



Biotech Daily

Tuesday April 9, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH EVEN: AVITA UP 12%; LBT DOWN 11%**
- * **ELLUME IN PRE-IPO MODE FOR RESPIRATORY DIAGNOSTICS**
- * **GOODBYE PRANA, HELLO LIFE'S ALTERITY; \$11.4m RAISED**
- * **BIO-MELBOURNE GONGS: ANNA LAVELLE, CLARA GAFF, EVELYN CHAN**
- * **PAINCHEK SIGNS CHURCHES OF CHRIST QUEENSLAND AGED CARE**
- * **VISIONEERING Q1 SALES UP 104% TO \$1.6m**
- * **MEMPHASYS: 5 MORE CENTRES ASSESS FELIX IVF SPERM SEPARATION**
- * **AIRXPANDERS BACKS RADFORMATION RADIATION SOFTWARE**
- * **OCEANIA, HCI QUIT MACH7**
- * **AUSTRALIAN ETHICAL TAKES 5% OF MACH 7**
- * **SG HISCOCK BELOW 5% OF NEUROTECH**
- * **CRESO REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **GI DYNAMICS APPOINTS PROF JUDITH KORNER ADVISOR**
- * **G MEDICAL LOSES DIRECTOR SAM SKONTOS**

MARKET REPORT

The Australian stock market edged up 0.01 percent on Tuesday April 9, 2019, with the ASX200 up 0.4 points to 6,221.8 points. Fourteen of the Biotech Daily Top 40 stocks were up, 13 fell, nine traded unchanged and four were untraded.

Avita was the best for the second day in a row, following a 51.5 percent jump in the US on 10 presentations to the American Burns Association, up five cents or 11.9 percent to 47 cents, with 60.8 million shares traded. Oncosil recovered 9.8 percent; Mesoblast and Neuren were up three percent or more; Cynata, Pharmaxis, Prana, Telix and Universal Biosensors rose two percent or more; Actinogen, Dimerix and Polynovo were up more than one percent; with Cochlear, CSL, Medical Developments and Pro Medicus up by less than one percent.

LBT led the falls, down 0.8 cents or 10.7 percent to 6.7 cents, with 44,114 shares traded. Antisense lost seven percent; Prescient fell 5.8 percent; Benitec, Genetic Signatures, Kazia, Osprey and Volpara were down more than three percent; Uscom shed 2.9 percent; Paradigm and Starpharma retreated more than one percent; with Clinuvel, Opthea and Resmed down by less than one percent.

ELLUME PTY LTD

Ellume chief executive officer Dr Sean Parsons says his company hopes to list on the ASX this year to commercialize its range of respiratory diagnostics.

Dr Parsons told Biotech Daily that Ellume already had an undisclosed “global licence deal” with Glaxosmithkline for an influenza test, as well as a licence with Qiagen for an upgrade to the Cellestis-developed Quantiferon Gold test for tuberculosis.

In 2011, the Hilden, Germany-based Qiagen NV acquired Melbourne’s Cellestis for \$365 million for the test (BD: Aug 10, 2011).

Former Cellestis chief executive officer Dr Tony Radford is a director of Ellume.

Dr Parsons said he was in Melbourne to meet investors and media preparing for a pre-initial public offer round in the next few weeks, ahead of an ASX listing and initial public offer planned for this year.

Dr Parsons said the company had developed fluorescent immune-assays using a quantum dot system which could simplify blood tests, and instead of using an enzyme linked immunosorbent assay (Elisa) the Ellume system analyzed a signal over time and could provide accurate results in 20 minutes, without the need for the samples being sent to a pathology laboratory.

In 2016, Ellume signed a long-term supply deal with Anteo Diagnostics “for a quantum dot detection system combining nano-technology and opto-electronics for immunoassays” using Anteo’s Mix&Go molecular glue technology (BD: Oct 28, 2016).

Anteo said at that time that the first product would be an influenza test to be released to the professional market in 2017, followed by respiratory syncytial virus, group A streptococcus and chlamydia tests.

Today, Dr Parsons said that the undisclosed Glaxosmithkline licence was for an over-the-counter consumer use test for respiratory disease, so that customers could determine whether they had influenza and whether an anti-influenza drug such as Tamiflu or Biota’s (now Vaxart) Relenza would be an appropriate treatment.

Dr Parsons said the self-test would retail for about \$US20 to \$US30.

He said that Qiagen had invested \$US15 million in his company for the Quantiferon-TB-Access test.

“We have cash, but a very narrow shareholder base,” Dr Parsons said.

In 2015, Ellume won one of three Johnson & Johnson Innovation Award at the Ausbiotech conference (BD: Oct 7, 2015).

The pre-initial public offer is being managed by PAC Partners.

Ellume is a public unlisted company.

ALTERITY THERAPEUTICS (FORMERLY PRANA BIOTECHNOLOGY)

Prana says its name has changed to Alterity Therapeutics, it has raised \$11,440,123 and expects its new trading codes to be ATH on the ASX and ATHE on the Nasdaq.

Prana said that Boston’s Life Biosciences investment of an initial \$7.5 million (\$A10,526,316) had been completed, giving Life 31.35 percent of the company and should Life exercise its warrants it would hold 57.81 percent of Alterity.

Prana said that that it had issued Life 269,905,533 shares at 3.9 cents each along with 539,811,066 two-for-one free-attaching warrants exercisable at 4.5 cents each, vesting on June 8, 2019 and expiring on December 19, 2019.

The company said that a separate placement raised \$913,807 through the issue of 23,430,949 shares at 3.9 cents each with 46,861,898 two-for-one attaching warrants on the same terms as the Life warrants.

On the ASX, Prana was up 0.1 cents or 2.1 percent to 4.9 cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says that Dr Anna Lavelle, Prof Clara Gaff and Dr Evelyn Chan have won this year's Women in Leadership Awards.

The Network said that the awards were presented at Melbourne's Government House by the State Governor Linda Dessau "recognizing their leadership in Victoria's biotechnology, medical technology and pharmaceuticals sector".

The Bio-Melbourne Network said that the 'impact for industry' award for senior corporate leadership and directorship, was awarded to former Ausbiotech chief executive officer Dr Anna Lavelle, who "championed policy changes to support the growth of innovative companies".

The Network said that Dr Lavelle was "an outstanding champion for the local biotechnology industry".

The Network said that the 'making it happen' award "recognizing leadership of teams, projects and initiatives at middle-management level" went to Melbourne Genomics Health Alliance executive director Prof Clara Gaff, who "led the transition of genomics from research use to patient care, transforming the diagnosis, management and treatment of disease".

The industry organization said the 'mover and shaker' award recognizing a rising star with limited experience but high potential was awarded to Smileyscope chief executive officer Dr Evelyn Chan for her work in reducing fear, pain and anxiety associated with needle procedures in children.

PAINCHEK

Painchek says the Brisbane-based Churches of Christ in Queensland will licence its pain assessments device for its 1,900 bed facilities.

Painchek said the Churches of Christ in Queensland had licenced its mobile phone application for its nursing and care staff use at 28 aged care homes.

The company said the agreement followed a trial of the application at Churches of Christ in Queensland involving a number of residents living with dementia.

Churches of Christ in Queensland services executive director Bryan Mason said the application "helped our carers identify the presence and severity of residents' pain when their pain wasn't obvious".

"This information allowed our carers to provide more effective pain management, improving the quality of life for our residents," Mr Mason said.

"Rolling out the Painchek technology will mean we can better assess pain for our residents giving them access to appropriate treatment more quickly," Mr Mason said.

Painchek chief executive officer Philip Daffas said that the device was "fast becoming the new standard for pain assessment within Australian aged care".

"Close to 4,000 residents across 62 aged care sites have licenced access to the Painchek technology," Mr Daffas said.

"In less than a month we have effectively doubled the number of contracted aged care beds from 2,160 to 3,780 and aged care facilities from 30 to 62," Mr Daffas said.

"The number of Painchek clinical assessments has increased from 18,030 to more than 23,000 in the same time period," Mr Daffas said.

Painchek said it would begin staff training at Churches of Chris facilities and the technology roll-out from May 1, 2019.

Painchek was up 0.2 cents or 6.45 percent to 3.3 cents.

VISIONEERING TECHNOLOGIES

Visioneering says that sales revenue from its multifocal contact lenses for the three months to March 31, 2019 was up 104.1 percent to \$US1,133,000 (\$A1,585,780).

Visioneering said that the revenue was 6.0 percent more than the revenue for the three months to December 31, 2019 and it expected revenue for the year to December 31, 2019 to be between \$US6.5 million and \$US7.5 million.

The company said the three months was “a strong start” to the year with shipments to practitioners up 28 percent over the December quarter and more than double the shipments to practitioners in the same period in 2018.

Visioneering said it had its first sales in the UK with sales expected to begin in Canada during 2019 along with Hong Kong and other Asian nations.

Visioneering was up half a cent or 6.7 percent to eight cents.

MEMPHASYS

Memphasys says it has appointed a further “key opinion leaders” to assess its Felix sperm separating device for in-vitro fertilization (IVF).

Memphasys said it had signed memoranda of understanding with Toronto’s Create Fertility, New York’s Cornell Weill Medical Centre, Shanghai’s Hospital No 9 Fertility Clinic, Melbourne’s Monash IVF and Stockholm’s Livio AB, with two more planned for Japan and the UK, which would complete the planned 14 centres.

The company said that the clinical assessment studies would assess Felix’s performance for in-vitro fertilization clinics in preparing sperm from diverse semen types when compared with the current laboratory-based methods.

Memphasys said the outcomes would provide “further evidence as to the technical capabilities and broaden the clinical validation of the Felix device, providing significant clinical data support for the Felix market launch”.

Memphasys fell 0.4 cents or 14.8 percent to 2.3 cents.

AIRXPANDERS

Airxpanders says it will promote Radformation’s Ezfluence software in radiation oncology departments using Aeroform for breast reconstruction in the US.

Airxpanders said that the New York-based Radformation had developed “intelligent automation” software for cancer care, including breast reconstruction radiation therapy treatment planning.

The company said that the co-marketing agreement allowed its sales staff to introduce the Ezfluence software to radiation oncology departments treating patients with the Aeroform tissue expander system.

Airxpanders said it would benefit by improved acceptance of the Aeroform expander “by significantly improving the workflow required to develop radiation treatment plans”.

Airxpanders head of research and development Mark Payne said that the Ezfluence software was “impressive in its thoroughness and ability to effectively develop a radiation treatment plan in minutes from a patient [computed tomography] scan”.

“We expect radiation oncology departments will appreciate the dramatic reduction in the time needed to develop a treatment plan for patients with an Aeroform and an overall increase in their productivity for all their breast radiation treatment plans,” Mr Payne said.

Airxpanders said the two companies were developing plans to collaborate and educate relevant personnel at radiation oncology and medical physics meetings in 2019.

Airxpanders was in a suspension and last traded at 3.5 cents.

MACH7 TECHNOLOGIES

Sydney's Oceania Capital, HCI Australian Operations and HCI Investments Australia say they have sold their entire holding in Mach7 of 9,243,933 shares or 6.26 percent.

Oceania and HCI said that between April 2 and 5, 2019 they sold all the shares at prices ranging from 18 cents to 20 cents a share.

In 2017, Mach 7 said that it raised \$2 million in a placement to Oceania at 17.5 cents a share (BD: Nov 13, 2017).

Mach7 was up two cents or 10 percent to 22 cents.

MACH7 TECHNOLOGIES

Australian Ethical Investment says it has become a substantial shareholder in Mach 7 with 8,027,379 shares or 5.43 percent.

Australian Ethical said that between December 11, 2018 and April 5, 2019 it bought the shares for \$1,593,740 or an average price of 19.85 cents a share.

NEUROTECH INTERNATIONAL

SG Hiscock & Company says it has reduced its holding in the Malta-based Neurotech from 17,327,070 shares (7.06%) to below the five percent substantial level.

In February, SG Hiscock said it bought shares in the rights issue at three cents a share, which raised \$783,689 of the hoped-for \$3.3 million (BD: Jan 29, Feb 25, 2019).

Last month, Neurotech said that founder and inventor Dr Adrian Attard Trevisan did not hold a Doctor of Philosophy in Neuroscience from University College London as claimed in his curriculum vitae and company publications (BD: Mar 27, 2019).

Neurotech fell 0.1 cents or 11.1 percent to 0.8 cents.

CRESO PHARMA

Creso has requested a trading halt "pending an announcement regarding a capital raising".

Trading will resume on April 11, 2019, or on an earlier announcement.

Creso last traded at 40.5 cents.

GI DYNAMICS

GI Dynamics says it has appointed Columbia University Medical Center's Prof Judith Korner to its scientific advisory board.

GI Dynamics said that Prof Korner was currently a New York-Presbyterian/Columbia University Medical Center professor of medicine at the Department of Medicine and Division of Endocrinology and Metabolism and director of the Weight Control Center.

The company said that Prof Korner had "led in the development of understanding the potential for interventional therapies and their ability to combat type 2 diabetes and obesity as well as contributing mechanisms of action".

GI Dynamics said that Prof Korner had helped lead clinical trials, primarily non-randomized mechanistic studies and had been funded by the US National Institutes of Health for research on the pathophysiology and treatment of obesity and type 2 diabetes with an emphasis on the mechanisms of weight loss and improvement in type 2 diabetes after bariatric surgery.

GI Dynamics was unchanged at 2.3 cents.

G (GEVA) MEDICAL INNOVATIONS

G Medical says that non-executive director Sam Skontos has resigned “to focus his efforts on other projects” with immediate effect.

G Medical said it would “undertake to fill the recent board vacancies with candidates with the relevant expertise in line with the company’s recent expansion into the US and proposed Nasdaq listing”.

In March, executive director Louis Antoniou resigned “due to family and personal reasons” (BD: Mar 4, 2019).

G Medical fell half a cent or 1.8 percent to 27 cents.