



Biotech Daily

Monday May 21, 2018

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH EVEN: GENETIC SIGS, NEUREN UP 6.5%; ELLEX DOWN 7%**
- * **NEUREN, UNNAMED US PHARMA TROFINETIDE TALKS, \$5m INVESTMENT**
- * **PATRY'S RAISES PLACEMENT TO \$4.6m**
- * **ATCOR, BLUMIO, MACQUARIE UNI STUDY WEARABLE PULSE WAVE ANALYSIS**
- * **ADHERIUM SMARTINHALER IN 2 ASTRAZENECA TRIALS**
- * **AIRXPANDERS APPOINTS SPIRAN AUSTRALIA AEROFORM DISTRIBUTOR**
- * **BIOXYNE APPOINTS ASVA SOUTH EAST ASIA DISTRIBUTOR**
- * **ACTINOGEN REQUESTS ALZHEIMER'S INTERIM RESULTS HALT**
- * **CRESO APPOINTS MEDIPHOS FOR MARIJUANA-BASED CANNAQIX IN BENELUX**
- * **MGC WELCOMES MALTA MEDICAL MARIJUANA LAWS**
- * **CHAIRMAN DAVID WILLIAMS TAKES 16% OF MEDICAL DEVELOPMENTS**
- * **LURIE, MUTTON BACKERS CEASE OPTISCAN COMBINED SUBSTANTIAL**
- * **ADMEDUS LOSES DIRECTOR MATHEW RATTY**
- * **INVICTUS APPOINTS DR RICHARD PESTELL ADVISOR**
- * **G MEDICAL RESPONDS TO STOCKHEAD ARTICLE**

MARKET REPORT

The Australian stock market slipped 0.05 percent on Monday May 21, 2018 with the ASX200 down 2.9 points to 6,084.5 points. Fifteen of the Biotech Daily Top 40 stocks were up, 16 fell, seven traded unchanged and two were untraded. All Big Caps rose.

Genetic Signatures and Neuren were equal best, up 6.5 percent to 41 cents and \$3.29, respectively, with 14,069 shares and 651,270 shares traded, respectively. Pro Medicus climbed 5.6 percent; Immutep, Osprey and Telix improved more than three percent; Nanosonics, Orthocell and Polynovo rose more than two percent; Admedus, Cochlear, CSL, Optiscan and Pharmaxis were up more than one percent; with Mesoblast, Resmed, Sirtex and Viralytics up by less than one percent.

Ellex led the falls, down five cents or 7.1 percent to 65 cents with 109,413 shares traded. Uscom lost 5.6 percent; Dimerix fell 4.55 percent; Compumedics and Oncosil were down more than three percent; Clinuvel, Cyclopharm and Medical Developments shed more than two percent; Airxpanders, Avita, Impedimed and Reva were down one percent or more; with Bionomics, Cynata, Starpharma and Volpara down by less than one percent.

NEUREN PHARMACEUTICALS

Neuren says it is in “advanced negotiations” with an unnamed US pharmaceutical company to partner for trofinetide which will invest \$5.3 million in the company.

Neuren has been developing trofinetide for Rett and Fragile X syndrome and has completed phase II trials in both indications (BD: Dec 7, 2015; Mar 22, 2017).

Today, the company said that the potential partnering arrangement was for the development and commercialization of trofinetide and the parties had signed an exclusivity deed providing for exclusive negotiations for three months.

Neuren said the unnamed pharmaceutical company would invest \$US4 million (\$A5.3 million) to subscribe for 1,330,000 Neuren shares at \$4.00 a share, a premium of about 33 percent over the 10-day, volume-weighted average share price.

The company said that the parties had “obligations to negotiate in good faith and use best endeavours to finalize formal transaction documents”.

Neuren said that if either party failed to complete the transaction, a break-fee of \$US500,000 would be payable to the other party, pending deed obligations.

Neuren was up 20 cents or 6.5 percent to \$3.29 with 651,270 shares traded.

PATRYS

Patrys says it has increased its placement at 3.4 cents a share from \$3.5 million to \$4.6 million “due to additional demand from two strategic investors”.

Last week, Patrys said it had commitments to raise \$3.5 million in an “oversubscribed” placement to accelerate the development of its Deoxymab platform. (BD: May 16, 2018).

The company said that Somers and Partners was the lead manager to the placement.

Patrys was up 0.1 cents or 2.8 percent to 3.7 cents with 11.1 million shares traded.

ATCOR MEDICAL

Atcor says it will collaborate with the San Francisco-based Blumio Inc on a preliminary trial of its pulse wave analysis technology with wearable blood pressure sensors.

Atcor said that the 15 patient, 8-week trial would be conducted at the Sydney-based Macquarie University’s Faculty of Medicine and Health Sciences and assess the feasibility of obtaining blood pressure-related data using the Blumio wearable sensor and analysing it via Atcor's technology.

The company said that the first phase of the assessment was to collect sensor data from at least 15 subjects covering different age groups, genders and a range of blood pressure characteristics and would assess the sensor’s response to varying patient manoeuvres and comparison with Atcor’s Sphygmocor pulse wave analysis parameters to assist in determining the amount of cardiovascular-related information available from the sensor.

Atcor said that pending the first phase results, subsequent trials would integrate its pulse wave analysis technologies into an existing Blumio wearable sensor product.

Macquarie University Prof Alberto Avolio said that Atcor and Macquarie University had “an established history of collaboration and we are very excited to be working on this trial with pulse wave technology and its use in Blumio’s high sensitivity ... wearables that could in the future significantly enhance positive patient outcomes”.

Atcor chief executive officer Craig Cooper said the collaboration “ensures that Atcor has every opportunity to succeed in progressing its leading cardiovascular monitoring technology and encompasses our strategy to become a world leader in hypertension and cardiovascular health”.

Atcor fell one cent or 30.3 percent to 2.3 cents.

ADHERIUM

Adherium says its Smartinhaler technology has been used in two AstraZeneca-funded clinical trials of more than 8,000 patients investigating the treatment of mild asthma. Adherium said that the Sygma 1 and Sygma 2 asthma treatment strategies trial data was published in the New England Journal of Medicine and would be presented this weekend at the American Thoracic Society meeting.

The company said that each trial was a 52-week, double blind, multi-centre, randomized study involving mild asthma patients 12 years of age or older and funded by AstraZeneca. Adherium said its Smartinhaler asthma puffer monitoring devices were used to assess medication adherence for 52 weeks.

The company said that in the Sygma 1 trial, the Smartinhaler data was automatically and wirelessly uploaded to its "Smartchat App" software directly after each dose of medication was actuated by each patient.

Adherium said that in the Sygma 2 study, the Smartinhaler stored the medication adherence data in its memory until it was uploaded to the "Smartchat Library".

Adherium chief executive officer Arik Anderson said the trials were "the largest in history to employ electronic data capture of medication adherence at the point of drug delivery and therefore represent a key milestone in the adoption of this technology".

Adherium said that the study articles were titled 'Inhaled Combined Budesonide-Formoterol as Needed in Mild Asthma' and 'As-Needed Budesonide-Formoterol versus Maintenance Budesonide in Mild Asthma' and were accompanied by an editorial 'On-Demand versus Maintenance Inhaled Treatment in Mild Asthma' and were available at:

<https://www.nejm.org/>.

Adherium was up 1.5 cents or 13.0 percent to 13 cents.

AIRXPANDERS

Airxpanders says it has a four-year distribution agreement with Adelaide's Spiran Pty Ltd to distribute its Aeroform breast tissue expander system in Australia.

Airxpanders said the exclusive distribution deal would be effective from July 1, 2018.

The company said that Spiran had sales and marketing personnel in all major Australia cities and was the Australia-wide distributor of a suite of aesthetic and surgical products focused on breast surgery, including Establishment Lab's Motiva breast implant.

Airxpanders fell 0.1 cents or one percent to 9.9 cents.

BIOXYNE

Bioxyne says it has appointed Malaysia's Asva International Sdn Bhd as its regional distributor for Thailand, Philippines, Myanmar, Cambodia and Mauritius.

Bioxyne said that Asva would be supported by its direct sales system and platform for its probiotics and food additives and Asva be excluded from selling competing products.

The company said that a first order of \$US200,000 (\$A265,821) had been received and it had a "call option deed" giving it the right to acquire a 70 percent interest in the business in each country before July 1, 2021, with payment based on an agreed multiple of earnings before interest taxation depreciation and amortisation.

Bioxyne chief executive officer Nam Hoat Chua said the initiative would give Bioxyne "immediate access for its products to a number of growing markets in the Asian region through established direct sales channels".

Bioxyne was up 0.8 cents or 12.1 percent to 7.4 cents with 3.1 million shares traded.

ACTINOGEN

Actinogen has requested a trading halt “pending an announcement regarding ... the interim analysis” of its Xanamem for Alzheimer’s disease trial.

Trading will resume on May 23, 2018 or on an earlier announcement.

Actinogen last traded at 4.5 cents.

CRESO PHARMA

Creso says that Mediphos OTC will market and distribute its marijuana-based food additive Cannaxix in Belgium, the Netherlands, and Luxembourg.

Creso said that first order for Cannaxix with a value of CHF40,000 (\$A53,269) had been placed.

The company said the agreement with the Renkum, Netherlands-based Mediphos OTC Consumer Health BV followed a revenue-generating launch of Cannaxix in Switzerland and Lichtenstein and the pending launch in the UK.

Creso said it had approvals to market Cannaxix by the Dutch council for monitoring of health products in the Netherlands.

The company said that Cannaxix had been developed to reduce stress and to support mental and nervous functions.

Creso chief executive officer Miri Halperin Wernli said the company was “really excited to enter the Benelux countries with Mediphos OTC Consumer Health which is a young, flexible and innovative company”.

Creso was up two cents or 2.9 percent to 71.5 cents.

MGC (MEDICAL GRADE CANNABIS) PHARMACEUTICALS

MGC says Malta legislation allowing the production of cannabis for medical use is “a significant milestone”.

MGC said that it had Malta Enterprise approval and a contract for a medicinal cannabis production facility and was expecting final agreements from the Malta Medicine Authority to be signed in the coming weeks.

The company said that Malta Enterprise was the government agency responsible for attracting foreign investment and with Malta Industrial Parks had identified 4,000 square metres of land for its medical cannabis production and cultivation facility.

MGC said Malta was “the ideal geographical location to serve the growing European market” as it would be able to produce all tetrahydrocannabinol and cannabidiol strains of pharmaceutical grade cannabis extract for medicinal purposes “due to a perfect climate with an average yearly temperature of 23 degrees Celsius”.

MGC was up 0.2 cents or 2.9 percent to 7.1 cents with 5.1 million shares traded.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments chairman David Williams says he has increased his holding from 8,671,045 shares (14.67%) to 9,459,584 shares (15.99%).

In his substantial shareholder notice Mr Williams said he acquired 38,539 shares through the company’s dividend reinvestment program at \$7.0945 a share and between May 14 and 18, 2018 bought 750,000 shares at prices ranging from \$5.50 to \$6.2102 a share.

The substantial shareholder notice said that the registered holders of the shares were Lawn Views Pty Ltd, Moggs Creek Pty Ltd and Kidder Peabody Pty Ltd.

Medical Developments fell 12 cents or 2.2 percent to \$5.41 with 501,849 shares traded.

OPTISCAN IMAGING

The investors associated with the Darren Lurie and Graeme Mutton Optiscan board spill resolutions have ceased their combined substantial shareholding in the company. In March, the group filed a substantial shareholder notice saying it had 61,273,214 shares (14.21%) and called for the removal of then director Ian Mann and the election of now chairman Mr Lurie and director Mr Mutton (BD: Mar 27, 2018).

The notice and requisition followed a notice and requisition from investors associated with Mr Mann, former chief executive officer Archie Fraser and Optiscan founder and chief technology officer Peter Delaney, which called for the removal of chairman Alan Hoffman and directors Peter Francis, Dr Ian Griffiths and Dr Philip Currie, to be replaced by Mr Fraser and Ron Grey.

Mr Hoffman, Mr Francis and Dr Griffiths resigned ahead of the board spill extraordinary general meeting, which saw the removal of Mr Mann and the election of Mr Lurie and Mr Mutton (BD: Apr 18, 23, May 11, 2018).

The signatories to the second meeting call were Semblance Pty Ltd which is related to Graeme Mutton; Harech Pty Ltd (Porter Superfund); Susy Munro; Stewart W Brash Pty Ltd and S W Brash Pty Ltd; Numeruno Superannuation Fund Pty Ltd which was related to Gregory Allen and Kaye Allen and Canadex Unit Account; Chris Graham and Diane Graham; Sash Pty Ltd which was related to Knezevic Super Fund and Wally Knezevic; Project Management Pty Ltd which was related to D & K Corps Family Superfund; and two companies believed to be Perth-based but with no names associated with them, Kebin Nominees Pty Ltd and Jongila Nominees Pty Ltd.

Optiscan was up 0.1 cents or 1.5 percent to 6.9 cents.

ADMEDUS

Admedus says that director Mathew Ratty tendered his resignation on May 20, 2018, having become the chief executive officer of an unnamed ASX-listed company.

According to Commsec, Mr Ratty was appointed interim chief executive officer of the Perth-based Tech Mpire in March 2018.

Admedus said that Mr Ratty would not stand for re-election at the annual general meeting on May 24, 2018.

Mr Ratty said that he remained “a strong supporter of the company through my material holding in the company and have further demonstrated this with my recent commitment to participate in the \$6 million placement, further increasing my investment”.

Admedus was up half a cent or 1.7 percent to 30 cents with 1.45 million shares traded.

INVICTUS BIOTECHNOLOGY

Invictus says it has appointed Dr Richard Pestell to its scientific advisory board.

Invictus said that Dr Pestell was a US-based cancer research scientist and physician who had authored more than 600 published works and was “ranked first in the world for prostate cancer and second in the world by Google Scholar Citations for oncology”.

The company said that Dr Pestell was formerly the director of the Lombardi Cancer Centre and the Sidney Kimmel Cancer Centre, where he was responsible for all clinical trials.

Invictus said that Dr Pestell was Philadelphia’s Thomas Jefferson University executive vice-president, prior to his current position as Pennsylvania Cancer and Regenerative Medicine Research Centre president.

Invictus is a private company.

G (GEVA) MEDICAL INNOVATIONS

G Medical says an article published by media website Stockhead on May 18, 2018 In a notice to the ASX entitled: 'Misleading statement by Stockhead in article' said the article said, amongst other things, that "a \$65.7 million deal in July last year to distribute the Prizma case in China seems to have disappeared".

G Medical said that the "statement appears to be in reference to the announcement entitled 'G Medical Signs Binding MOU for China Distribution' announced on July 27, 2017 which disclosed ... a binding memorandum of understanding with Shandong Boletong Information S&T Co".

The company said the statement made by Stockhead "was both false and misleading to investors".

G Medical said that Boletong agreed "to purchase a minimum quantity of units within the first year of the G Medical Smartphone Prizma with minimum commitments being no less than \$US67,500,000 ... [starting] on the granting of the China Food and Drug Administration certification to G Medical".

The company said the agreement remained in place and it was continuing to progress the necessary China Food and Drug Administration certification process which would enable manufacturing to commence in China to satisfy the commitments under the agreement.

G Medical said it was not contacted to provide information for the Stockhead article or respond to any questions about this or any other commentary in the article.

The company said that it had contacted the publisher and the publisher agreed to include a clarification in the article addressing this matter.

G Medical said it was "considering all its options in ensuring a request for accurate information about the company is requested and reserves its rights to take legal action in respect of this matter".

In March, the company responded to an ASX query saying it had not achieved a number of milestones it had expected to reach, including a trial of its smartphone case announced in May 2017 (BD: Mar 28, 2018).

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G Medical was unchanged at 26 cents.