

Biotech Daily



Friday November 4, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: FACTOR THERA UP 5%, PRANA DOWN 13%**
- * **MALTA'S NEUROTECH \$7m IPO FOR BRAIN DISORDER PRODUCTS**
- * **ASIC STOPS TW HOLDINGS, AUSCANN PROSPECTUS**
- * **MAYNE 'COOPERATING WITH US JUSTICE ON DORYX INVESTIGATION'**
- * **MEETING PAPER BACKS ATCOR SPHYGMOCOR FOR HEART FAILURE**
- * **ALLAN GRAY REDUCES TO 13% OF ACRUX**
- * **OTTO BUTTULA, WEBINVEST DILUTED BELOW 5% OF IMUGENE**
- * **DIMERIX LOSES DIRECTOR DR ELIZABETH JAZWINSKA AHEAD OF AGM**
- * **DATA61 CONNECTS MELBOURNE MEDTECH STUDENTS, JOBS**
- * **BIONOMICS, MSD NEUROSCIENCE SYMPOSIUM**

MARKET REPORT

The Australian stock market fell a further 0.86 percent on Friday November 4, 2016 with the ASX200 down 44.8 points to 5,180.8 points. Eight of the Biotech Daily Top 40 stocks were up, 24 fell, seven traded unchanged and one was untraded.

Factor Therapeutics was the best, up 0.3 cents or 4.8 percent to 6.5 cents with 674,409 shares traded. Actinogen, Neuren and Orthocell rose more than two percent; Atcor, Avita and Compumedics were up more than one percent; with CSL and Cyclopharm up by less than one percent.

Prana led the falls, down 0.8 cents or 12.7 percent to 5.5 cents with 1.3 million shares traded, followed by IDT down 11.6 percent to 19 cents with 3.25 million shares traded and Oncosil down 11.4 percent to 9.3 cents with 1.3 million shares traded.

Prima and Osprey lost five percent or more; Admedus fell 4.05 percent; Acrux, Benitec, Cellmid and Pro Medicus were down three percent or more; Ellex shed 2.8 percent; Bionomics, Clinuvel, Medical Developments, Mesoblast, Pharmaxis, Polynovo, Resmed and Reva were down more than one percent; with Airxpanders, Cochlear, Genetic Signatures, Nanosonics, Opthea, Sirtex and Starpharma down less than one percent.

NEUROTECH INTERNATIONAL

Neurotech opened on the ASX under the code NTI, up 5.5 cents or 27.5 percent from its initial public offer price of 20 cents to market brain disorder products.

The Malta-based Neurotech said it raised \$7 million from professional and institutional investors, with an indicative market capitalisation of \$17.6 million.

The company said that Azure Capital was the lead manager and corporate adviser.

Neurotech said that through its wholly-owned Malta-based subsidiary AAT Research, it provided regulated medical products for the management of neurological disorders including autism spectrum disorder, epilepsy, anxiety and depression.

The company said its first product was Mente Autism, a clinical-quality electro-encephalogram (EEG) device that uses neuro-feedback technology to help children with autism spectrum disorder.

Neurotech said that Mente Autism was designed for home use and helped “relax the minds of children on the spectrum which in turn helps them to focus better and engage positively with their environment”.

The company said it had a distribution agreement for Mente Autism in Italy for the purchase of a minimum of 8,700 units over the next three years.

Neurotech closed up 8.5 cents or 42.5 percent at 28.5 cents with 6.1 million shares traded.

AUSCANN GROUP, TW HOLDINGS

TW Holdings says that the Australian Securities and Investments Commission has issued an interim stop order for its October 21, 2016 prospectus.

TW Holdings said that ASIC “raised some concerns in relation to disclosure in the prospectus”.

The company said it was “working to address these concerns with a view to resolving them as soon as possible”.

“While the interim stop order remains in place, the company will make no offers, issues, sales or transfers of shares under the prospectus.

The prospectus filed under the TW Holdings ASX code of TWHDC on October 21, 2016, said the company hoped to raise between \$3 million and \$5 million at 20 cents a share, with a further 47,885,925 shares and 9,214,392 performance shares for Auscann shareholders, 14,521,228 shares and 2,794,231 performance rights to the advisors, 150,000 options to directors and 7,677,639 options to Canopy.

All resolutions to an October 31 meeting were passed and the 20-to-one consolidation had been completed.

In March and May, Auscann said it would backdoor list into TW Holdings and acquire medical cannabis intellectual property and know-how from Canada’s Canopy Growth Corp (BD: May 9, 2016).

In a media release in March 2016, TW said that it would raise at least \$2.5 million or another agreed minimum and conduct a one-for-20 consolidation for the transaction.

Auscann managing-director Elaine Darby told Biotech Daily that Auscann had \$3.2 million in cash for its medical cannabis program.

Ms Darby’s brother and Auscann adviser Dr Stewart Washer told Biotech Daily that Auscann would acquire the Canopy intellectual property, methods of production and commercialization pathway for medicinal cannabis, in return for 15 percent of Auscann.

Ms Darby’s and Dr Washer’s father and former Liberal Party Member of the House of Representative Dr Mal Washer is the non-executive chairman of Auscann.

TW was suspended at 24 cents.

MAYNE PHARMA GROUP

Mayne Pharma says it is co-operating with a US Department of Justice investigation into the marketing, pricing and sales of select generic products.

Mayne Pharma said today that it had previously disclosed the investigation, which was at the bottom of page 21 of a 40 page investor presentation and one of four announcements not related to the Department of Justice investigation, but Mayne announcing the acquisition of 37 approved products and five filed products from Teva for \$US652 million (\$A880.7 million) (BD: Jun 28, 2016).

Today, the company said that the investigation relating to Mayne Pharma was “focused on [Doryx] doxycycline hyclate delayed-release tablets (generic) and potassium chloride powders”.

“Contrary to an inaccurate statement made in the US press overnight, Mayne Pharma has previously stated that it is cooperating with the [Department of Justice] in its investigation and continues to do so,” the company said.

Mayne said it “continues to believe these investigations will not have a material impact on its future earnings”.

“However, no assurance can be given as to the timing or outcome of the investigation,” the company said.

At the bottom of page 21 of the 40 page presentation on June 28, Mayne said it was “one of numerous generic companies to receive a subpoena from the Antitrust Division of US Department of Justice (“DOJ”) in the last two years seeking information relating to the marketing, pricing and sales of select generic products”.

“Mayne Pharma has more recently received a subpoena from the Office of the Attorney General in the State of Connecticut seeking similar information,” the company said.

“Based on currently available information, Mayne Pharma does not believe these investigations will have a material impact on its future earnings,” Mayne said in June.

A spokesperson for Mayne told Biotech Daily that the US Department of Justice investigation was also mentioned in the company’s 88-page annual report, which included a note that it had spent \$1,255,000 on the legal case to June 30, 2016 and a restatement of the June 28 note.

According to Bloomberg Markets: “US prosecutors are bearing down on generic pharmaceutical companies in a sweeping criminal investigation into suspected price collusion, a fresh challenge for an industry that’s already reeling from public outrage over the spiralling costs of some medicines”.

“The antitrust investigation by the Justice Department, begun about two years ago, now spans more than a dozen companies and about two dozen drugs, according to people familiar with the matter,” Bloomberg reported. “The grand jury probe is examining whether some executives agreed with one another to raise prices and the first charges could emerge by the end of the year, they said.”

“Though individual companies have made various disclosures about the inquiry, they have identified only a handful of drugs under scrutiny, including a heart treatment and an antibiotic,” Bloomberg said. “Among the drug-makers to have received subpoenas are industry giants Mylan NV and Teva Pharmaceutical Industries Ltd. Other companies include Actavis, which Teva bought from Allergan Plc in August, Lannett Co., Impax Laboratories Inc., Covis Pharma Holdings Sarl, Sun Pharmaceutical Industries Ltd., Mayne Pharma Group Ltd., Endo International Plc’s subsidiary Par Pharmaceutical Holdings and Taro Pharmaceutical Industries Ltd.”

“All of the companies have said they are cooperating except Covis, which said last year it was unable to assess the outcome of the investigation,” Bloomberg reported.

Mayne fell 26.5 cents or 15.5 percent to \$1.44 with 60.0 million shares traded.

ATCOR MEDICAL HOLDINGS

Atcor says that a Massachusetts Institute of Technology's presentation highlights the importance of its Sphygmocor central blood pressure assessment.

Atcor says that the Institute's Dr Eyal Ben-Assa and Dr Elazer Edelman presented a paper entitled 'The Role of Non-invasive Central Aortic Pressures in Cardiovascular Disease' at the Transcatheter Cardiovascular Therapeutics conference in Washington, DC, October 28 to November 2, 2016 "highlighting the clinical value of non-invasively measuring the central aortic blood pressure waveform for cardiovascular disease management, particularly in heart failure prediction and treatment, noting that central pressure contributes to better patient evaluation and non-invasive measurements were easy to perform and were well validated".

"Non-invasive central pressure waveform analysis provides important physiological information to inform and optimize patient management across a broad spectrum of therapeutic areas," Dr Edelman said.

"Our research using the Sphygmocor system is designed to inform and expand the clinical potential of this technology beyond its current clinical use in advanced hypertension management," Dr Edelman said.

Atcor was up 0.1 cents or 1.1 percent to 9.2 cents.

ACRUX

Allan Gray Australia has reduced its substantial holding in Acrux from 24,010,724 shares (14.42%) to 22,300,676 shares (13.39%).

Allan Gray said that between September 26 and November 2, 2016 it bought and sold shares, with the single largest sale 747,431 shares for \$256,025 or 34.3 cents a share.

Acrux fell one cent or three percent to 32.5 cents.

IMUGENE

Webinvest said it has increased its holding but has been diluted in Imugene from 86,800,000 shares (5.01%) to 108,133,333 shares (4.99%).

The Ashgrove East, Queensland-based Webinvest's director Otto Buttula said that the 21,333,333 shares were acquired in for \$160,000 or 0.75 cents each in Imugene's placement which raised \$3.2 million (BD: Oct 21, 2016).

Mr Buttula resigned as an Imugene director on December 17, 2015.

Imugene was up 0.1 cents or 11.1 percent to one cent.

DIMERIX

Dimerix says that director Dr Elizabeth Jazwinska has resigned with immediate effect.

Dimerix said that Dr Jazwinska joined the board in December 2015 to assist in changes, but had returned to live in Melbourne and decided to resign and her re-election resolution in the notice of annual general meeting for today November 4, 2016 had been withdrawn.

Dimerix was unchanged at 0.9 cents.

[DATA61](#)

Data61 says that several industry organizations will host a “speed-networking industry and student event” for Melbourne’s medical technologies sector on November 24, 2016.

Data61’s researchers in business information technology platform (Ribit) platform co-ordinator Nicola Gracey told Biotech Daily that the November 24 “Medtech Mingle Melbourne is a unique event for innovative company and start-ups to speed-date some of Victoria’s best and brightest students for future work opportunities”.

Ms Gracey said that businesses would have the opportunity to provide a 30-second pitch to the room and meet dozens of students.

Data61 said it was a collaboration between CSIRO’s Digital Productivity business unit and the National Information and Communications Technology Australia (NICTA) and the event was co-hosted by the Medical Technologies and Pharmaceuticals Growth Centre (MTPConnect), the Medical Technology Association of Australia and others.

Data61 said that more than 150 students including undergraduates, postgraduates and doctoral students studying biomedical and software engineering, mathematics, science and business from six Victorian universities had registered to attend.

“The goal is to enable businesses to build their future talent pipeline and meet as many students as possible who may be suitable for future employment,” Ms Gracey said.

“For students, they gain interview skills, practice making connections, build valuable industry contacts for the future, as well as get a job,” Ms Gracey said.

Medtech Mingle Melbourne will be held on Thursday, November 24, 2016, from 5.30-8pm at Building 55, Advanced Manufacturing Precinct, 58 Cardigan Street, Carlton.

To attend, register at: <https://goo.gl/forms/zpnWAchk8hySmz0B3>.

[BIONOMICS, MERCK SHARP AND DOHME](#)

Bionomics says that with Merck Sharp and Dohme it will co-host a one-day neuroscience symposium in Adelaide on Monday November 7, 2016.

Bionomics said that the symposium, entitled ‘At the Frontiers in Neuroscience Research: Memory, Movement and Mood’ was the fourth annual Bionomics and Merck Sharp and Dohme (Merck Inc in the US) symposium and would be the biggest to date with more than 210 registrations.

The company said that attendees included researchers, medical personnel and patient support groups as well as investors and life science analysts.

Bionomics said the event at Crowne Plaza Hotel, Hindmarsh Square, Adelaide with free registration by emailing Lauren Nicotra at: lnicotra@bionomics.com.au.

Bionomics fell half a cent or 1.4 percent to 35 cents.