



# Biotech Daily

Monday March 21, 2016

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: USCOM UP 16%, TISSUE THERAPIES DOWN 11%**
- \* **VICTORIA INVESTS \$25m IN GENOMIC SEQUENCING**
- \* **ONEBLOOD ADOPTS ITL SAMPOK BLOOD SAMPLING KIT**
- \* **BONE \$3m BOTANIX BACKDOOR FOR CANNABIDIOL FOR ACNE**
- \* **AVEXA PLAN RAISES \$384k FOR TALI; TOTAL RAISED \$874k**
- \* **BLUECHIIP TECHNOLOGY IN AUTISM BIOBANK**
- \* **ARROW TO PROMOTE MEDADVISOR COMPLIANCE PLATFORM**
- \* **AUSTRALIAN ETHICAL REDUCES TO 3.4% OF AVITA**
- \* **MEDIBIO TO RELEASE 24m ESCROW SHARES**
- \* **DORSAVI LOSES CHIEF MARKETING OFFICER DAVE WILDERMUTH**

## MARKET REPORT

The Australian stock market fell 0.32 percent on Monday March 21, 2016 with the ASX200 down 16.5 points to 5,166.6 points.

Twelve of the Biotech Daily Top 40 stocks were up, 15 fell, 10 traded unchanged and three were untraded.

Uscom was the best, up 2.5 cents or 15.6 percent to 18.5 cents with 25,000 shares traded. Biotron climbed 9.6 percent; Oncosil was up 7.1 percent; Prima was up 4.8 percent; Admedus was up 3.9 percent; Medical Developments, Nanosonics, Opthea, Orthocell and Resmed were up more than one percent; with Clinuvel, CSL, Ellex and Starpharma up by less than one percent.

Tissue Therapies led the falls, down half a cent or 11.1 percent to four cents with 303,035 shares traded. Pharmaxis and Prana lost six percent or more; Cellmid fell five percent; Compumedics was down 4.3 percent; Mesoblast and Viralytics were down more than three percent; Atcor, Neuren and Reva shed more than two percent; Bionomics and Universal Biosensors were down more than one percent; with Cochlear, Impedimed, Pro Medicus and Sirtex down by less than one percent.

## VICTORIA GOVERNMENT

The Victoria Government says it has invested \$25 million in genomic sequencing to provide faster diagnosis and better care for genetic illnesses.

Victoria's Minister for Health Jill Hennessy said that the next five disease areas to be evaluated by the Melbourne Genomics Health Alliance would be immune disorders, dilated cardiomyopathy in which the heart's pumping function was reduced, congenital deafness, infants and children with complex medical issues where genomic sequencing would be offered as a first diagnostic rather than after other options had been exhausted and cancers of the lymphatic system and solid tumors to better target treatment for individual patients with advanced cancer.

A media release from the Victoria Government said that the program would see 800 people access genetic sequencing over the next two years.

The State Government said that patients with defects in their immune system were among the first to benefit from access to genomic sequencing.

The media release said that many patients with rare immunology disorders underwent invasive and expensive clinical tests and treatments over long periods of time to determine the cause of their illness without receiving a diagnosis.

The Government said that genomic sequencing could speed-up the diagnosis of rare conditions and inherited diseases, meaning patients could receive better care and potentially improved health outcomes.

The media release said that genetic testing was vital for prevention, diagnosis and management of genetic disorders, as people with specific genetic mutations could be more at risk of disease than the general population.

The Government said that Victorians with hereditary diseases would have a greater understanding about how their genetic condition might impact them and their families.

The Minister for Health Jill Hennessy said that "genomic sequencing not only brings the potential for faster and more accurate diagnosis, it gives patients and their families more certainty about how a genetic condition might impact them in the future".

"Delivering this election commitment puts Victoria at the forefront of genomic sequencing not only in Australia, but on the world stage," Ms Hennessy said.

## ITL

ITL says that the Orlando, Florida-based Oneblood Inc has approved its Samplok sampling kit for use in its blood processing system.

ITL said that the Samplok kit was used to transfer platelet samples when performing bacterial detection testing.

The company said that Oneblood was a not-for-profit blood centre responsible for providing safe, available and affordable blood to more than 200 hospital partners and their patients throughout most of Florida, parts of Georgia, Alabama and South Carolina.

ITL said that Oneblood was heavily regulated by the US Food and Drug Administration, distributed nearly one million blood products annually, operated more than 80 donor centres and deployed nearly 200 of its signature Big Red Buses throughout its service area for blood drives.

The company said that the Oneblood approval of the Samplok sampling kit followed the recent grant of the kit's patent in the US and the Taiwan Food and Drug Administration approval.

ITL executive chairman Bill Mobbs said that the approval of the sampling kit "by another large US blood centre is a good achievement for ITL Biomedical".

ITL was up 1.5 cents or 7.3 percent to 22 cents.

## BONE MEDICAL

Bone says it will raise \$3 million at two cents to acquire the Philadelphia, Pennsylvania-based Botanix Pharmaceuticals cannabidiol dermatology company.

Last year, Bone said it would the Perth, Western Australia-based geospatial imaging company Takor Group and quit biotechnology (BD: May 12, 2015).

Bone was created by investors in Proxima and licenced compounds from Proxima subsidiaries, with Proxima co-founder and research director Dr Roger New formerly Bone's chairman (BD: Jul 11, Sep 22, 2011; Jan 29, Apr 4, May 12, Jun 20, 2014).

In 2014, Bone said it would "terminate the agreements with the Proxima Group" having evaluated its technologies and concluded it was "not in the commercial interests of the company or its shareholders to continue with the Proxima Group under the current structure" (BD: Nov 19, Dec 9, 2014).

Today, Bone said that Botanix was developing prescription products to treat skin diseases including acne, psoriasis and atopic dermatitis and had licenced a novel transdermal drug delivery technology Permetrex.

The company said that the Botanix products were based on US Food and Drug Administration-grade, synthetic cannabidiol.

Bone said that various natural extract and other forms of cannabidiol were in late stage clinical trials by numerous other pharmaceutical companies for indications such as epilepsy, pain and arthritis.

The company said that following the conclusion of the acquisition and subject to shareholder approval it would change its name to Botanix Pharmaceuticals.

Bone said that the Botanix lead product BTX1503 was a topical gel for acne, which had a "four-part mechanism, reducing excessive production of oils, inhibiting over-proliferation of oil producing cells, inhibiting bacteria and providing a novel anti-inflammatory effect".

The company said that Botanix had completed substantial research and preparatory work on the formulation of BTX1503 and planned to conduct first human clinical studies in Australia.

Bone said that Botanix "views the Australian Therapeutic Goods Administration's clinical trial notification process as significantly more efficient than the US [Food and Drug Administration] investigational new drug process and believes the Australian process can accelerate the overall development timetable".

The company said that on completion of the planned share offer, Botanix would be funded to complete initial clinical studies over the next 12 months including a pilot study on patients, through to the beginning of a phase II US efficacy study.

Bone chairman Robert Towner said that there was "a significant unmet patient need for effective dermatological therapies, particularly in the global acne market".

"We see development of BTX1503 through to human clinical trials and regulatory approval as relatively rapid due to the current stage of development of BTX1503, as well as the unique properties of cannabidiol and its established safety profile," Mr Towner said.

"There is a growing scientific literature to suggest that cannabidiol has a potential role in treating and preventing skin disease," Mr Towner said.

"To date, challenges with the impurity and variability of the drug substance, as well as the challenge of delivering it effectively across the skin, have been limiting," Mr Towner said.

"Botanix's approach of utilising a pure synthetic form of cannabidiol combined with the novel skin delivery technology Permetrex are focused on solving both of these challenges," Mr Towner said.

Bone said that it would undertake a consolidation of its capital on a one-for-3.3 basis.

Bone climbed as much as 50 percent to 0.9 cents, but closed unchanged at 0.6 cents with 6.9 million shares traded.

## AVEXA

Avexa, says its share purchase plan to help fund the Tali acquisition has raised \$384,000 at 3.315 cents a share.

In January, Avexa raised \$490,000 at four cents a share and offered the share plan to fund the acquisition of the Monash University-developed Tali technology for diagnosing intellectual disabilities (BD: Oct 12, Nov 26, 2015; Jan 28, 2016).

Avexa was up 0.1 cents or 2.9 percent to 3.5 cents.

## BLEUECHIIP

Bluechiip says that its sample tracking technology is being used in the Autism co-operative research centre (CRC) Biobank.

Bluechiip said that the Australian Autism Biobank was an initiative of the Cooperative Research Centre for Living with Autism and was opened today by the Federal Health Minister Sussan Ley.

The company said that the Biobank was the first of kind in Australia and would include biological material and behavioral, clinical and genetic information from more than 4,000 individuals on the autism spectrum, their families and other donors.

Bluechiip said that the data would be made available for researchers.

Bluechiip chief executive officer Andrew McLellan said the company was “delighted to see another new Australian biobank opening and are especially excited that Bluechiip technology is being used to ensure the highest sample quality is maintained”.

Bluechiip fell 0.3 cents or 13.0 percent to two cents with 1.5 million shares traded.

## MEDADVISOR

Medadvisor says it has a memorandum of understanding with Arrow Pharmaceuticals, to promote its mobile telephone application monitoring of medication use.

Medadvisor said that Arrow's first-line customers included pharmacies and allied medical professionals.

Medadvisor chief executive officer Robert Read said that extending pharmacy sales through Arrow Pharmaceuticals was “another exciting step forward for us and will help us to build on the success we've already had with attracting pharmacies to the platform”.

“Almost 30 percent of Australian pharmacies are now offering the Medadvisor platform to their customers,” Mr Read said. “Arrow Pharmaceuticals has one of the largest customer bases in the Australian marketplace and their sales representatives will be focused on offering the Medadvisor platform to a network of pharmacy customers.”

Medadvisor fell 0.1 cents or three percent to 3.2 cents with 3.65 million shares traded.

## AVITA MEDICAL

Australian Ethical Share Fund says it has ceased its substantial holding in Avita.

In December, Australian Ethical reduced its holding in Avita from 37,071,942 shares (6.96%) to 31,662,304 shares (5.94%) (BD: Jan 25, 2016).

Today the substantial shareholder notice said that between December 21, 2015 and March 18, 2016, Australian Ethical sold more than 13.7 million shares reducing its holding to about 17.9 million shares or about 3.4 percent.

Australian Ethical said that the single largest trade was 3,730,612 shares for \$393,580 or 10.55 cents a share.

Avita was unchanged at 10.5 cents.

## MEDIBIO

Medibio says that 23,929,979 shares held in voluntary escrow will be released on April 7, 2016.

Medibio chief executive officer Kris Knauer told Biotech Daily that following the release of the shares, the company would have 100,467,622 shares available for trading.

Medibio fell half a cent or 2.5 percent to 19.5 cents.

## DORSAVI

Dorsavi says that chief marketing officer Dave Wildermuth has resigned and will leave the company on April 15, 2016.

Dorsavi said that Mr Wildermuth had built “the company’s marketing function including the new branding, website and marketing collateral in line with US market needs”.

Mr Wildermuth joined Dorsavi in November 2014 (BD: Nov 5, 2014).

Dorsavi was up half a cent or 1.3 percent to 40 cents.