



Biotech Daily

Friday October 28, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN: CLINUVEL UP 27%; ADMEDUS DOWN 6%**
- * **MEDICAL DEVELOPMENTS, CSIRO UNDISCLOSED DRUGS DEAL**
- * **IDT SELLS CMAX TRIALS BUSINESS TO JAPAN'S I'ROM FOR \$14m**
- * **BURNET PROGRAM-LED STRATEGIC BLUEPRINT**
- * **NEUREN OPTIONS RAISE \$930k**
- * **ANTEO, ELLUME COLLABORATE ON POINT-OF-CARE DIAGNOSTICS**
- * **OVENTUS SNORING, SLEEP APNOEA DEVICES AT 1300SMILES**
- * **US PATENT FOR STARPHARMA PRIOSTAR GLYPHOSATE**
- * **IMMURON RECRUITS 101 OF 120 IMM-124E FATTY LIVER PATIENTS**
- * **ATCOR 24% OPPOSE DIRECTOR DAVID BROOKES**
- * **OBJ 34% OPPOSE 10% PLACEMENT FACILITY**
- * **DORSAVI 900k CEO PERFORMANCE RIGHTS AGM**
- * **CELLMID TAKES CAPITAL RAISING TRADING HALT TO SUSPENSION**
- * **DR DAVID THURIN, DALIT, DILUTED BELOW 5% OF BENITEC**
- * **DORSAVI'S VISAFE WINS TWO LONDON GONGS**

MARKET REPORT

The Australian stock market fell 0.22 percent on Friday October 28, 2016 with the ASX200 down 11.66 points to 5,283.8 points. Sixteen of the Biotech Daily Top 40 stocks were up, 15 fell, seven traded unchanged and two were untraded.

Clinuvel was the best on no news, up \$1.94 or 26.8 percent to \$9.19 cents with 30,888 shares traded. Dimerix climbed 11.1 percent; Medical Developments was up 9.7 percent; Factor rose 8.6 percent; IDT was up seven percent; Anteo, Oncosil and Opthea improved five percent or more; Cyclopharm and Starpharma were up more than three percent; Nanosonics rose 2.65 percent; Bionomics, Compumedics, Impedimed and Reva were up more than one percent; with Cochlear and Pro Medicus up by less than one percent.

Admedus led the falls, down 2.5 cents or 6.25 percent to 37.5 cents with 2.5 million shares traded. Actinogen, Benitec, Neuren and Uscom fell four percent or more; Avita and Living Cell lost more than three percent; Airxpanders, Orthocell and Viralytics shed more than two percent; Acrux, Polynovo, Resmed and Universal Biosensors were down more than one percent; with CSL, Ellex and Sirtex down by less than one percent.

MEDICAL DEVELOPMENTS INTERNATIONAL COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

Medical Developments says it has signed a “major deal” with the Commonwealth Scientific and Industrial Research Organisation on the rights to several undisclosed drugs. Medical Developments said it would conduct a research and development program into new manufacturing technologies for pharmaceutical products with the CSIRO, with final documentation expected to be completed by December 31, 2016.

Medical Developments chief executive officer John Sharman said the company was “delighted to extend our partnership with the CSIRO to develop the next generation of manufacturing technology for pharmaceuticals”.

“We are focusing our efforts on a number of very large pharmaceutical therapeutic markets where we hope to manufacture existing pharmaceutical products for a fraction of the price,” Mr Sharman said.

“If successful, we expect the suite of manufacturing technologies created to be extremely valuable,” Mr Sharman said.

“We will use the knowledge gained from the development of our new Pentrox manufacturing technology [developed with the CSIRO] to create patentable intellectual property,” Mr Sharman said.

CSIRO Biomedical Manufacturing Group director Dr Paul Savage said the organization was “delighted to partner with Medical Developments International to develop this new technology”.

“We have already proven our case in terms of the manufacturing technology for Pentrox,” Dr Savage said.

“We are confident it can be extended to other medical products and that, with sufficient resources, our partnership with [Medical Developments] can develop new technologies relating to some of the largest pharmaceutical products in the world,” Dr Savage said.

“If we’re successful, CSIRO stands to generate significant royalty revenue through its partnership,” Dr Savage said.

Medical Developments was up 47 cents or 9.7 percent to \$5.33.

IDT AUSTRALIA

IDT says it will sell its Adelaide Cmax clinical trial business to the Tokyo, Japan-based company Irom Group for a minimum of \$14 million in a staged transaction.

IDT said the sale was subject to conditions including the establishment of Cmax into a new company, of which Irom initially would initially acquire 61 percent and IDT would jointly manage the business.

IDT said it would receive an initial cash payment of \$10 million for the 61 percent of Cmax, with the balance of \$4 million for the remaining 39 percent of Cmax, payable at Irom’s election in cash or a combination of cash and forgiveness of IDT shares, as well as a potential earn-out provision based on Cmax exceeding a specified revenue target for the year to June 30, 2017.

The company said that an additional payment might become payable in the event that Cmax achieves additional revenues linked to a milestone by June 30 2018.

IDT chief executive officer Dr Paul MacLeman said that Cmax had recently moved to a new purpose-built clinical trial facility and the business was “in great shape”.

“This transaction effectively simplifies IDT’s core business and provides us with the focus and resources to drive IDT’s strategic move into specialty generics,” Dr MacLeman said.

IDT was up 1.5 cents or seven percent to 23 cents with two million shares traded.

THE BURNET INSTITUTE

The Burnet Institute says it will move its focus to maternal and child health, disease elimination, behaviours and health risks, health security and healthy ageing.

The Institute said that its Burnet 2020 strategic blueprint would transform it into “a program-led organisation where interdisciplinary health programs will be at the heart of daily decision-making”.

Burnet director and chief executive officer Prof Brendan Crabb said Burnet 2020 would “more effectively harness the Institute’s unique breadth, diversity and skill base to help develop creative and effective solutions to ambitious goals through new research”.

“Burnet Institute can make a greater impact on the health of vulnerable communities and health globally by harnessing our remarkable breadth to identify novel solutions to complex health problems,” Prof Crabb said.

“We believe that every person in the world has an equal right to basic healthcare,” Prof Crabb said. “To achieve this for the world’s most neglected people requires both commitment and innovation.”

NEUREN PHARMACEUTICALS

Neuren says it has raised \$929,500 through the exercise of its last outstanding options prior to expiry.

Neuren said that 57 million options were exercised at 1.3 cents each and 5 million options were exercised at 3.77 cents each, most of which were held by its largest shareholder, Langley Walker.

The company said it had 1,842 million shares on issue, including 50 million unquoted shares, of which 30 million at 9.2 cents cover a loan of \$2,760,000 and 20 million at 8.2 cents each cover a loan of \$1,640,000.

Neuren said the repayment of the loans would provide additional cash funding.

Neuren fell 0.2 cents or 4.4 percent to 4.3 cents.

ANTEO DIAGNOSTICS

Anteo says it has a long-term supply deal with Ellume Pty Ltd for a quantum dot detection system combining nano-technology and opto-electronics for immunoassays.

Anteo said that the undisclosed commercial arrangement would see Ellume use its Mix&Go molecular glue technology across Ellume’s suite of pipeline products, with the first product to be an influenza test to be released to the professional market in 2017, followed by respiratory syncytial virus, group A streptococcus and chlamydia tests.

The company said that it had worked with the Brisbane-based Ellume in the early stages of quantum dot enablement to deliver a customized formulation of its metal-ion based nanometre-thin chemistry.

Anteo chief operating officer Tamara Mills said that Anteo’s technology had “delivered a strong technical proposition and commercial solution for Ellume”.

“We believe Anteo’s platform technology is well placed to enable the next wave of breakthrough [point-of-care] technologies, particularly as the limitations of the traditional biomolecule coupling methods struggle to meet the demands associated with nano-technology,” Ms Mills said.

Ellume managing-director Dr Sean Parsons said that Anteo technology “forms an important layer in our proprietary quantum-dot based technology and we are pleased to have entered into this long-term agreement”.

Anteo was up 0.3 cents or 5.8 percent to 5.5 cents with 1.8 million shares traded.

OVENTUS MEDICAL

Oventus says the dental franchise 1300Smiles will provide its products to treat snoring and obstructive sleep apnoea.

Oventus said that 1300Smiles owned and operated dental facilities in more than 20 sites in Queensland, New South Wales and South Australia.

Oventus chief executive officer Neil Anderson told Biotech Daily that the agreement “would allow a large number of dentists to be trained in the use of and delivery of our devices at the same time, rather than approaching individual clinics”.

Oventus was up five cents or 6.9 percent to 77 cents.

STARPHARMA HOLDINGS

Starpharma says the US Patent Office has allowed a patent for its Priostar glyphosate formulation.

Starpharma chief executive officer Dr Jackie Fairley told Biotech Daily that the patent was entitled ‘PEHAM Dendrimers for Use in Agriculture’ providing coverage to October 26, 2030 with the potential for additional term adjustment.

Dr Fairley said that Peham was an acronym for poly-ether-hydroxyl-amine,

In a media release the company said that the patent added further value to the Priostar patent portfolio which comprised granted patents in the US, Europe, and China.

Starpharma said that Priostar-enhanced glyphosate formulations delivered improved weed control capabilities compared to standard marketed formulations of glyphosate, particularly in hard to kill weeds, with a demonstrated faster knock-down of weeds.

The company said that glyphosate was the active ingredient in Roundup and was the world’s most widely used herbicide with 2014 global sales of \$US5.7 billion.

Starpharma said it had Priostar partnerships with a number of partners to enhance agricultural formulations, including with Adama for a Priostar improved 2,4-D formulation for the US market.

Starpharma was up 2.5 cents or 3.55 percent to 73 cents with 1.3 million shares.

IMMURON

Immuron says its phase II trial of IMM-124E for non-alcoholic steato-hepatitis, or fatty liver disease has randomized 101 or the targeted 120 patients.

Immuron said it hoped to randomize all 120 patients in the US, Australia and Israel by the end of this year (BD: May 25, 2016).

Immuron fell 5.5 cents or 15.5 percent to 30 cents.

ATCOR MEDICAL

Atcor’s two resolutions were passed by its annual general meeting but with 10,690,630 votes (24.0%) opposed of the re-election of director David Brookes.

Atcor said that there were 33,887,118 votes (76.0%) in favor of Mr Brookes, with 16,955,441 votes left “open” and 20,544 votes abstaining.

The remuneration report was passed by a wider margin with 5,195,467 votes (12.1%) against and 37,858,308 votes (87.9%) in favor.

Atcor’s most recent Appendix 3B new issue announcement said it had 204,680,539 shares on issue, meaning that the votes against Mr Brookes amounted to 5.2 percent of the company, sufficient to requisition extraordinary general meetings.

Atcor was unchanged at 9.3 cents.

OBJ

OBJ faced significant dissent over the 10 percent placement capacity with 214,984,179 votes (34.4%) opposed and 410,823,276 votes (65.6%) in favour.

The remuneration report was passed easily with 487.4 million votes in favor and 52.2 million votes against, with director D Chris Quirk re-elected and a prior issue of securities, passed by a similar margin.

OBJ's most recent Appendix 3B new issue announcement said it had 1,774,857,109 shares on issue, meaning that the votes against the placement capacity amounted to 12.2 percent of the company, sufficient to requisition extraordinary general meetings.

OBJ was up half a cent or seven percent to 7.6 cents with 2.1 million shares traded.

DORSAVI

Dorsavi will vote to issue chief executive officer Dr Andrew Ronchi 900,000 free "performance rights" vesting in four tranches.

Dorsavi said that the first three tranches of 150,000 rights each would vest pending key performance indicator hurdles and the fourth tranche of 450,000 rights would vest 36 months from grant.

The company said that shareholders would vote on the remuneration report, to re-elect directors Dr Michael Panaccio and Ashraf Attia, approve the employee share plan and the 10 percent placement capacity.

The meeting will be held at Pitcher Partners, Level 19, 15 William Street, Melbourne on November 29, 2016 at 10am (AEDT).

Dorsavi fell half a cent or 1.2 percent to 42.5 cents.

CELLMID

Cellmid has requested a voluntary suspension to follow the trading halt requested on October 26, pending an announcement "in relation to a proposed capital raising that is material to the company's business". (BD: Oct 26, 2016).

Cellmid last traded at 3.3 cents.

BENITEC BIOPHARMA

Dalit Pty Ltd says it has increased its holding in Benitec but been diluted from 5,780,497 shares (5.78%) to 7,599,140 (4.32%).

On Monday, Benitec issued 29,305,819 shares to Nant Capital as part of its collaboration with Nantventures on a phase II gene-silencing asset for a solid tumor-based indication (BD: Oct 24, 2016).

The substantial shareholder notice, signed by director Dr David Thurin, said that on April 15, 2014, Dalit acquired 432,243 shares for \$462,500 or \$1.07 a share and on August 21, 2015, acquired a further 1,386,400 shares for \$US638,437 (then \$A617, 247) or 44.5 cents a share, and along with shares held by Tigcorp Nominees the total holding was diluted on October 24, 2016.

The Toorak, Melbourne-based Dalit and Dr Thurin became substantial in Benitec in the 2013 placement at 27.5 cents (BD: Jul 24, 2013).

Dr David Thurin is the owner of property development company Tigcorp and was a director of Baker IDI and the Melbourne Football Club.

Benitec fell half a cent or 4.35 percent to 11 cents.

DORSAVI

Dorsavi says its Visafe wearable sensor system has won software innovation of the year and health and safety product of the year at the London Construction Awards.

Dorsavi said that the Visafe workplace product won both categories at the London Build 2016 Expo.

Dorsavi head of European sales and operations Zoe Whyatt said that “being selected as winners in these two categories, from more than 100 entrants in each category, further confirms that we have a solution that the market needs and values”.