



Biotech Daily

Friday February 5, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: ELLEX UP 9%, ONCOSIL DOWN 7%**
- * **ATCOR \$835k TRIAL CONTRACT, SCOT MACDONELL V-P SALES**
- * **MEDICAL DEVELOPMENTS, AVITA COMPLETE \$2.5m RESPIRATORY DEAL**
- * **GENETIC TECHNOLOGIES, HENDRIX GENETICS SETTLE IP CASE**
- * **US REPURPOSE PATENT FOR PHARMAUST PPL-1**
- * **EUROPE, AUSTRALIAN PATENTS FOR BLUECHIIP TRACKING SYSTEMS**
- * **IMPEDIMED REQUESTS CAPITAL RAISING TRADING HALT**
- * **SUDA RECEIVES \$669k FEDERAL R&D TAX REFUND**
- * **OPTHEA EGM FOR 7m CEO, DIRECTOR OPTIONS**
- * **MMJ COMPLETES HEALTH CANADA MARIJUANA PLANT INSPECTION**

MARKET REPORT

The Australian stock market slipped 0.08 percent on Friday February 5, 2016 with the ASX200 down 4.2 points to 4,976.2 points.

Fifteen Biotech Daily Top 40 stocks were up, nine fell, eight traded unchanged and eight were untraded. All three Big Caps fell.

Ellex was the best, up seven cents or 9.1 percent to 84 cents with 105,493 shares traded.

Actinogen climbed 7.8 percent; Benitec was up 5.8 percent; Starpharma was up four percent; IDT, Mesoblast and Uscom improved more than three percent; Avita, Nanosonics and Universal Biosensors rose more than two percent; Medical Developments, Orthocell, Prana and Viralytics were up more than one percent; with Reva up 0.9 percent.

Oncosil led the falls, down 1.5 cents or 7.0 percent to 20 cents with 2.7 million shares traded.

Biotron fell 4.6 percent; Clinuvel and Pharmaxis lost more than three percent; Admedus, Prima and Pro Medicus shed more than two percent; Cochlear and Sirtex lost one percent or more; with Acrux, CSL and Resmed down by less than one percent.

ATCOR MEDICAL

Atcor says it has signed a \$US600,000 (\$A834,708) contract to supply its Sphygmocor blood pressure measurement systems to an unnamed pharmaceutical company.

Atcor said that the 15-month contract for the Sphygmocor central blood pressure and arterial stiffness measurement system and clinical trial support services was for a study to be conducted in Canada, the US and Spain.

Atcor chief executive officer Duncan Ross said the company was a new customer, ranked within the top 10 pharmaceutical companies “and prospects for additional business with the firm are also encouraging”.

The company said that Scot MacDonell had been appointed as the vice-president of sales in the Americas, to build sales in the US clinical practice market.

Atcor said that appointment followed the introduction of the current procedural terminology (CPT) 1 code on January 1, 2016 which covered the Sphygmocor test and enabled reimbursement for physicians, and it was in the process of recruiting additional sales staff (BD: Mar 10, 2015).

Atcor was unchanged at 18 cents.

AVITA MEDICAL, MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says it has completed the \$2,469,000 acquisition of Avita’s respiratory assets (BD: Jan 25, 2016).

Medical Developments and Avita said that the final consideration comprised \$2,029,000 in cash and the issue of 117,894 Medical Developments shares escrowed for six months and valued at \$440,000.

Medical Developments chief executive officer John Sharman said the acquisition would establish his company as the “market leader throughout Australia in asthma respiratory devices”.

“The combination of their market position and our technology and product pipeline will give us a strong market position and offering,” Mr Sharman said.

Avita said that its respiratory business included two products, the Breath-A-Tech range of asthma spacers and the Funhaler, a spacer with lights and sounds for non-compliant children with asthma.

Avita was up 0.2 cents or 2.1 percent to 9.8 cents.

Medical Developments was up five cents or 1.3 percent to \$3.90.

GENETIC TECHNOLOGIES

Genetic Technologies says it has a settlement and release agreement with the Boxmeer, Netherlands-based Hendrix Genetics BV.

In 2013, Genetic Technologies began an intellectual property assertion program in Europe to recover unpaid licence fees relating to its non-coding DNA patents, following the initiation of two legal actions in the US that led to a number of licences and revenue (BD: May 26, 2011; Feb 21, 2012; Mar 19, 2013).

Today, Genetic Technologies said that following the execution of the agreement, the company would dismiss its legal action against Hendrix.

The company said that the terms and conditions of the agreement were covered by a confidentiality undertaking and cannot be disclosed.

Genetic Technologies was unchanged at two cents with 1.3 million shares traded.

PHARMAUST

Pharmaust says the US Patent and Trademark Office has allowed the key patent entitled 'Kinase Inhibitors for the Treatment of Cancer' relating to its PPL-1 drug.

Pharmaust said the patent governed the use of the Novartis veterinary drug, monepantel in the treatment of both human and canine cancers.

Pharmaust chairman Dr Roger Aston told Biotech Daily the patent was a breakthrough in repurposing existing drugs.

"It's important because it is very hard to get a patent on another company's drug because they usually have covered it with patent protection," Dr Aston said.

Dr Aston said that monepantel was first used for sheep gastro-intestinal roundworm and had been repurposed by Pharmaust for cancer in both dogs and humans.

Pharmaust said that it had an option to a licence agreement with Novartis Animal Health for the use of the intellectual property in the treatment of veterinary cancers.

In a media release Dr Aston said it was "the first of a series of patent applications ... in the US and other territories on the use of amino-acetonitriles in cancer".

Pharmaust was up 0.3 cents or 3.3 percent to 9.5 cents.

BLUECHIIP

Bluechiip says it has been granted two additional patents in Europe 2030 and Australia 2031 for its sample tracking technology.

Bluechiip said that the European Patent Office granted a patent entitled 'RFID Memory Devices', providing protection until 2030.

The company said that the patent was for a memory device describing a dual identification device where two sets of data were stored in the same circuit but were accessed independently.

Bluechiip said that it used the orientation of the device, in conjunction with its reader technology to access the data.

The company said that the Australian Patent Office had granted a patent entitled 'Temperature Sensing and Heating Device' which provided coverage until 2031.

Bluechiip said that the patent described the Bluechiip induction heating and sample tracking system, which ensured that the correct sample had been chosen and heated by the company's wireless temperature tracking technology to a specific temperature, reducing error and misprocessing.

The company said that the patent was pending in the US and Europe.

Bluechiip chief executive officer Andrew McLellan said the company was "continuing to innovate and develop new technologies for monitoring and controlling the temperature of items held in harsh environments".

McLellan said Bluechiip had 21 granted patents around the world.

"The patents enhance our value proposition and come on the back of our recent partnering agreements with Genea Biomedx and development partnerships in the cell therapy and protein crystallography markets," Mr McLellan said.

Bluechiip was up 0.4 cents or 14.8 percent to 3.1 cents.

IMPEDIMED

Impedimed has requested a trading halt "pending the making of an announcement to the market in relation to a proposed capital raising".

Trading will resume on February 9, 2016 or on an earlier announcement.

Impedimed last traded at \$1.04.

SUDA

Suda says it has received \$669,021 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Suda said the rebate related to research and development expenditure for the year to June 30, 2015.

Suda chief executive officer Stephen Carter said the Research and Development Tax Incentive was “a valuable benefit for companies such as Suda, which are investing to develop innovative new therapies”.

“The refund strengthens our cash position as we continue to negotiate with prospective partners and advance our pipeline,” Mr Carter said.

Suda was up 0.3 cents or 11.5 percent to 2.9 cents with 1.4 million shares traded.

OPTHEA (FORMERLY CIRCADIAN)

Opthea will hold an extraordinary general meeting to approve the issue of 7,000,000 options to directors, approve an incentive scheme and elect directors.

Opthea said it proposed to issue 4,000,000 options to chief executive officer Dr Megan Baldwin, exercisable at 150 percent of the 5-day volume-weighted average price to November 30, 2015, within three years of the meeting.

The company said that the options would vest in three tranches beginning on June 30, 2016, followed by 12 months and 24 months from the date of the meeting.

The then Circadian was trading between 27 cents and 33 cents during the five trading days prior to November 30, 2016, implying the exercise price would be about 45 cents per option.

Opthea said that it proposed to issue 2,000,000 options to chairman Geoffrey Kempler and 1,000,000 options to director Michael Sistenich on the same terms as Dr Baldwin's options.

The company said the meeting would vote on the long-term incentive plan and the election of Mr Kempler and Mr Sistenich.

The meeting will be held at the Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria on March 7, 2016 at 11am (AEST).

Opthea was unchanged at 37.5 cents.

MMJ PHYTOTECH

MMJ Phytotech says that its Duncan, Vancouver-based subsidiary United Greeneries has completed Health Canada's pre-licence inspection.

MMJ said that the inspection under Canada's Federal Marihuana for Medical Purposes Regulations was conducted from February 1 to 3, 2016 with inspectors assessing compliance prior to licence approval.

The company said that inspectors were required to submit a report within two weeks of the inspection and that Health Canada would respond within a further four weeks.

MMJ was up half a cent or 1.7 percent to 30 cents.