



# Biotech Daily

Thursday May 11, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX FLAT, BIOTECH UP: DIMERIX, IDT UP 8%, ITL DOWN 8%**
- \* **COCHLEAR BUYS SYCLE AUDIOLOGY SOFTWARE FOR \$106m**
- \* **AVITA CHALLENGES RENOVACARE CELL SPRAY US PATENT**
- \* **DORSAVI SIGNS SNOWY HYDRO FOR VISAFE ASSESSMENTS**
- \* **QUEENSLAND \$300k FOR PARADIGM PPS ROSS RIVER VIRUS TRIAL**
- \* **AUSTRALIAN PATENT FOR ANALYTICA'S PERICOACH**
- \* **INVITROCUE TELLS ASX IT HOPES TO PLACE \$700k**
- \* **CRESO SIGNS LEAFCANN TO SUPPLY CANNABIS, HEMP PRODUCTS**
- \* **AUSTRALIAN ETHICAL TAKES 7% OF ELLEX**
- \* **MGC APPOINTS FOUNDER, DIRECTOR, CTO ROBY ZOMER CEO**
- \* **ONCOSIL RECRUITS SECOND PANCREATIC CANCER PATIENT**

## MARKET REPORT

The Australian stock market edged up 0.05 percent on Thursday May 11, 2017 with the ASX200 up 2.9 points to 5,878.3 points. Sixteen of the Biotech Daily Top 40 stocks were up, 13 fell, nine traded unchanged and two were untraded.

Both Dimerix and IDT climbed 7.7 percent to 0.7 cents and 14 cents, respectively, with 1,000,000 shares and 5,416 shares traded, respectively. Cyclopharm was up 7.3 percent; Living Cell and Universal Biosensors improved more than four percent; Cellmid and Compumedics were up more than three percent; Actinogen, Ellex, Polynovo and Starpharma rose more than two percent; Bionomics, Osprey and Psivida were up more than one percent; with CSL, Impedimed, Pro Medicus and Resmed up less than one percent.

ITL led the falls, down 5.5 cents or 8.3 percent to 60.5 cents with 205,871 shares traded. Benitec lost 8.1 percent; Admedus, Nanosonics and Prana fell three percent or more; Medical Developments, Opthea and Reva shed more than two percent; Avita, Neuren and Sirtex were down more than one percent; with Clinuvel, Cochlear and Mesoblast down less than one percent.

## COCHLEAR

Cochlear says it will buy audiology software company Sycle LLC for about \$US78 million (\$A106 million), with \$US56 million in cash and the balance based on performance.

Cochlear said that the San Francisco, California-based Sycle was “the world’s largest provider of audiology practice management software” used by more than 7,000 clinics, with more than 20,000 hearing professionals in the US, UK and Canada.

The company said that the acquisition was debt free and would be funded from existing debt facilities.

Cochlear said that with about 80 employees, Sycle had about 70 percent of the US market share and its technology was an internet ‘cloud’ based practice management product “valued for its simplicity and ease of use” integrating patient clinical data, financing, reimbursement and marketing campaigns, allowing hearing professionals to spend more time with their patients and less time on administrative overhead”.

Cochlear chief executive officer Chris Smith said the acquisition was “a strategic investment that will strengthen Cochlear’s service offering to our clinical partners”.

“Sycle offers a market-leading practice management solution with a product suite that can be expanded to provide a solution for cochlear implant clinics,” Mr Smith said.

“This acquisition will enable our partners to enhance clinic efficiency, freeing up more time to deliver patient care,” Mr Smith said. “We are also excited by the opportunity to strengthen the relationship between the hearing aid and cochlear implant channels.”

Cochlear said that the Minneapolis, Minnesota-based Piper Jaffray & Co was the financial advisor on the transaction.

Cochlear fell \$1.39 or 0.9 percent to \$147.11 with 281,428 shares traded.

## AVITA MEDICAL

Avita says it has filed an inter partes review with the US Patent Trial and Appeal Board against US patent 9,610,430 owned by New York’s Renovacare Sciences Corp.

According to the US Patent and Trademark Office website the patent, entitled ‘Cell spraying device, method and sprayed cell suspension’ was invented by Reinhard Bornemann, filed on December 20, 2013 and granted on April 4, 2017.

The USPTO abstract said that the invention “provides a device and methods suitable for producing a cellular spray of cells”.

“The sprayed cells are of interest for covering and growing on a surface, including a skin wound,” the abstract said. “In applying the method and/or using the device, cells for grafting onto a patient are dispersed in a solution and sprayed with the device for distribution over the recipient’s graft site.”

The patent application cites two articles by Avita’s Recell inventor Dr Fiona Wood, the co-founder of Avita’s predecessor company Clinical Cell Culture.

Avita said that claims in the patent were unpatentable and should be cancelled.

The company said the US Patent Trial and Appeal Board had accepted the petition and would decide whether the case should come to trial.

Avita said the review process allowed a petitioner to challenge the validity of a patent by looking at prior art consisting of patents and printed publications.

Avita chief executive officer Adam Kelliher said the company had “presented a very strong rationale ... as to why this patent should never have been issued, and thus, we respectfully request that all claims in the ‘430 patent should be cancelled”.

“Avita is a pioneer in the regenerative medicine arena, and we are very protective of our intellectual property rights,” Mr Kelliher said.

Avita fell 0.1 cents or 1.1 percent to 8.8 cents.

## DORSAVI

Dorsavi says that Snowy Hydro will undertake an extensive program of movement assessments using its wearable sensor Visafe system.

Dorsavi said that the information captured through the Visafe sensor technology would be used by Snowy Hydro “to better understand the movement profiles associated with the civil and maintenance roles, and to modify plant and equipment as needed”.

The company said that Snowy Hydro was an integrated energy business with 16 power stations generating capacity across New South Wales, Victoria and South Australia.

Dorsavi said that Snowy Hydro would use the data from civil and maintenance workers at the Cabramurra, New South Wales site to inform its health and safety strategy, lower the risk of workplace injury and improve the health and safety of their employees.

Snowy Hydro health manager Natalie Boehm said that managing musculoskeletal risk was “a high priority for Snowy Hydro”.

“This technology allows us to not only understand the risk, it also allows us to verify the controls implemented,” Ms Boehm said. “The assessment process itself raises awareness about musculoskeletal risk and the staff involvement in the data collection further increases engagement in the project.”

Dorsavi fell one cent or three percent to 32 cents.

## PARADIGM BIOPHARMACEUTICALS

Paradigm says that with Griffith University it has received a Queensland Government grant of \$300,000 for work on pentosan polysulfate sodium (PPS) for Ross River virus.

Paradigm said it had been working with the University’s Institute of Glycomics since September 2016 after preclinical studies showed that PPS “alleviated the severity of alphavirus infections” which included Ross River and chikungunya viruses, with the key outcome reduced joint inflammation and joint cartilage protection.

The company said it expected ethics approval and first dosing in a 24-patient, double-blinded, phase IIa trial of PPS for Ross River virus by July 2017.

Paradigm chief executive officer Paul Rennie said the Queensland Government grant “provides important non-dilutive funding so that we can accelerate our Ross River virus biomarker research with the Institute”.

Paradigm was up 1.5 cents or 2.9 percent to 53.5 cents.

## ANALYTICA

Analytica has been granted an Australian patent protecting its intra-vaginal Pericoach system for pelvic floor force strength.

Analytica said the patent, entitled ‘An intra-vaginal device to aid in training and determining muscle strength’ provided intellectual property protection to January 9, 2032.

The company said that patents on the Pericoach force sensors had been issued in China, Japan and Australia, with patents pending in US, India, Brazil, and Europe.

Analytica chief executive officer Geoff Daly said that “continuing to develop and secure our intellectual property in key global markets is important to licencing partners, as it provides them the freedom to take our Australian inventions to the world”.

“Australia is an attractive location to conduct [research and development] and most of Analytica’s research takes place here,” Mr Daly said.

“The Federal Government’s decision to maintain the R&D tax incentive provides welcome assurance that it will remain that way,” Mr Daly said.

Analytica fell 0.5 cents or 9.1 percent to 0.5 cents.

### INVITROCUE

Invitrocue has told the ASX that it has raised \$50,000 and hopes to raise a further \$700,000 “by the end of the month”.

Last month, Invitrocue said in its Appendix 4C quarterly report that its net operating cash burn for the three months to March 31, 2017 was \$354,000 with cash at the end of the quarter of \$567,000 and did not provide further details (BD: Apr 28, 2017).

Today, in response to an ASX Appendix 4C “going concern” query, the company said that in the half year report to December 31, 2016, the company had secured funding of \$250,000 and subsequently had secured a further \$50,000.

Invitrocue said that it had been in discussion with investors on securing a further \$700,000 by way of a placement, and expected completion by the end of the month.

Invitrocue was untraded at 7.5 cents.

### CRESO PHARMA

Creso says it has an agreement with Leafcann Group to accelerate the development and commercialization of locally manufactured medicinal cannabis products.

Creso said it has a binding letter of intent with Melbourne-based medicinal cannabis producer Leafcann to supply cannabis and/or hemp-derived materials to good manufacturing practice standards to develop, manufacture, sell and commercialize Creso’s pharmaceutical grade therapeutic products for human and animal health and the two companies would work together on joint product development.

The company said that its ability to access locally cultivated and manufactured product would be “instrumental in filling this unmet market need”.

Creso said that Leafcann was established by Chris Nasr and Elisabetta Faenza, who formed the company “driven by personal experiences with chronic illness and pain”.

Creso climbed one cent or 2.1 percent to 49 cents.

### ELLEX MEDICAL LASERS

Australian Ethical Investment says it has increased its holding in Ellex from 7,268,018 shares (6.37%) to 8,977,413 shares (7.41%).

Australian Ethical previously reduced its holding in Ellex selling shares at prices from 75 cents to \$1.16 each having acquired 5,000,000 shares at 26 cents and 30 cents each (BD: Oct 3, 2013; Oct 10, 2016).

Today, Australian Ethical said it sold shares between November 2 and December 5, 2016 and bought shares between February 2 and May 10, 2017, with the largest purchase 1,500,000 shares for \$1,608,531 or \$1.07 a share.

Ellex was up three cents or 2.8 percent to \$1.085.

### MGC PHARMACEUTICALS

MGC says that founder, executive director and chief technical officer Roby Zomer has been appointed as chief executive officer.

MGC said that Mr Zomer had more than nine years of corporate and operational experience in biotechnology and agriculture technology.

The company said that Mr Zomer was the founder and chief executive officer of Israeli renewable energy company Green City Urban Recycling and a representative of the bio-fuels industry to the Israeli Government.

MGC was unchanged at 6.4 cents with 4.6 million shares traded.

## [ONCOSIL MEDICAL](#)

Oncosil says that Melbourne's Monash Health has recruited the second subject in its trial of Brachysil radiation therapy for pancreatic cancer.

Oncosil said the patient had completed all baseline assessments and would begin one month of chemotherapy prior to implantation with the Brachysil device.

Last month, the company said it implanted the first of 20 patients on April 24, 2017 at Monash Health (BD: Apr 26, 2017).