



Biotech Daily

Monday August 6, 2018

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: VOLPARA UP 5.5%; AIRXPANDERS DOWN 11.5%**
- * **ONEVENTURES \$100m CREDIT FUND**
- * **PHARMAXIS RAISES \$24m, 3% PREMIUM; EDWARD RAYNER DIRECTOR**
- * **INVICTUS, MIPS TOCOTRIENOL PRO-DRUG PROOF-OF-CONCEPT**
- * **MEDICAL DEV REVENUE DOWN 5%, PROFIT DOWN 87%; TRADING HALT**
- * **REVA AMENDS RUTGERS LICENCE**
- * **PARADIGM: PHASE IIb FOR BONE BRUISING RECRUITED**
- * **CANN, AGRICULTURE VICTORIA 'MORE MARIJUANA R&D'**
- * **ADMEDUS TAKES CAPITAL RAISING TRADING HALT TO SUSPENSION**
- * **ANTEO BATTERY MATERIAL TRANSFER AGREEMENT**

MARKET REPORT

The Australian stock market was up 0.61 percent on Monday August 6, 2018 with the ASX200 up 38.2 points to 6,273.0 points. Thirteen of the Biotech Daily Top 40 stocks were up, 17 fell, seven traded unchanged and three were untraded.

Volpara was the best, up 4.5 cents or 5.5 percent to 86 cents with 586,824 shares traded, followed by Bionomics up 5.4 percent to 48.5 cents with 293,501 shares traded.

Actinogen climbed 3.5 percent; Universal Biosensors rose two percent; Avita, Clinuvel, Compumedics, Pharmaxis and Telix were up more than one percent; with CSL, Cynata, Neuren, Pro Medicus and Sirtex up by less than one percent.

Friday's 31.3 percent best, Airxpanders, led the falls, down 1.5 cents or 11.5 percent to 11.5 cents, with 6.2 million shares traded.

Impedimed fell 7.9 percent; Cyclopharm lost 6.6 percent; Genetic Signatures and Opthea were down more than five percent; Prescient and Starpharma fell more than four percent; Dimerix, Mesoblast and Orthocell were down more than three percent; Benitec, Factor Therapeutics and Osprey shed two percent or more; Optiscan, Polynovo and Resmed were down one percent or more; with Ellex, Cochlear and Nanosonics down by less than one percent.

ONEVENTURES

Oneventures says that with Israel's Viola Group it will launch a \$100 million credit fund in this month, with the first close expected by November 2018.

Oneventures managing partner Dr Paul Kelly told Biotech Daily that clients of his company and the Herzliya, Israel-based Viola Group's Viola Credit would contribute to the \$100 million fund for technology investments across information and communications technology, renewable energy and biotechnology.

Dr Kelly said the applicant companies would need to be "debt-worthy with a cash-flow".

In a media release, Oneventures said the fund expected to make about 40 investments in high-growth technology companies, ranging from \$500,000 to \$5 million.

"The fund is focused on later stage companies with strong revenue growth looking to accelerate their business, or companies looking to incorporate venture credit within the funding mix of their capital raising round," Oneventures said.

"Venture credit provides a longer capital runway, allowing companies more time to achieve important milestones before a subsequent round of financing," Oneventures said.

Oneventures said that the Viola was Israel's largest technology investment group managing \$US3 billion.

Oneventures managing partner Dr Michelle Deaker said that venture credit in the US, Europe and Israel was up to 25 percent of later venture capital financings and 10 to 15 percent of total venture funding, with \$US5 billion in the US invested each year through direct credit funds. including deals with the then early-stage Facebook, Google and Box.

Dr Deaker said venture credit was "less dilutionary on equity and additionally may extend the capital runway to achieve important company milestones", had a lower risk profile than venture equity and the regular return was preferred by many investors over venture equity.

Viola Credit co-founder Ruthi Simha said her company had invested \$US800 million in more than 120 deals, was backed by leading global investors, pension funds and financial institutions was wanted to expand into the Asia Pacific region through partners.

"Oneventures is our first partner in this region and will additionally be the first to receive the offer to partner on new products for Australia," Ms Simha said.

For more information, go to: www.one-ventures.com.au/funds.

PHARMAXIS

Pharmaxis says it has commitments from sophisticated and institutional investors to raise \$24 million in a two-tranche placement at 32.5 cents a share.

Pharmaxis said the 32.5 cents price was "a 3.1 percent premium to last closing price".

The company said the second tranche was subject to shareholder approval at an extraordinary general meeting expected to be held on September 17, 2018.

Pharmaxis said the funds would be used to strengthen its balance sheet as it conducts partnering negotiations for its lysyl oxidase 2 (LOXL2) inhibitors expected later this year, with a \$54 million pro-forma cash balance, post-raising) and to further invest in pre-clinical programs, general working capital and costs of the offer.

Pharmaxis said that London's Aris Bioscience PLC committed \$14.2 million for an 11.1 percent holding, with Aris investment director Edward Rayner joining the board.

The company said that BVF Partners had committed a further \$7.1 million, taking its holding to 22.9 percent, the maximum allowed under "creep provisions".

Pharmaxis said that WG Partners LP was the lead adviser, with Bell Potter Securities and WG Partners acting as joint lead managers and joint bookrunners to the placement.

Pharmaxis was up half a cent or 1.6 percent to 32 cents.

[INVICTUS BIOTECHNOLOGY,](#)
[MONASH INSTITUTE OF PHARMACEUTICAL SCIENCES](#)

Invictus says a proof-of-concept rat study shows its vitamin E-derivative tocotrienol pro-drug delivery platform can deliver oral tocotrienol to the blood stream.

Invictus said the study's objective was to demonstrate the oral tocotrienol pro-drug's ability to deliver tocotrienols into the blood and increase the bio-availability of the tocotrienols compared to orally administered tocotrienols.

The company said that tocotrienols could have efficacy for non-alcoholic fatty liver disease and pancreatic cancer, but were difficult to deliver past the gut.

Invictus said it had exclusive rights from Monash University to exploit a drug delivery technology platform for tocotrienols developed by Prof Chris Porter's research group at the Monash Institute of Pharmaceutical Sciences (BD: Mar 6, 2018).

The company said that tocotrienol pro-drugs were tocotrienols linked to a delivery vector and orally administered, but when they came into contact with the gut, instead of being digested within the gut and metabolized in the liver, were designed to be absorbed into the lymphatic system of the gut where the tocotrienol was released from the delivery vector into the blood.

Invictus said that tocotrienol pro-drugs had "the potential to improve the bio-availability of tocotrienols, [or] the amount of tocotrienols that end up in the blood, compared to oral delivery where the tocotrienols are subject to digestion and first pass metabolism".

The company said the study identified a lead tocotrienol pro-drug that resulted in significant amounts of tocotrienols being detected in the blood after oral administration.

Invictus said that the oral bioavailability "was similar to that obtained from tocotrienols that had been emulsified using an oil, which [was] expected to promote the absorption of the tocotrienols into the lymphatic system of the gut and improve bio-availability".

The company said that these types of emulsified tocotrienols had superior bio-availability to oral tocotrienols that were not emulsified.

Prof Porter said the study provided proof-of-concept that tocotrienol pro-drugs could deliver significant quantities of tocotrienols into the blood and provided an improved understanding of the types of delivery vectors that were likely to be most effective in a tocotrienol pro-drug.

Invictus said it would continue its collaboration with the Monash Institute of Pharmaceutical Sciences to implement the next phase of the development which was to synthesize and assess additional tocotrienol pro-drugs analogs with the objective of developing tocotrienol pro-drugs that had superior bio-availability compared to emulsified tocotrienols.

Invictus scientific advisory board chairman Dr David Kingston said the objective was "to develop a [tocotrienol pro-drug] which significantly improves the bio-availability of the tocotrienols which will in turn be included in Invictus' drug development programs targeting [non-alcoholic fatty liver disease] and pancreatic cancer".

The company said that tocotrienol pro-drugs were composed of a tocotrienol linked to a number of delivery vectors, using a range of different chemistries.

Invictus said the theory was that the delivery vector helped with the absorption of tocotrienol pro-drugs into the lymphatic system of the gut and then the tocotrienols were released from the delivery vector and into the blood.

The company said that the hypothesis was that the more tocotrienols in the blood, the more tocotrienols that made contact with target organs and tissues and this had the potential to improve the efficacy of tocotrienols in target indications including non-alcoholic fatty liver disease and pancreatic cancer.

Invictus is a private company.

MEDICAL DEVELOPMENTS

Medical Developments says unaudited revenue for the year to June 30, 2018 was down 5.2 percent to \$17,929,000, with net profit after tax down 86.6 percent to \$243,000. Medical Developments requested a trading halt, pending an announcement “in relation to a capital raising”.

Trading will resume on Aug 8, 2018, or on an earlier announcement.

Medical Developments last traded at \$4.04.

REVA MEDICAL

Reva says it has amended its licence with the New Brunswick, New Jersey-based Rutgers University, eliminating minimum annual royalty fees.

Reva said it had amended the July 1, 2010 agreement relating to the composition and coating of the company’s bioresorbable scaffolds and its other biomaterial products, to reduce royalty rates as revenue goals were met and to eliminate future milestone payments, with an accrual of \$US500,000 for extension fees as of June 30, 2018 to be reversed by October, 2018.

The company said the change of control payment from the agreement had been increased to \$US7.85 million, and an additional one percent of the purchase price at closing that exceeded \$US500 million, up to maximum of \$US10 million.

Reva was unchanged at 27 cents.

PARADIGM BIOPHARMACEUTICALS

Paradigm says it has completed recruitment for its phase IIb trial of pentosane polysulfate sodium for knee osteoarthritis and subchondral bone marrow lesions.

According to the company’s filing with the Australian New Zealand Clinical Trials Registry, the trial recruited 126 patients (BD: Oct 30, 2017).

The company said that its injected pentosane polysulfate sodium treatment had the potential to receive fast track designation from US Food and Drug Administration, which was looking for treatments that replaced opioids.

Paradigm said the results from the trial were expected by December, 2018, and said that its phase IIa study for Ross River virus had nearly completed recruitment.

Paradigm fell seven cents or 7.8 percent to 83 cents.

CANN GROUP, VICTORIA GOVERNMENT

Cann says it has a memorandum of understanding with Agriculture Victoria to undertake further medicinal marijuana research.

Cann said it had outlined a number of common areas of interest with Agriculture Victoria, which was part of the Victorian State Government’s Department of Economic Development, Jobs, Transport and Resources.

The company said it would focus on marijuana cultivation, extraction, cannabis strain genome analysis and strain identification, accelerated precision breeding, and the development of novel marijuana strains.

Cann fell two cents or 0.7 percent to \$2.89.

ADMEDUS

Admedus says it has requested a voluntary suspension to follow the August 2, 2018 trading halt to “finalize negotiations in relation to a placement” (BD: Aug 2, 2018). The company said it expected the suspension to last until August 8, 2018 or on the release of an earlier announcement. Admedus last traded at 13.5 cents.

ANTEO DIAGNOSTICS

Anteo says it has its first materials transfer agreement with an unnamed Asian battery materials and components manufacturer.

Anteo said the deal would allow it to exchange materials with the manufacturer, which could help it assess the potential of its Anteocoat nano-coating technology to improve battery anode performance.

Anteo was up half a cent or 35.7 percent to 1.9 cents with 24.1 million shares traded.