



Biotech Daily

Friday June 17, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: USCOM UP 6%; CELLMID DOWN 12%**
- * **J&J, QUEENSLAND INNOVATION OFFICE; \$300k QUICK FIRE AWARDS**
- * **GENETIC SIGNATURES LAUNCHES ANALYTE SPECIFIC REAGENTS IN US**
- * **CHINA PATENT FOR ORTHOCELL CELGRO COLLAGEN PLATFORM**
- * **ANTISENSE PLANS PHASE IIb MS TRIAL, FREEMIND FOR FUNDING**
- * **AVEXA SIGNS 3 MORE CLINICS FOR TALI TRIAL; 2nd TRIAL PLANNED**
- * **BENITEC RECEIVES \$3.6m FEDERAL R&D TAX INCENTIVE**
- * **RESPIRI (ISONEA) RAISES \$4.3m**
- * **MEDICAL AUSTRALIA COMPLETES MEDIVET SALE FOR \$207k**
- * **AUSTRALIAN PATENT FOR BPH, CORTICAL DYNAMICS BAR MONITOR**
- * **BVF PARTNERS, MARK LAMPERT REDUCE TO 13.6% IN VIRALYTICS**

MARKET REPORT

The Australian stock market was up 0.32 percent on Friday June 17, 2016 with the ASX200 up 16.7 points to 5,162.7 points. Fifteen of the Biotech Daily Top 40 stocks were up, 12 fell, 12 traded unchanged and one was untraded.

Uscom was the best, up 1.5 cents or six percent to 26.5 cents with 143,000 shares traded. Antisense and Genetic Technologies climbed more than five percent; Admedus was up 4.8 percent; Factor, Impedimed, Polynovo and Pro Medicus were up more than three percent; Acrux rose two percent; Bionomics and Universal Biosensors were up more than one percent; with Clinuvel, Ellex, Medical Developments and Nanosonics up by less than one percent.

Cellmid led the falls, down 0.4 cents or 12.1 percent to 2.9 cents with 10 million shares traded, followed by Atcor down 11.5 percent to 11.5 cents with 704,099 shares traded.

Mesoblast lost 6.6 percent; Avita fell four percent; Biotron and Neuren were down more than three percent; Psivida and Starpharma shed more than two percent; Pharmaxis, Prana and Viralytics were down more than one percent; with Cochlear, CSL and Sirtex down by less than one percent.

JOHNSON & JOHNSON, QUEENSLAND GOVERNMENT

Johnson & Johnson says the winners of its Quick Fire Challenge were named at the opening of its Innovation Partnering Office at Queensland University of Technology. In a media release Johnson & Johnson said that Queensland Premier Anastacia Palaszczuk opened the collaboration which “aims to improve access to global health and medical innovation in Queensland and beyond”.

The media release said that Taiwan’s Golden Biotechnology Corp’s Miles Chen, Sydney’s Atomo Diagnostics’ Melissa Webster and Melbourne-based Eikonic’s Ingrid Rodriguez would each receive \$100,000.

Johnson & Johnson said the Quick Fire Challenge was launched in September 2015 “to inspire researchers and entrepreneurs globally to further develop transformational science to deliver novel healthcare solutions and to develop these innovations in Queensland”.

The media release said that the competition was part of the Queensland Government’s \$180 million Advance Queensland Initiative to support innovation.

Johnson & Johnson said that Mr Chen won the pharmaceuticals category for research into a new treatment for Alzheimer’s disease; Ms Webster won the medical device award for a prototype device to detect cardiac arrests and Ms Rodriguez won the consumer category for work on Australian gum disease.

GENETIC SIGNATURES

Genetic Signatures says it will launch a range of analyte specific reagents (ASRs) in the US incorporating its 3-Base technology for a range of pathogen targets.

Genetic Signatures said that US laboratories could purchase and use ASRs as building blocks to develop and validate tests for the diagnosis of infectious diseases.

The company said that laboratory-developed tests were commonly used in the US and were offered in up to 11,000 certified laboratories.

Genetic Signatures said that the ASR products would be launched at the American Society of Microbiology conference in Boston, Massachusetts, June 17 to 20, 2016, where the company would exhibit its product range.

Genetic Signatures US president Mike Aicher said the launch of the reagents was “the next logical step for Genetic Signatures after [US Food and Drug Administration] listing of our Clinical Concentrator Kit ... in August of 2015”.

Genetic Signatures chief executive officer Dr John Melki said that the US market entry strategy brought the 3-Base molecular diagnostic technology “to the majority of hospital and commercial laboratories in the US”.

Genetic Signatures was unchanged at 47 cents.

ORTHOCELL

Orthocell says it has been granted a Chinese patent for its Celgro collagen platform for soft tissue regeneration and repair applications.

Yesterday, Orthocell announced positive interim trial safety and tolerability data for the Celgro scaffold for shoulder rotator cuff tendon repair (BD: Jun 16, 2016).

Today, Orthocell said that the patent, entitled ‘Method for Producing a Collagen Membrane and Uses Thereof’ provided coverage until June 2033.

Orthocell managing-director Paul Anderson said the patent was “an important addition to our current Chinese patent covering Celgro and further strengthens our international patent position for our soft tissue reconstruction platform technology”.

Orthocell was unchanged at 34 cents.

ANTISENSE

Antisense says it is planning a 195-patient phase IIb US trial of ATL-1102 for secondary progressive multiple sclerosis.

Antisense said that it intended to submit an investigational new drug application to the US Food and Drug Administration by October 2016.

The company said an approval for a further trial “would further support the drug’s commercialization and partnering efforts”.

Antisense previously licenced ATL1102 to Israel’s Teva following statistically significant phase IIa trial results from a 72-patient trial for relapsing remitting multiple sclerosis, but Teva later returned the drug (BD: Jun 30, 2008; Mar 24, 2010).

Today, Antisense said that it was “actively pursuing potential non-dilutive funding sources and other development opportunities ... to conduct the phase IIb trial in the event the Company determines this to be the best path forward”.

The company said it had an agreement with the Boston, Massachusetts-based consulting firm Freemind which specialized in assisting life science organisations secure non-dilutive funding from US federal agencies and private foundations.

Antisense was up 0.2 cents or 5.9 percent to 3.6 cents.

AVEXA

Avexa says three more research clinics will trial its Tali technology as it introduces its use for children with developmental delay.

In February, Avexa completed the acquisition of the training attention and learning initiative (Tali) technology, which was the result of research by Monash University’s Prof Kim Cornish and a collaboration with Grey Innovation and Torus Games, developed to address the limited awareness and treatment of intellectual disabilities, including autism (BD: Oct 12, 2015; Feb 15, 2016).

Today, Avexa said that the total of five clinics specialize in treating developmental delay and would assist in the on-going development of the technology as well as increase awareness within the developmental delay community.

Avexa said that chief research officer Dr Hannah Kirk was in discussions with a further 50 centres that had indicated an interest in the technology.

The company said that following the second phase release of the beta version of the technology for trials and development in clinics this month, the first generation of the Tali technology was expected to be launched for a limited commercial release by the end of 2016, in co-operation with Grey and Torus, generating the first revenues for the company.

Avexa said that it was ready to conduct a second clinical trial of the technology having received funding from the Federal Department of Industry, Innovation and Science.

Avexa was up 0.1 cents or 4.8 percent to 2.2 cents.

BENITEC BIOPHARMA

Benitec says it has received \$3,589,535 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Benitec said the rebate related to the costs of research and development which qualified under the program and the funds would be used for its therapeutic programs in gene silencing.

Benitec was unchanged at 9.3 cents.

RESPIRI (FORMERLY ISONEA)

Respiri says its one-for-two pro-rata renounceable rights issue at three cents a share raised \$4.3 million.

Respiri said offer was 92.4 percent subscribed and was fully underwritten by Patersons Securities and the shortfall would be placed with institutional and sophisticated investors. Respiri said that chairman Leon L'Huillier met researchers in Chicago and the Israel team responsible for clinical trials and regulatory submissions.

Mr L'Huillier said that the company was "pleased with its commercialization progress including the University of Chicago research study and the regulatory submissions" to the US Food and Drug Administration and Conformité Européenne (CE) mark applications (BD: Nov 25, 2015.)

"The company is on-track to meet its timelines," Mr L'Huillier said.

Respiri said that Mr L'Huillier followed-up previous discussions with a potential major technology partner and "Respiri's first mover market advantage in detecting and measuring key asthma and chronic obstructive pulmonary disease symptoms is an important element in the partner discussions, along with our product miniaturisation and continual advances in machine learning algorithms".

Last year, the then Isona appointed its fourth chief executive officer in 12 months. The previously named Karmelsonix emerged from Salus Technologies and Premier Bionics in 2006 to develop the asthma-detecting technology developed by Prof Noam Gavriely in Haifa, Israel.

With investment from poker machines operator Bruce Mathieson, Isona's market capitalization peaked at \$194 million at September 30, 2013, with a share price above 80 cents, and after a series of board and management changes was at \$11 million at December 31, 2014 (Jan 23, 2015).

Today, Respiri was unchanged at four cents.

MEDICAL AUSTRALIA

Medical Australia says it has completed the sales of its US animal health business Medivet for a total of \$207,180.

Medical Australia said it accepted payment of \$US100,000 (\$A135,180) for the transfer of certain intellectual property to Medivet Biologics chief executive officer Jeremy Delk, in addition to \$72,000 received for its 60.5 percent shareholding in Medivet.

The company said it expected to receive greater consideration of 10 percent of the proceeds from any further sale of Medivet's assets up to \$US2,000,000, this was "unlikely to occur in the near term, and that it would be in the best interests of both parties to finalise this divestment".

Medical Australia chief executive officer Darryl Ellis said the divestment "allowed the company to return to cash flow positive trading, as demonstrated by [its] most recent Appendix 4C Quarterly Report".

Medical Australia fell 0.2 cents or 4.1 percent to 4.7 cents.

BPH ENERGY, CORTICAL DYNAMICS

BPH says investee Cortical Dynamics says the Australian Patent Office has granted a patent relating to its brain anaesthesia response (BAR) monitor.

BPH said that the patent, entitled 'Composite brain function monitoring and display system' provided protection until September, 2031.

BPH was untraded at 0.6 cents.

VIRALYTICS

BVF Partners and Mark Lampert say they have reduced their substantial holding in Viralytics from 35,964,778 shares (15.58%) to 34,604,778 shares (13.55%).

The San Francisco, California-based BVF Partners and Mr Lampert said they sold the shares between May 6 and June 15, 2016 in 28 trades with the single largest the disposal of 243,819 shares for \$241,661 or 99.1 cents share.

Last year, BVF acquired 11,032, 845 shares when Viralytics was trading around 60 to 65 cents and in 2014, BVF acquired 2,000,000 shares on-market for \$600,000 or 30 cents a share (BD: Nov 28, 2014; Jan 25, 2016)

Viralytics fell two cents or 1.8 percent to \$1.075.