licenced to Cynata and when granted would provide coverage until March 12, 2034.

Cynata chief executive officer Dr Ross Macdonald said the application covered "a key aspect of our proprietary Cymerus stem cell manufacturing technology".

Cynata fell one cent or 1.6 percent to 62 cents.

AUSCANN GROUP

Auscann says its partner Tasmanian Alkaloids has been granted a manufacturing licence by the Office of Drug Control to begin manufacturing operations in Tasmania.

Auscann said that through its partnership with Tasmanian Alkaloids it was "the only ASX-listed entity to hold all the required licences in Australia to cultivate, harvest, manufacture and distribute final dose form cannabinoid medicines".

The company said the partnership with opium poppy grower Tasmanian Alkaloids positioned it "to be the predominant supplier of cannabinoid medicines in Australia with future export potential".

Auscann said it would import its "genetics" for planting in Tasmania in early 2018.

Auscann managing director Elaine Darby said the licence was "a significant achievement for the partnership".

"It allows us to progress our cultivation and manufacturing operations in the Australian market and puts us firmly on track to become a fully integrated cannabinoid pharmaceutical company," Ms Darby said.

Auscann was up 8.5 cents or 12.5 percent to 76.5 cents with 2.3 million shares traded.

THE HYDROPONICS COMPANY

Hydroponics says it has a licencing agreement with Canada's National Access Cannabis.

Hydroponics said that the agreement provided for a transfer of technology, knowledge and intellectual property for 10 years in Australia and New Zealand, with a further option to extend the contract by 10 years and a first right of refusal option to develop into Asia.

The company said that it would "benefit from access to an increased range of products and services from the Canadian market and future relationships developed by [National Access Cannabis]".

Hydroponics said the agreement provided it with access to National Access Cannabis intellectual property that would "assist in the development of a professional clinic model offering ... a unique path to market in Australia".

The company said it would pay National Access Cannabis a licencing fee of \$500,000 on or before the second anniversary of the agreement or successfully achieving an initial gross revenue milestone of \$1,000,000, whichever came first and then pay ongoing quarterly royalties of 7.5 percent of gross revenue.

Hydroponics chief executive officer David Radford said that he had visited National Access Cannabis medical clinic in Ottawa and believed "that the quality processes and care that they have developed for their patients has a real and exciting place in the Australian marketplace".

Hydroponics was up six cents or 8.2 percent to 79.5 cents with 1.2 million shares traded.

BIOXYNE

Bioxyne says it has launched three health and beauty products in Asia after being granted a direct sales licence by Malaysia.

Bioxyne said its BK18, Allura and Bessence products were formulated and manufactured in New Zealand.

The company said BK18 was a health drink made from New Zealand dairy products that included probiotics and vitamins; Allura was a weight loss and beauty product that contained soy protein, apple fibre and a marine-based collagen; and Bessence was a serum for lines and wrinkles that contained plant stem cell extract and bee venom.

Bioxyne managing-director Nam Hoat Chua said that "in bringing these new products to market it is important to us to ensure that they have the utmost integrity and represents the best that New Zealand has to offer to Asia".

Mr Chua said that the company's "distributor base has been eagerly awaiting these products and with the infrastructure now in place we look forward to gathering sales momentum as we move into 2018".

The company said it had received an order of 16,000 cans of BK18 for countries in South East Asia outside Malaysia.

Bioxyne climbed 3.9 cents or 83.0 percent to 8.6 cents with 46.5 million shares traded.

ANTEO DIAGNOSTICS

Anteo says it has appointed Dr Stefan Enderling as its chief executive officer, effective from January 1, 2018 and starting on \$260,000 a year.

Anteo said that Dr Enderling would be on probation for six months, when his salary would increase to \$275,000 a year with a 20 percent of salary short term cash bonus and 12,000,000 options as a long term incentive.

The company said Dr Enderling had worked in healthcare and energy markets and began his career as an engineer before progressing to executive positions.

Anteo said that Dr Enderling was previously Jackson Care Technologies Pty Ltd general-manager and before that was TechnSA business development manager a seed investment organization for the biotechnology and medical devices sectors.

The company said that Dr Enderling assisted it with development of business plans, the identification of several potential commercial partners and initiated discussions with those potential partners to progress the licence or sale of its lithium-ion battery technology.

Anteo said that Dr Enderling held a Bachelor of Electrical and Biomedical Engineering from the Koethen, Germany-based University of Applied Sciences and a Doctorate of Philosophy from the University of Edinburgh.

Anteo fell 0.1 cents or 6.25 percent to 1.5 cents with 1.2 million shares traded.

GI DYNAMICS

GI Dynamics says that chief financial officer and company secretary James Murphy has resigned, effective from December 1, 2017.

GI Dynamics said that Mr Murphy had "transitioned his financial responsibilities" to the head of finance Houry Youssoufian who had been with the company for six months.

GI Dynamics fell 0.1 cents or 3.6 percent to 2.7 cents.