



# Biotech Daily

Wednesday May 16, 2018

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: IMMUTEP UP 8%; OSPREY DOWN 6%**
- \* **PATRY'S PLACEMENT TO RAISE \$3.5m**
- \* **MESOBLAST 893k, \$1.3m IP SHARES TO UNNAMED 3<sup>rd</sup> PARTY**
- \* **CHINA'S YIFAN BIDS \$37.5m FOR POLAND-SINGAPORE SCIGEN**
- \* **REVA 1st TURKISH FANTOM IMPLANTS**
- \* **ALCIDION: PATIENTRACK EXTENDS UK CONTRACTS**
- \* **MACH7, CLIENT OUTLOOK PARTNER FOR RADIOLOGY VIEWING**
- \* **CRESO, ASAF COHEN: ISRAEL MARIJUANA JOINT VENTURE**
- \* **RHYTHM: EURO CANCER TEST PATENT CONFIRMED IN 13 COUNTRIES**
- \* **IMMUTEP PLEADS SCHULTZ TO ASX 21% QUERY**
- \* **ROBERT LEDERER, RTL GROUP TAKE 7% OF ANATARA**
- \* **MILFORD BELOW 5% IN LIVING CELL**

## MARKET REPORT

The Australian stock market was up 0.15 percent on Wednesday May 16, 2018 with the ASX200 up 9.2 points to 6,107.0 points. Fifteen of the Biotech Daily Top 40 stocks were up, 11 fell, 10 traded unchanged and four were untraded. All three Big Caps were up.

Immutep was the best, up 0.2 cents or 7.7 percent to 2.8 cents with 17.5 million shares traded. Genetic Signatures and Neuren climbed more than six percent; Airxpanders was up 4.8 percent; Bionomics was up 3.5 percent; Clinuvel, Cochlear, Factor Therapeutics, ITL, Orthocell and Universal Biosensors rose more than two percent; Reva was up 1.85 percent; with CSL, Pro Medicus, Resmed, Sirtex, Starpharma and Telix up by less than one percent.

Osprey led the falls, down one cent or 5.7 percent to 16.5 cents with 352,034 shares traded. Admedus and Prescient fell more than four percent; Compumedics, Cynata and Impedimed were down more than three percent; Opthea shed two percent; Ellex and Volpara were down more than one percent; with Mesoblast and Nanosonics down by less than one percent.

## PATRY

Patrys says it has commitments from institutional and sophisticated investors to raise \$3.5 million in an “oversubscribed” placement at 3.4 cents a share.

Patrys said the placement price was a 10.5 percent discount to the closing price on Friday May 11, prior to the Monday, May 14, 2018 trading halt.

Patrys chief executive officer Dr James Campbell said the “over-subscribed share placement attracted strong demand from institutional investors”.

“We believe this result is indicative of strong investor interest in our efforts to develop anti-cancer therapies based on the Deoxymab platform, which has created a novel position in the field of DNA damage repair antibody therapeutics,” Dr Campbell said. Patrys said the funds raised would be used to accelerate the development of its Deoxymab platform, “with a range of new pre-clinical studies planned to create shareholder value by supporting business development efforts, as well as corporate activities including insurance claim prosecution”.

The company said that Somers and Partners was the lead manager to the placement. Patrys fell 0.3 cents or 7.9 percent to 3.5 cents with 7.5 million shares traded.

## MESOB

Mesoblast says it has issued 892,857 shares worth \$1,263,393 “for the licence of certain intellectual property assets from ... [an undisclosed] third party”.

A Mesoblast spokesperson said the payment was for “enabling and complementary technology which may provide Mesoblast with important opportunities in the future”.

In 2013, the company said it had acquired the mesenchymal stem cell assets from the Columbia, Maryland-based Osiris for up to \$US100 million (at the time \$A105.7 million) in cash and scrip (BD: Oct 11, 2013).

In 2016, Mesoblast said it had acquired technology to modify mesenchymal lineage adult stem cells from Harvard Medical School’s Prof Robert Sackstein (BD: Mar 17, 2016).

Mesoblast fell half a cent or 0.35 percent to \$1.415.

## SCIGEN

Scigen says that SAC Capital Private Limited on behalf of Yifan International Pharmaceutical has bid 5.07 US cents (6.8 Australian cents) a share to acquire it.

According to the Singapore-based Scigen’s 2017 annual report it had 500,026,507 shares (90.54%) held by the Warsaw, Poland-based Bioton SA with 52,243,813 Chess depository instruments (9.46%) listed on the ASX, valuing the company at \$37.5 million.

The annual report said that Bioton held a total of 95.57 percent of the company.

The company said it was “involved in sales and marketing of genetically-engineered biopharmaceutical products for human healthcare ... [focussed] in the areas of endocrinology, paediatrics, neurology and oncology care”.

Scigen said Hangzhou, Zhejiang province-based Yifan offer was subject to approvals from the National Development and Reform Commission of the People’s Republic of China, China’s Ministry of Commerce and the State Administration of Foreign Exchange.

The company said the offer was “for all the issued and paid-up ordinary shares in the capital of Scigen ... other than those shares already owned, controlled, or agreed to be acquired by the offeror, but including shares owned, controlled, or agreed to be acquired by parties acting or deemed to be acting in concert with the offeror, in accordance with ... the Singapore Code on Take-overs and Mergers.

Scigen climbed 0.8 cents or 33.3 percent to 3.2 cents.

## REVA MEDICAL

Reva says it has implanted its Fantom bioresorbable coronary stent for the first time in Turkey, with procedures at three hospitals in Istanbul and the southern city Antalya. Reva said Turkey was an important market for bioresorbable scaffolds, with about 100 hospitals in Istanbul performing cardiac catheterizations.

The company said Kardionet Healthcare and Foreign Trading Inc would distribute its stents in Turkey (BD: Apr 3, 2018)

In 2017, Reva said it had received Conformité Européenne (CE) mark approval for the first generation Fantom coronary stent (BD: Apr 4, 2017).

In February, year the company said it had CE mark approval for the second generation Fantom Encore scaffold, with the first Fantom Encore implant conducted in Switzerland in March (BD: Feb 26, Mar 28, 2018).

Today, Istanbul's Mega Medipol University Hospital chief of cardiology Prof Bilal Boztosun, who conducted one of the procedures, said he was "impressed with how easy Fantom was able to be delivered to the target location in comparison to first generation bioresorbable scaffolds".

Reva chief executive officer Dr Reggie Groves said the company had "hit all of our second quarter milestones including local registration approval, training, product shipments, and now the first implants".

"The successful approach we have established in Turkey will be our model for several additional commercial distribution partnerships we plan to initiate in the next six to 12 months," Dr Groves said.

Reva was up half a cent or 1.85 percent to 27.5 cents.

## ALCIDION

Alcidion says Patientrack Holdings has signed contract extensions for the use of its software in four of its UK National Health Service Trusts.

In April, Alcidion said it would acquire Patientrack and information technology service provider MKM Health for \$12,000,000 in cash and script, with the deal expected to be completed on June 29, 2018, subject to shareholder approval (BD: Apr 24, 2018).

Today, the company said the Manchester University Hospital's National Health Service (NHS) Foundation Trust, the Bolton NHS Foundation Trust, the Nuneaton-based George Eliot NHS Trust and Scotland's NHS Fife had all extended their Patientrack licence and support contracts for between one to three years, for \$890,000.

Alcidion said Patientrack was a mobile technology that assisted hospitals improve patient care by planning and performing patient observations, assessments and clinical documentation at their bedside, to help with early detection and monitor at risk patients. Patientrack UK managing director Donald Kennedy said it was "gratifying that we have been able to retain all customers who have chosen to invest in Patientrack over the last eight years".

Alcidion chairman Ray Blight said "these types of contract wins are exactly the reason we have entered into acquisition agreements with Patientrack and its affiliate, MKM Health".

"We look forward to integrating Patientrack, a world class and successful [information technology] software solution into our product platform," Mr Blight said.

"Additionally, these sales are further evidence of the proven capability of the Patientrack customer base to generate sustained revenue over time and a platform across with new solution capability can be sold," Mr Blight said.

Alcidion was unchanged at 4.7 cents.

## MACH7 TECHNOLOGIES

Mach7 says it will resell the Waterloo, Ontario-based Client Outlook's Eunity radiology imaging viewer together with its own platforms, as part of a partnership deal.

Mach7 said the traditional single-vendor model for radiology picture archiving and communication systems (PACS) had been compromised by multi-site consolidation, new technology and the increasing need for cost efficiency, with healthcare organizations needing "an adaptable infrastructure to respond to these trends".

Mach7 chief executive officer Mike Jackman said "the path to a consolidated enterprise becomes clear with technology that meets organizational requirements for integration and cost savings while delivering clinical value".

"The market continues to put our technologies together and we are pleased to closely align Client Outlook to deliver relevant solutions for today's enterprise challenges," Mr Jackman said.

Mach7 was up 2.5 cents or 11.6 percent to 24 cents.

## CRESO PHARMA

Creso says it will own 74 percent of a joint venture with Asaf Cohen and Cohen Propagation Nurseries to grow marijuana for medical purposes in Israel.

Creso said Cohen Propagation Nurseries had farms across south and central Israel, with 15.7 hectares of greenhouse space.

The company said Cohen had applied for an Israeli medical cannabis good agricultural practice licence that was required to grow marijuana in Israel and once the licence was confirmed it would be transferred to the joint venture company.

Creso said the venture would develop a cultivation facility to produce up to 2,500 kilograms of marijuana a year at one of Cohen's existing greenhouses and said that Cohen would provide agricultural and managerial teams.

Creso chief executive officer Dr Miri Halperin Wernli said the joint venture was "an important milestone for Creso as it provides us with a strategic foothold and frontline exposure to one of the world's most developed medical cannabis countries".

"The joint venture with Cohen will expose Creso to leading cannabis research and innovation and will allow us to cultivate a high-quality crop at a very competitive cost," Dr Halperin Wernli said.

Creso fell two cents or 2.8 percent to 70.5 cents.

## RHYTHM BIOSCIENCES

Rhythm says it has received a European patent for its Colostat blood test for colorectal cancer, providing intellectual property coverage until July 14, 2031

Rhythm said the patent, titled 'Diagnostic for colorectal cancer' had claims covering "the diagnosis or detection of colorectal cancer with a method comprising assessing the presence and/or level of selected combinations of up to 31 biomarkers" and related to kits.

The company said Austria, Belgium, Denmark, Finland, France, Germany, Liechtenstein, Luxembourg, Netherlands, Norway, Sweden, Switzerland and the UK had confirmed the patent; Australia, China and Japan had approved the patent, with applications pending in the US, Brazil and India and a divisional patent application pending in China.

Rhythm chairman Shane Tanner said the patent was "an important milestone" and that "with patent rights secured, Rhythm will now begin developing its commercialization strategy for Colostat in the UK and on the continent".

Rhythm was unchanged at 18 cents.

### IMMUTEP

Immutep 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 20.8 percent from 2.4 cents on May 14 to 2.9 cents yesterday, on May 15, 2018 and noted a significant increase in the trading volume.

Immutep was up 0.2 cents or 7.7 percent to 2.8 cents with 17.5 million shares traded.

### ANATARA LIFESCIENCES

The Sydney-based Robert Anthony Lederer says he has increased his substantial shareholding in Anantara from 2,977,000 shares (6.03%) to 3,477,000 shares (7.04%).

Mr Lederer said the shares were held by RTL Group Investments Pty Ltd and his superannuation fund, with 500,000 shares acquired on-market between November 14, 2017 and May 15, 2018.

Mr Lederer again failed to state the price paid for the shares, as required under the Corporations Act 2001 (BD: Nov 14, 2017).

Anantara fell 46 cents or 28.4 percent to \$1.16.

### LIVING CELL TECHNOLOGY

Milford Asset Management says it has ceased its substantial shareholding in Living Cell, selling 2,723,322 shares.

Last year, the Auckland, New Zealand-based Milford filed a substantial shareholder notice saying it held 30,154,580 shares or 5.28 percent of Living Cell (BD: Nov 13, 2017).

Today, Milford said that on February 14 and May 15, 2018 it sold 2,723,322 shares for \$82,266 or an average price of 3.02 cents a share; with the largest sale 2,473,322 shares on May 15 for \$75,779.13, or 3.06 cents a share.

Biotech Daily calculates that Milford retains 27,431,258 shares or 4.80 percent of Living Cell.

Living Cell fell 0.1 cents or 3.45 percent to 2.8 cents with 6.1 million shares traded.