



Biotech Daily

Monday March 5, 2018

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: BIONOMICS UP 9%; DIMERIX DOWN 7%**
- * **BLAMEY SAUNDERS LAUNCHES FACETT HEARING AID**
- * **BENITEC BEGINS BB-401 HEAD AND NECK CANCER TRIAL**
- * **FACTOR VF001 LEG ULCER TRIAL ON-TRACK, INTERIM DATA**
- * **PROTEOMICS TAKES 10% OF CPR PHARMA SERVICES FOR \$1.2m**
- * **MEDIBIO TO BUY VITAL CONVERSATIONS FOR \$500k CASH, SCRIP**
- * **IMMUTEP (PRIMA) RECEIVES \$687k R&D TAX INCENTIVE**
- * **NOXOPHARM REQUESTS 'CLINICAL DATA' TRADING HALT**
- * **WASHINGTON H SOUL PATTINSON, BRICKWORKS TAKE 19.95% OF TPI**
- * **CHAIRMAN GEOFFREY PEARCE TAKES 5% OF PROBIOTEC**
- * **MITSUBISHI, MORGAN STANLEY TAKE 7.6% OF VIRALYTICS**
- * **STEMCELL UNITED RELEASES 221m VOLUNTARY ESCROW SHARES**
- * **BRYAN DULHUNTY REPLACES CRYOSITE CHAIR STEPHEN ROBERTS**

MARKET REPORT

The Australian stock market fell 0.57 percent on Monday March 5, 2018 with the ASX200 down 33.9 points to 5,895.0 points. Fourteen of the Biotech Daily Top 40 stocks were up, 12 fell, 11 traded unchanged and three were untraded. All three Big Caps were up.

Bionomics was the best, up 3.5 cents or 9.0 percent to 42.5 cents with 710,334 shares traded. Pharmaxis climbed five percent; Airxpanders improved 4.2 percent; Acrux was up 3.2 percent; Ellex, Impedimed and Mesoblast rose more than two percent; Optiscan, Orthocell, Pro Medicus, Reva and Uscom were up more than one percent; with Cochlear, CSL, Nanosonics, Resmed and Sirtex up by less than one percent.

Dimerix led the falls, down one cent or 6.9 percent to 13.5 cents with 734,244 shares traded. Neuren fell 4.2 percent; Avita and Osprey were down more than three percent; Actinogen and Benitec shed two percent or more; Admedus, ITL, Starpharma and Volpara were down more than one percent; with Clinuvel and Medical Developments down by less than one percent.

BLAMEY SAUNDERS HEARS

By ALEXANDER CAMPBELL

Blamey Saunders Hears launched its all-Victoria, Australia-developed Facett “modular self-fit hearing aid” today at the Melbourne Museum.

Blamey Saunders Hears co-founder Dr Elaine Saunders said that the Facett hearing aid was developed with the assistance of the Royal Melbourne Institute of Technology, Swinburne University and the Mount Waverley-based Extel Technology.

Dr Saunders said her company had received funding from a Federal Government-funded Accelerating Commercialisation grant, and the Federal Department of Trade, Tourism and Investment’s Austrade, as well as the Victorian Government.

Dr Saunders said that the Facett hearing aid would retail for about \$6,000 for a pair of hearing aids, which was “half the price of any other near quality product” and would “break the barriers of cost and access in hearing aids”.

Facett designer Leah Heiss told the audience that the hearing aid featured a battery module that attached to the hearing aid with a magnetic connector that made changing the power unit simple and “bypasses the need to change batteries”.

Dr Saunders said the battery was recharged by plugging the battery into its portable pod carrying case which could be recharged using a USB connection to a computer.

Facett development and operations manager Yaniv Kaufman said that the hearing aid could be programmed “anytime and anywhere” using Blamey Saunders Hears’ lhearyou system on a smartphone, tablet or computer.

Blamey Saunders Hears said that the Facett hearing aid was three centimetres in length, available in four colours and it offered self-administered online testing, home delivery and “out of the box convenience”.

Ms Heiss said that the appearance of the hearing aid was “informed by Museum Victoria’s mineralogy collection” and that more than 150 prototypes had been three-dimensionally printed at the Royal Melbourne Institute’s industrial design precinct before arriving at the final design.

Ms Heiss said the 150 prototypes had been donated for display at the Melbourne Museum.

The company’s technical director and co-founder Prof Peter Blamey said the Facett hearing aid was a collaborative effort with contributors in Canada, the US, Germany and China.

Users of the Facett told the launch that the design and size meant that the appearance of the hearing aids made them potentially jewellery items rather than just medical devices.

Blamey Saunders Hears is a private company.

[BENITEC BIOPHARMA](#)

Benitec says it has begun its 30-patient, phase II clinical study of BB-401 for head and neck squamous cell carcinoma in Australia and Russia.

Benitec said that the phase II open-label study would “explore the safety, tolerability and efficacy of BB401 following intra-tumoral injections into the lesions of patients with recurrent or metastatic [head and neck squamous cell carcinoma]”.

Benitec chief executive officer Greg West said the trial approval was “an important milestone for us in the progression of BB-401 as a treatment option for patients with advanced head and neck cancer who have failed all other treatment modalities”.

The company said that BB-401 was a recombinant DNA construct that produced an antisense RNA with specificity against epidermal growth factor receptor.

Benitec said that more than 90 percent of lesions from patients showed significantly increased epidermal growth factor receptor (EGFR) levels associated with head and neck squamous cell carcinoma and the goal of the study was to inhibit the expression of EGFR in the treated lesions and control the progression of disease and increase patient survival.

Benitec fell half a cent or 2.6 percent to 19 cents.

[FACTOR THERAPEUTICS](#)

Factor says it has recruited 107 of 168 patients in its phase IIb trial of VF001 for venous leg ulcers with recruitment expected to be completed by July 2018.

Factor said that all of its sites had “returned to full activity after the year-end holiday season”.

The company said that the trial had a small number of withdrawals, below the expected level of 15 percent and currently at eight percent, and the emerging safety data indicated that VF001 was well-tolerated, in line with previous experience.

Factor said that the primary endpoint was change in ulcer size requiring a 10 percent advantage for VF001 compared to placebo.

The company said that secondary endpoints included the proportion of patients with full wound closure and time to healing as well as pain and quality of life.

Factor said that at the end of treatment, more of the 73 trial completers reported low pain scores and fewer reported high scores compared with the start of treatment.

The company said that after 12 weeks, average ulcer size reduction in the blinded data from 73 patients including two-to-one receiving VF-001 compared to placebo, was 70 percent compared to a UK trial subset of 49 patients on standard care which had a 55 percent reduction.

Factor Therapeutics was unchanged at 4.2 cents.

[PROTEOMICS INTERNATIONAL LABORATORIES](#)

Proteomics says it has issued 3,868,305 shares worth \$1.2 million, to acquire 10 percent of CPR Pharma Services Pty Ltd (BD: Feb 2, 2018).

Proteomics said that the share swap would “cement a partnership agreement which sees Proteomics ... provide its predictive diagnostics and analytical services capability to complement CPR's position as a regional leader in provision of clinical services and laboratory testing in clinical trials”.

The company said that a voluntary escrow period of 12 months applied to the shares.

Proteomics fell 2.5 cents or 9.6 percent to 23.5 cents.

MEDIBIO

Medibio says it expects to acquire the Perth-based Vital Conversations counselling service for \$500,000 in cash and shares.

Medibio said that Vital Conversations provided “evidenced based psychological health programs” and a digital platform that connected with its technology to provide a suite of products for “the corporate wellness market”.

In 2015, Medibio said it had launched its “corporate wellness partner program” with an agreement to provide its cardiac corporate stress product to Vital Conversations and last year said that with Vital Conversations it would launch the second ‘Australia’s Biggest Mental Health Check-in’ combining Vital’s online assessment of mental health with Medibio’s “mental wellness diagnostics”, previously described as a cardiac rate algorithm for diagnosing major depressive illness (BD: Sep 25, 2015; May 17, 2017).

Today, Medibio said that it expected the acquisition to be earnings neutral in the near to medium term as it expanded the product offering.

The company said settlement was expected by the end of March 2018.

Vital founder and psychologist Peta Slocombe said that “corporate mental health has lacked the rigor of real time biometrics, coupled with customized programs and personalized tele-psychology for behavior change”.

“Mental health is one of the most significant and also the most treatable issues on the planet,” Ms Slocombe said.

Medibio said that Vital clients who participated in the mental health check-in program included Pricewaterhousecoopers and Wesfarmers.

Medibio fell 1.5 cents or 6.5 percent to 21.5 cents.

IMMUTEP (FORMERLY PRIMA BIOMED)

Immutep says it has received \$686,704 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Immutep said that the tax incentive was for research and development programs for the year to June 30, 2017, mainly relating to its phase I Tacti-mel trial of IMP321 for melanoma.

Immutep was unchanged at 2.3 cents with 3.4 million shares traded.

NOXOPHARM

Noxopharm has requested a trading halt “pending the presentation of clinical data” at a cancer conference in Paris on March 5, 2018.

Trading will resume on March 7, 2018 or on an earlier announcement.

Noxopharm last traded at \$1.495.

TPI (TASMANIAN POPPY INDUSTRIES) ENTERPRISES)

Washington H Soul Pattinson and Brickworks say they have increased their substantial holding in TPI from 13,808,981 shares (18.94%) to 16,176,097 shares (19.95%).

The Sydney-based Washington H Soul Pattinson and Brickworks said they acquired shares between April 27, 2017 and March 2, 2018 with the single largest purchase 1,547,616 shares for \$3,404,755 or \$2.20 a share on July 17, 2017, when the company raised \$18 million in a placement to acquire Vistin Pharma (BD: Oct 3, 2017).

TPI fell two cents or 1.4 percent to \$1.39.

PROBIOTEC

Probiotec non-executive chairman Geoffrey Pearce has become a substantial shareholder with 3,063,628 shares or 5.04 percent of the company.

Mr Pearce said that the shares were held by GR Pearce Investments, Sorf Investments, EGEA and WSF Superannuation.

Mr Pearce said he acquired 1,900,000 shares in October 2016 for 80 cents a share with other purchases between October 2016 and February 2018 at prices between 45 cents and 98 cents a share.

Probiotec was up 1.5 cents or 1.6 percent to 96.5 cents.

VIRALYTICS

Tokyo's Mitsubishi UFJ Financial Group with Morgan Stanley and subsidiaries say they have become substantial in Viralytics with 21,085,696 shares or 7.58 percent.

The New York, London and Sydney based-Morgan Stanley substantial shareholder notice said that between October 30, 2017 and February 28, 2018 they bought and received "collateral" including 9,600,000 shares on February 28 for \$15,847,143 or \$1.65 a share.

Last week, The Los Angeles, California-based Capital Group Companies said it sold all of its 15,650,000 Viralytics shares for an average price of \$1.67 (BD: Feb 2, 2018).

The previous week, Merck Inc (Merck Sharp and Dohme) said it would pay \$502 million to acquire the company, or \$1.75 a share (BD: Feb 22, 2018).

Viralytics was unchanged at \$1.675 with 780,114 shares traded.

STEMCELL UNITED

Stemcell United says that 221,447,254 shares will be released from voluntary escrow on March 14, 2018.

Stemcell's most recent Appendix 3B new issue announcement said that it had 419,637,672 shares quoted on the ASX,

Stemcell was up 0.2 cents or 7.1 percent to three cents with 1.3 million shares traded.

CRYOSITE

Cryosite says it has appointed company secretary Bryan Dulhunty as a director and non-executive chairman effective from March 2, 2018.

On Friday, Cryosite said that chairman Stephen Roberts had resigned as a director effective from that day (BD: Mar 2, 2018).

Today, the company said that Mr Dulhunty had been involved in the life science industry for the past 20 years, providing a range of consulting services.

Cryosite said that Mr Dulhunty had been a director of listed and non-listed companies, including as Viralytics executive chairman and managing-director from 2005 to 2012.

The company said that Mr Dulhunty held a Bachelor of Economics from Sydney University.

Cryosite was untraded at 10 cents.