



Biotech Daily

Monday September 5, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ATCOR UP 20%, NEUREN DOWN 4%**
- * **ITL \$1m QUEENSLAND METRO SOUTH I-V CONTRACT**
- * **CYNATA, FUJIFILM STEM CELL TERM SHEET; REGIENCE KK TERMINATED**
- * **REPRODUCTIVE HEALTH RAISES \$525k, RIGHTS OFFER FOR \$990k MORE**
- * **ACTINOGEN \$2.8m FEDERAL R&D TAX INCENTIVE**
- * **RACE: CARTHAGENETICS BISANTRENE 'NAMED PATIENTS' PROGRAM**
- * **NOVOGEN DIRECTOR PROF PETER GUNNING TO JOIN ADVISORY BOARD**

MARKET REPORT

The Australian stock market improved 1.06 percent on Monday September 5, 2016 with the ASX200 up 56.8 points to 5,429.6 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 12 fell, 12 traded unchanged and one was untraded.

Compumedics was the best, up two cents or 20.0 percent to 12 cents with 137,802 shares traded.

Actinogen and Opthea climbed more than 10 percent; Compumedics was up 6.15 percent; Dimerix was up 4.8 percent; Admedus, Cellmid and Living Cell were up more than three percent; Acrux, Osprey and Starpharma rose more than two percent; Clinuvel, Ellex, Reva and Viralytics were up more than one percent; with Cochlear and Resmed up by less than one percent.

Neuren led the falls, down 0.2 cents or 4.35 percent to 4.4 cents with 193,456 shares traded.

Medical Developments lost 3.8 percent; Avita shed 2.1 percent; Anteo, Factor Therapeutics, Pharmaxis, Polynovo and Universal Biosensors were down more than one percent; with Airxanders, CSL, Mesoblast, Pro Medicus and Sirtex down by less than one percent.

ITL

ITL says it has a contract worth more than \$1 million a year to supply Queensland's Metro South Hospital and Health Service with its 'class 3 intra-venous starter kit'.

ITL says its Healthcare division won the new one-year contract with two one-year extensions with Queensland's Metro South Hospital and Health Service to supply the class 3 intra-venous starter kit that reduces the risk of acquiring a blood stream infection during cannulation.

The company said the kit had been mandated in the Western Australia public health system and would be implemented across Metro South Health Queensland which was the major provider of public health services in the Brisbane south side, Logan, Redlands and Scenic Rim regions.

ITL said that Metro South employ provided specialist health care to a population of more than one million people.

ITL executive chairman Bill Mobbs said that the contract for the intravenous starter kit was "a great achievement by ITL Healthcare".

"The division's products are attracting attention across the country and we look forward to being able to announce further contract wins as their hard work continues to bear fruit," Mr Mobbs said.

ITL was up half a cent or 2.5 percent to 20.5 cents.

CYNATA THERAPEUTICS

Cynata says it has a term sheet with Japan's Fujifilm Corp for the development and commercialization of its technology, including lead product CYP-001.

Cynata said it had terminated a \$400,000 preliminary development and commercialization agreement with Regience KK (BD: Dec 3, 2015; Mar 3, 2016).

In June, Cynata said the agreement provided 60-days for Regience to make an initial investment of \$250,000 for Cynata shares, at a 25 percent premium to the 10-day volume weighted average price and subject to a 12-month escrow and the agreement had been extended for a further 60 days with a \$400,000 investment (BD: Jun 30, 2016).

Today, Cynata said it expected to finalize a definitive agreement with Fujifilm for the technology including the "lead induced pluripotent stem cell-derived therapeutic mesenchymal stem cell product CYP-001" by the end of 2016.

The company said that it expected to grant Fujifilm an option to an exclusive, worldwide licence to market and sell CYP-001 for the prevention and treatment of graft-versus-host disease, as well as an option to negotiate a licence for manufacturing those products and certain rights to its proprietary Cymerus technology for the prevention and treatment of other diseases.

Cynata said that the term sheet anticipated that Fujifilm would buy \$US3 million of its shares priced at a 35 percent premium to the six-month volume-weighted average price to September 2, 2016.

The company said it expected upfront and milestone payments, together with a royalty on end-product sales.

Cynata chief executive officer Dr Ross Macdonald said the company was "delighted to execute this term sheet with Fujifilm, one of the most dynamic and progressive companies in the global regenerative medicine space".

"The proposed acquisition by Fujifilm of shares in Cynata at a substantial premium is a strong vote of confidence in Cynata's unique technology and we look forward to closing the definitive agreement in the near future," Dr Macdonald said.

Cynata climbed 4.5 cents or 12.2 percent to 41.5 cents with 1.5 million shares traded.

REPRODUCTIVE HEALTH SCIENCE

Reproductive Health says it has raised \$525,000 in a placement at 7.5 cents a share and will offer an underwritten rights issue for \$990,000

Reproductive Health said that Taylor Collison had conducted the placement and had fully-underwritten the one-for-five, non-renounceable rights issue.

The company said that the proceeds would be used for general business and commercial opportunities including its whole genome amplification product Doplify, resourcing the pre-implantation genetic screening services using its Embryocellect and Next Generation Sequencing products and working capital and operating cost requirements.

Reproductive Health said that the record date would be September 12, the offer would open on September 15 and close on September 29, 2016.

Reproductive Health fell 1.5 cents or 15.8 percent to eight cents.

ACTINOGEN

Actinogen says it has received \$2,784,312 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Actinogen said the rebate related to research and development expenditure for the year to June 30, 2016.

Actinogen was up 0.6 cents or 10.9 percent to 6.1 cents.

RACE ONCOLOGY

Race says that the Lausanne, Switzerland-based Carthageneics will distribute and sell Bisantrene under its European named patient program.

Race has previously said that Bisantrene was a phase II/III drug previously trialled on more than 2,000 patients, which showed it did not have the cardiac toxicities of other anthracycline drugs used as chemotherapy agents for cancer and it had been approved in France for acute myeloid leukaemia (BD: Aug 27, 2015).

Race said that Carthageneics would be responsible for market development and awareness of Bisantrene prior to the launch and for all regulatory approvals, as well as storage, distribution, invoicing, sales and customer service and Race would pay Carthageneics for certain fixed monthly costs and a commission on sales.

Race was up half a cent or 2.1 percent to 24.5 cents.

NOVOGEN

Novogen says it has appointed a four member scientific advisory board to provide guidance to the development of its oncology programs.

Novogen said that Prof Peter Gunning had retired as a non-executive director and would join the scientific advisory board along with the New York-based Sloan Kettering Cancer Centre's Prof Murray Brennan, former Millennium Pharmaceuticals chief medical officer Dr Karen Ferrante and the Singapore-based Experimental Therapeutics Centre chief executive officer Prof Alex Matter.

Novogen was unchanged at 10.5 cents.