



# Biotech Daily

Monday April 30, 2018

*Daily news on ASX-listed biotechnology companies*

- \* ASX UP, BIOTECH EVEN: OSPREY UP 11%; BENITEC DOWN 12%
- \* ARC FUNDS QUEENSLAND MEDICAL DEVICE RESEARCH HUB
- \* VOLPARA PLACEMENT RAISES \$15m; PLAN FOR \$3m MORE
- \* BENITEC \$2.6m PLACEMENT, \$17m RIGHTS ISSUE
- \* CANN: 'NO AURORA TAKEOVER PROPOSAL RECEIVED'
- \* VOLPARA REVENUE \$2.9m, 'BEST SALES YEAR, QUARTER'
- \* ELIXINOL 1<sup>st</sup> Q1 REPORT: REVENUE UP 94% TO \$6.6m
- \* JAPANESE PATENT FOR NEUREN TROFINETIDE FOR AUTISM
- \* STARPHARMA FILES FINAL VIVAGEL BV FDA MODULE
- \* ORTHOCELL APPOINTS BIMAR ITALIAN DISTRIBUTOR
- \* CRESO SWISS MARIJUANA ANIBIDIOL FOR PETS LAUNCH
- \* MMJ'S WEEDME WINS CANADA CULTIVATION LICENCE
- \* AVITA HAS \$8m, EXPECTS TO SPEND \$9m, SIGNIFICANT FUNDS COMING
- \* RESPIRI HAS LESS THAN ONE QUARTER CASH, \$3m RAISING
- \* DIMERIX CEO KATHY HARRISON TO COO; NEW CEO SEARCH
- \* SOMNOMED APPOINTS HAMISH CORLETT DIRECTOR
- \* EYEPOINT (PSIVIDA) EGM FOR ESSEX WOODLANDS 27.5m SHARE ISSUE
- \* ATCOR VOTES ON NAME CHANGE PLACEMENTS, 24m PERFORMANCE RIGHTS

## MARKET REPORT

The Australian stock market was up 0.49 percent on Monday April 30, 2018 with the ASX200 up 29.1 points to 5,982.7 points. Fifteen of the Biotech Daily Top 40 stocks were up, 16 fell, eight traded unchanged and one was untraded.

Osprey was the best, up 1.5 cents or 10.7 percent to 15.5 cents with 576,335 shares traded. Immutep, Polynovo and Telix climbed four percent or more; Airxpanders, Neuren, Orthocell and Starpharma were up more than three percent; Compumedics, Medical Developments and Universal Biosensors rose more than two percent; with Bionomics and Pro Medicus up more than one percent.

Benitec led the falls, down 2.5 cents or 11.9 percent to 18.5 cents with 449,669 shares traded. Optiscan lost 9.1 percent; LBT shed 6.7 percent; Dimerix and Impedimed fell more than four percent; Actinogen, Prana, Psivida, Resmed, Uscom and Volpara shed more than two percent; with Clinuvel, ITL, Mesoblast, Nanosonics, Pharmaxis and Opthea down more than one percent.

## AUSTRALIAN RESEARCH COUNCIL

The Australian Research Council says the a “research hub for advanced manufacturing of medical devices” will be based at the University of Queensland.

The ARC said that the hub would focus on research partnerships to deliver advances for the rapid production of medical devices and would receive \$2.80 million over five years through the ARC Industrial Transformation Research Hubs scheme, part of the ARC’s Industrial Transformation Research Program.

The Council’s chief executive officer Prof Sue Thomas the research hub would “develop new advanced materials, optimize designs and identify improvements in the processes involved in the manufacturing of medical devices and train the next generation of industry-ready researchers”.

“Working in collaboration with its partnering industry organisations, the ARC Industrial Transformation Research Hub for Advanced Manufacturing of Medical Devices will drive the development of competitive technologies such as the rapid production of personalised medical devices for the repair of aortic aneurysm,” Prof Thomas said.

“The ARC Research Hub for Advanced Manufacturing of Medical Devices will endeavour to make the production of devices like the life-saving endovascular stent graft better, faster and more efficient,” Prof Thomas said.

“The impacts of this research hub will extend from the obvious direct health outcomes for Australians through these advances, but also to job creation and economic benefits, providing small and medium enterprises with new technologies and skills that can be transferred to the manufacture of products for other sectors,” Prof Thomas said.

“The research hub will also prepare new graduates with real-world skills ready to boost Australia’s manufacturing sector,” Prof Thomas said.

The ARC said the researcher hub would connect staff at the University of Melbourne, the University of Sydney, Royal Melbourne Institute of Technology, the University of the Sunshine Coast with Cook Medical Australia Pty Ltd; Robert Bosch (Australia) Pty Ltd; Advanced Material Solutions Pty Ltd; Heat Treatment (QLD) Pty Ltd; and Queensland Manufacturing Institute Solutions.

## VOLPARA HEALTH TECHNOLOGIES

Volpara says it has raised \$15 million in and “oversubscribed” institutional placement at 60 cents a share and hopes to raise a further \$3 million in a share purchase plan.

Volpara said the placement would “strengthen the share register [through] the introduction of a number of Australian, European, Asian and New Zealand based institutional investors”.

The company said that a non-underwritten share plan, capped at \$3 million, would allow existing shareholders to subscribe for parcels of shares between \$2,000 and \$15,000.

Volpara said that the share plan record date would be April 27, the plan would open on May 7 and close on May 25, 2018.

The company said that the funds would be used to expand its sales force, particularly in the US, for product enhancements to increase revenue per woman screened, to commercialize the breast mammography monitoring system in the Asia-Pacific region and for general working capital purposes.

Volpara said the 60 cents share price was a 13.0 percent discount to the April 24, 2018 closing price and a 13.1 percent discount to the 5-day volume-weighted average price.

The company said that Morgans Corporate and Bell Potter Securities were the joint lead managers and bookrunners for the placement and joint lead managers for the share plan.

Volpara fell two cents or 2.9 percent to 67 cents.

## [BENITEC BIOPHARMA](#)

Benitec says it has raised \$2.6 million in a placement at 17 cents share to New York's Highbridge Capital and hopes to raise up to \$17 million in a one-for-two rights offer. Benitec said it would issue 772,201 American depositary shares (ADS) for \$US2.59 (\$A3.42) each to Highbridge with each ADS representing 20 ordinary shares.

The company said that the record date for the renounceable entitlement offer would be May 3 with the offer opening on May 8 and closing on May 28, 2018.

Benitec said that while the entitlement offer was not underwritten it had "received commitments from its largest shareholder, Nant Capital, to take up its full entitlement under the entitlement offer".

The company said that funds raised would assist its phase II clinical trial of its head and neck squamous cell carcinoma program, the progression of its oculo-pharyngeal muscular dystrophy (OPMD) program to the clinic in early 2019, and with the development of its earlier stage technologies.

Benitec fell 2.5 cents or 11.9 percent to 18.5 cents.

## [CANN GROUP](#)

Cann says that despite speculation in today's Australian Financial Review of a takeover approach from Aurora Cannabis Inc, it has not received any proposal from Aurora.

According to its most recent substantial shareholder notice, the \$C4.3 billion (\$A4.4 billion) Toronto Stock Exchange-listed and Vancouver, British Columbia-based Aurora owned 22.9 percent of Cann Group.

Cann said it "recently had very preliminary and confidential discussions with Aurora in relation to a potential transaction".

"However, there is no certainty that any formal offer or transaction will eventuate," the company said.

Cann climbed 59 cents or 19.7 percent to \$3.58 with 1.6 million shares traded.

## [VOLPARA HEALTH TECHNOLOGIES](#)

Volpara says that receipts from customers for the 12 months to March 31, 2018 was up 35.3 percent to \$NZ3,072,000 (\$A2,870,420) compared to the previous year.

Volpara said that receipts from customers for the three months to March 31, 2018 was NZ\$818,000 and the total revenue showed "that we've successfully transitioned from a capital sales company to a [service-as-a-software] company".

The company said that it was debt-free, held \$NZ4,842,000 (\$A4,524,680) in cash prior to today's announcement of raising \$15 million in an institutional placement, with a further \$3 million expected to be raised in a share plan.

Volpara said it expected revenues for the year "to be largely in-line with cash receipts".

The company said it signed 19 new customers to the Volpara Enterprise platform in the three months to March 31, 2018, bringing the total number of service-as-a-software customers to 57, with \$NZ4.2 million added to the total contract value, bringing the total to \$NZ11.2 million for the year, compared to \$NZ4.1 million for the year to March 31, 2017.

Volpara said that its annual recurring revenue was up 223 percent to \$NZ3.6 million.

Volpara chief executive officer Dr Ralph Highnam said the three months was "our best sales quarter to date".

"The number of women to be screened under Volpara Enterprise contracts now stands at 1.27 million," Dr Highnam said.

## ELIXINOL GLOBAL

Elixinol says its inaugural ASX- listed revenue of \$6.6 million for the three months to March 31, 2018, is up 94.1 percent compared to the previous corresponding period. Elixinol said that it listed on the ASX on January 5, 2018 having raised \$20 million at \$1.00 a share in its initial public offer.

The company said it held three separate companies within the group including Elixinol LLC, or Elixinol USA, which manufactured and distributed industrial hemp-derived dietary supplements and skincare products; Hemp Foods Australia Pty Ltd, manufacturing and distributing hemp-derived food and skincare products; and Elixinol Pty Ltd, or Elixinol Australia, formed to participate in the emerging Australian medicinal cannabis market. In its Appendix 4C quarterly report, Elixinol said it had \$5,893,000 in receipts from customers, held \$18,264,000 in cash and cash equivalents and expected to spend \$12,388,000 in the three months to June 30, 2018.

Elixinol fell three cents or 1.7 percent to \$1.69.

## NEUREN PHARMACEUTICALS

Neuren says it has been granted a patent in Japan for its Trofinetide treatment for autism, Rett syndrome and Fragile X syndrome.

Neuren said the patent, titled 'Treatment of autism spectrum disorders using glycyl-L-2-methylprolyl-L-glutamic acid' would provide intellectual and property coverage until January, 2032 with the potential to be extended for a further five years.

The company said Trofinetide was covered by issued composition of matter patents in the US and in Europe and was covered by issued patents in the US, Europe and Australia for the treatment of Rett syndrome, Fragile X and other autism spectrum disorders.

Neuren was up 10 cents or 3.4 percent to \$3.05.

## STARPHARMA

Starpharma says the final module of its rolling new drug application for Vivagel BV for bacterial vaginosis will be submitted to the US Food and Drug Administration on April 30, 2018.

Starpharma said the FDA review had begun and would be conducted as a priority review based on the fast track status for Vivagel BV and the FDA had designated Vivagel a qualified infectious disease product.

The company said the review was expected to take about six to eight months from the completed submission.

Starpharma chief executive officer Dr Jackie Fairley said "completion of our [new drug application] filing is an exciting milestone for Starpharma".

"We look forward to Vivagel BV being available for patients in the US, where the rate of [bacterial vaginosis] is particularly high, with one in three women suffering from this troubling and recurring condition," Dr Fairley said.

"In parallel with these regulatory activities, Starpharma's licencing negotiations for commercial rights to Vivagel BV are now well-advanced across multiple regions, including the US," Dr Fairley said.

"Draft contracts are currently under advanced negotiation with parties, including major global and regional companies as well as companies specialising in women's health," Dr Fairley said.

Starpharma was up four cents or 3.5 percent to \$1.19.

## ORTHOCELL

Orthocell says it has a five-year exclusive agreement with the Verona-based Bimar Ortho to distribute its Celgro for bone and soft tissue repair in Italy.

Orthocell said Bimar Ortho would distribute Celgro, undertake targeted promotion activities, initiating sales and expand the network of product users across Italy.

Orthocell managing director Paul Anderson said the appointment would “drive product adoption in a very progressive and important market in the EU”.

Orthocell was up one cent or 3.3 percent to 31.5 cents.

## CRESO PHARMA

Creso says it will “expand the commercialization and distribution of Anibidiol, its [cannibidiol]-based animal feed” following its launch in Switzerland.

Creso was up 2.5 cents or 3.1 percent to 83.5 cents with 1.6 million shares traded.

## MMJ PHYTOTECH

MMJ says that Heath Canada has granted its Toronto-based investee company Weed Me a cannabis cultivation licence.

MMJ said the licence granted under the under the Access to Cannabis for Medical Purposes Regulations would allow Weed Me to apply for a sales licence ahead of the legalization of recreational cannabis expected in Canada later this year.

The company said that when the sales licence was obtained it would take a significant minority stake in Weed Me through its \$C2m convertible note (BD: Dec 12, 2017).

MMJ was up 1.5 cents or 4.1 percent to 38 cents.

## AVITA MEDICAL

Avita says its net operating cash burn for the three months to March 31, 2018 was \$3,518,000 with cash of \$8,026,000.

Avita said its expected burn for the coming three months was \$9,000,000.

The company said the expected expenditure “pertains to outflows only, inflows from customer receipts and government contracts are not included”.

Avita chief financial officer Dale Sander told Biotech Daily “we will have continuing significant cash inflows for sales and government contracts and other sources”.

Avita was unchanged at 5.8 cents with 1.5 million shares traded.

## RESPIRI

Respiri says its net operating cash burn for the three months to March 31, 2018 was \$172,000 with cash of \$879,000.

Respiri said its expected burn for the coming three months would be \$1,057,000.

Earlier this month, Respiri said it had raised a further \$3.0 million in a placement at eight cents a share to provide the “financial capacity to progress the launch [of its at home monitoring device] Airsonea Gen II, which is scheduled for early 2019” (BD: Apr 10, 2018).

Respiri was unchanged at 14 cents.

## DIMERIX

Dimerix says that chief executive officer Kathy Harrison will “transition” to chief operating officer and a search has begun for a new chief executive officer.

Dimerix said Ms Harrison’s “major focus” would be running the phase II DMX-200 for chronic kidney disease trials.

The company said Ms Harrison would remain in her current role as chief executive officer until a placement had been found.

Dimerix chairman Dr James Williams said the recent \$7.5m capital raise “put us in a strong position to build ... the team we need to deliver on our DMX-200 trials and associated partnering activities, and to further develop our promising Receptor-HIT platform”.

“I want to acknowledge the contribution to date that Kathy has made to Dimerix during her time in the [chief executive officer] role,” Dr Williams said.

“She has been instrumental in the success of our lead therapeutic program, DMX200 and in positioning the program to enter the next round of trials in [focal segmental glomerulosclerosis] and diabetic nephropathy,” Dr Williams said.

Dimerix fell half a cent or 4.55 percent to 10.5 cents.

## SOMNOMED

Somnomed says it has appointed substantial shareholder Hamish Corlett as a director, effective from May 1, 2018.

Somnomed said Mr Corlett was a founder and director of the Sydney-based TDM Asset Management, a 16.61 percent shareholder in Somnomed.

The company said that Mr Corlett was previously an investment manager at the London-based Caledonia Investments, worked in an “operating role at Europe’s largest online retailer of sporting goods”, and was in mergers and acquisition corporate advisory at the then Sydney-based Caliburn Partnership, now Greenhill.

Somnomed said Mr Corlett had a Bachelor of Commerce from the University of Sydney and a Graduate Diploma of Counselling from the Australian College of Applied Psychologists.

Somnomed was up two cents or 0.7 percent to \$2.90.

## EYEPOINT PHARMACEUTICALS (FORMERLY PSIVIDA)

Eyepoint says it will have a special shareholder meeting to vote on the issue of 27,520,000 shares and accompanying warrants to Chicago-based Essex Woodlands.

In March and earlier this month, the then Psivida said it would raise \$US65 million, take a loan of \$US20 million, buy Icon Bioscience, rebrand as Eyepoint and had approval to delist from the ASX, with trading to be suspended on April 30 and removal from the list on May 7, 2018 (BD: Mar 29, 2018; Apr 4, 2018).

The company said the meeting would be held on Friday, June 22, 2018, at 10:00 A.M. U.S. Eastern Daylight Time, at 480 Pleasant Street, Watertown, Massachusetts.

Eyepoint closed down nine cents or 2.9 percent to \$2.999 and has suspended trading on the ASX from today.



## ATCOR MEDICAL

Atcor will vote to change its name to Cardiex, approve 24,000,000 performance rights for chief executive officer Craig Cooper and 75,000,000 shares to C2 Ventures.

Atcor's notice of meeting said C2 Ventures Pty Ltd was an entity associated with chief executive officer Craig Cooper and director Niall Cairns and if approved it would also receive 37,500,000 options, with the shares issued at the same two cents each price as the placements.

The company said that the performance rights would vest in three equal tranches pending 30-day volume-weighted average prices above five cents, eight cents and 12 cents and the options would be exercisable at five cents by November 31, 2021

Atcor said shareholders would vote to ratify a prior share issue; approve options associate with a placement; approve the issue of 77,295,301 shares at two cents each, along with 38,647,651 options; approve the issue of 5,000,000 shares and 2,500,000 options in the rights issue to chairman Donal O'Dwyer; approve the issue of 10,000,000 options to Taylor Collison as part consideration for facilitating the placements; approve the option and performance rights plan; and change the auditor from PWC to BDO East Coast Partnership.

The company said it would change direction to sell its Sphygmocor central blood pressure diagnostic direct to medical practitioners and health providers, collaborate with Blumio Inc for wearable sensors, restructure the company and develop a consumer and digital media strategy.

The meeting will be held at the Offices Of BDO, Level 11, 1 Margaret Street, Sydney on May 28, 2018 at 10am (AEST).

Atcor fell 0.1 cents or 4.55 percent to 2.1 cents.