



# Biotech Daily

Thursday July 6, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX FLAT, BIOTECH UP: DIMERIX UP 10%, ITL DOWN 6%**
- \* **SIX AUSTRALIANS WIN \$855k HOWARD HUGHES SCHOLARSHIPS**
- \* **PRIMA RAISES \$6.6m ON NASDAQ**
- \* **BLUECHIIP RAISES \$3.4m**
- \* **USPTO ALLOWS OPTHEA OPT-302 TRAP MOLECULE PATENT**
- \* **ACRUX: PERRIGO, ELI LILLY GENERIC AXIRON; ROYALTIES**
- \* **TAIWAN APPROVES RHINOMED MUTE, TURBINE**
- \* **VOLPARA PLEADS SCHULTZ TO ASX 35% QUERY**
- \* **ALLAN GRAY INCREASES, DILUTED TO 13% IN FACTOR THERAPEUTICS**
- \* **FIL TAKES 6.3% OF FACTOR THERAPEUTICS**
- \* **BARINGS ACCEPTANCE TAKES 17% OF CYCLOPHARM**
- \* **CHEMICAL TRUSTEE REDUCES, DILUTED TO 13% OF CYCLOPHARM**
- \* **OBJ APPOINTS BECCA'S STEVEN SCHAPER A DIRECTOR**

## MARKET REPORT

The Australian stock market slipped 0.08 percent on Thursday July 6, 2017 with the ASX200 down 4.5 points to 5,758.8 points. Twenty-one of the Biotech Daily Top 40 stocks were up, nine fell, six traded unchanged and four were untraded.

Dimerix was the best, up 0.1 cents or 10 percent to 1.1 cents with 12.1 million shares traded. Osprey climbed 8.4 percent; LBT and Prima improved more than seven percent; Factor Therapeutics and Universal Biosensors were up more than five percent; Polynovo climbed 4.8 percent; Benitec, Bionomics, Clinuvel and Ellex were up more than three percent; Airxanders, Genetic Signatures and Starpharma rose more than two percent; Actinogen, Cochlear, CSL and Nanosonics were up more than one percent; with Compumedics, Pro Medicus and Sirtex up by less than one percent.

ITL led the falls, down three cents or 5.8 percent to 48.5 cents with 5,228 shares traded. Living Cell fell 4.55 percent; Impedimed and Mesoblast shed more than two percent; with Medical Developments, Neuren, Opthea, Orthocell and Pharmaxis down by less than one percent.

## HOWARD HUGHES MEDICAL INSTITUTE

The Howard Hughes Medical Institute says that six Australians are among the 41 recipients of research scholarships to advance their research.

The Institute said the scholarships were awarded with the support of the Bill & Melinda Gates Foundation, the Wellcome Trust, and the Calouste Gulbenkian Foundation.

The Institute said that each researcher would receive \$US650,000 (\$A855,362) over five years and the \$US26.7 million in awards were directed to “scientists early in their careers, and offers the freedom to pursue new research directions and creative projects that could develop into top-notch scientific programs”.

A media release from the Victoria Government said that five of the scholarships were awarded to researchers in the Melbourne Biomedical Precinct including staff at the Peter MacCallum Cancer Centre, Walter and Eliza Institute of Medical Research, the Doherty Institute and the University of Melbourne’s Bio21 Institute.

The Howard Hughes Medical Institute said that the sixth Australian was the University of Western Australia’s Dr Ryan Lister.

The Institute said that the 41 successful scholars were selected from 1,400 applications, with China winning seven, Israel six, three each to Switzerland and Singapore, along with scholarships awarded to applicants from Chile, Cambodia, Portugal, Hungary, Spain, Tanzania, South Korea, India, the Netherlands and Austria.

The Institute said the researchers sought “to understand diverse topics, from how immune cells function to how pathogenic bacteria jump from the environment to humans, ... [as well as] investigating ways to watch genes switch on and off in living brains”.

The Institute said that the competition was open to early-career scientists who held a full-time position at a research-oriented university, medical school, or non-profit institution and had been running their own laboratories for fewer than seven years.

The Institute said candidates had to work in an eligible country and had training in the US or the UK for at least one year.

The Victoria Government said that the Melbourne-based scientists’ work covered research into a treatment to target cancerous stem cells, studying malaria parasites, genetic changes that caused severe inflammatory diseases, infectious microbes that caused typhoid fever and dysentery and tissue-resistant memory T-cells.

The Government said the Melbourne Biomedical Precinct Office would provide support to the scholars, with mentoring and networking opportunities and for more information go to: [www.hhmi.org/news/philanthropies-select-41-scientists-international-research-scholars](http://www.hhmi.org/news/philanthropies-select-41-scientists-international-research-scholars).

## PRIMA BIOMED

Prima says it has raised \$US 4,999,409 (\$A6,578,193) through the issue of 2,631,268 of its Nasdaq-listed American depositary shares at \$US1.90 each.

Prima said it had also issued unregistered warrants to purchase up to 1,973,451 of its ADSs to accredited investors, exercisable at \$US2.50 per ADS within five and half years from the date of issue.

Last week, the company said the funds would be used for its active immunotherapy paclitaxel’ (AIPAC) phase IIb trial of IMP321 for metastatic breast cancer, its phase I ‘two active immune-therapeutics in melanoma’ or Tactimel trial for unresectable or metastatic melanoma, pre-clinical research on IMP761 and for other general corporate purposes, including the potential acquisition or investment in businesses, products and technologies (BD: Jun 30, 2017).

Prima was up 0.2 cents or 7.4 percent to 2.9 cents with two million shares traded.

## BLUECHIIP

Bluechiip says it has raised \$3,422,228 in its rights issue at 2.8 cents a share and a placement to sophisticated and professional investors.

Bluechiip said that it had acceptances for 21,413,873 shares worth \$599,588 in the rights issue, along with 4,279,534 shares worth \$119,827 in the top-up facility and 64,921,876 shortfall shares worth \$1,817,813 placed with sophisticated and professional investors, as well as a further placement raising \$885,000.

The company said that its directors took up their entitlements and chairman Iain Kirkwood subscribed for 8,928,571 of the shortfall shares worth \$250,000.

Mr Kirkwood said the capital raising was “well-supported and represents a significant and pivotal milestone for the company”.

Mr Kirkwood told Biotech Daily he thought it could be the company’s last capital raising as it built its sales pipeline.

Bluechiip was untraded at 3.4 cents.

## OPTHEA

Opthea says the US Patent and Trade Mark Office has allowed a patent been relating to its OPT-302 soluble vascular endothelial growth factor receptor 3 trap molecule.

Opthea said the patent, entitled ‘VEGFR-3 ligand binding molecules and uses thereof’ was expected to be granted by the end of 2017 and would be valid until February 2034 covering OPT-302 and its use to treat disorders involving neo-vascularisation, including eye diseases such are wet age-related macular degeneration (AMD) and diabetic macular oedema (DME).

The company said that corresponding patent applications were pending in 17 other countries, with the patent granted in South Africa.

Opthea said the allowance built on its intellectual property portfolio covering soluble forms of vascular endothelial growth factor receptor-3, or VEGFR-3.

The company said the portfolio included granted composition of matter patents in the US entitled ‘Flt4 (VEGFR-3) as a target for tumor imaging and anti-tumor therapy’ extending to 2026, and corresponding granted patents in Europe, Canada, Japan and Australia extending to 2022.

Opthea said that a method of use patent entitled ‘Therapy targeting Flt4 (VEGFR-3) expressed in blood vessels covering sVEGFR-3’ had been granted in the US, providing coverage until September 2023.

Opthea chief executive officer Dr Megan Baldwin said that the allowance of the patent “further exemplifies Opthea’s novel approach to target VEGF-C and VEGF-D”.

“This approach is differentiated from existing VEGF-A inhibitors that are approved therapies for wet AMD and DME,” Dr Baldwin said.

“In addition to extending the patent life covering OPT-302, it also includes broad methods of use claims for OPT-302 administered alone or in combination for disorders associated with neovascularisation,” Dr Baldwin said.

“These include a number of eye diseases for which there continues to be substantial unmet medical needs,” Dr Baldwin said.

Opthea said it was planning a 350-patient phase IIb wet age-related macular degeneration trial, as well as additional phase IIa studies in diabetic macular oedema and wet age-related macular degeneration patients previously treated with anti-VEGF-A therapy and experienced a sub-optimal clinical response.

The company said it planned to begin patient recruitment for the trials by the end of 2017.

Opthea fell one cent or 1.3 percent at 77 cents.

## ACRUX

Acrux says that a generic version of its Axiron testosterone topical product, as well as an Eli Lilly authorized generic have been launched in the US.

Acrux said that the Allegan, Michigan-based Perrigo Co had released the competitor product, but it would receive a royalty from Eli Lilly for sales of Axiron and the authorized generic.

The company said that with Eli Lilly it believed the Axiron axilla application patent was valid and enforceable and the two companies were committed to asserting their intellectual property rights for Axiron and a patent case appeal, which was expected to be heard by October 2017.

Last year, Acrux said that with Eli Lilly & Co it would appeal a US Court decision that granted patents for its Axiron testosterone product were invalid, allowing generic versions (BD: Aug 23, 24, 2016).

Acrux was unchanged at 23 cents.

## RHINOMED

Rhinomed says the Taiwanese Food and Drug Administration has registered its Mute and Turbine nasal plugs as class I medical devices until June 22, 2022.

Rhinomed said the regulatory clearance allowed it to sell both products in Taiwan and continue early dialogue with distributors for Taiwan.

Rhinomed was up 1.2 cents or 6.2 percent to 20 cents.

## VOLPARA HEALTH TECHNOLOGIES

Volpara has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose 35.1 percent from 38.5 cents to 50 cents on July 6, 2017 and noted a significant increase in trading volume.

Volpara fell two cents or 4.2 percent to 46 cents.

## FACTOR THERAPEUTICS (FORMERLY TISSUE THERAPIES)

Allan Gray and related companies say they have increased and been diluted in Factor Therapeutics from 43,636,290 (14.42%) to 97,225,303 shares (13.32%).

The substantial shareholder notice said that Allan Gray bought and sold shares between March 18, 2016 and July 3, 2017 with the single largest acquisition 16,297,600 shares for \$570,416 or 3.5 cents a share.

Factor was up 0.4 cents or 6.45 percent to 6.6 cents.

## FACTOR THERAPEUTICS

The Hong Kong-based FIL says it has increased its substantial shareholding in Factor Therapeutics from 37,583,718 (5.15%) to 46,072,748 shares (6.31%).

The substantial shareholder notice said that FIL bought 8,489,030 shares between June 13 and July 3, 2017 at six and seven cents a share.

## CYCLOPHARM

Barings Acceptance says it has increased its substantial shareholding in Cyclopharm from 31,846,991 shares (14.24%) to 11,433,424 shares (16.66%).

Barings said the share reduction was due to a 2012 five-for-one share consolidation and the company acquired 3,598,203 shares for \$647,677 or 18 cents a share in a 2012 rights issue and a further 1,465,823 shares for \$1,172,658 or 80 cents a share on June 30, 2017 in the recent rights issue (BD: May 28, Dec 11, 2012, Jun 28, 2017)

The notice, signed by director John Donnelly, said Barings was based at Paternoster House, 65 St Paul's Churchyard, London, the same address as Lloyds & Cassanove Investment Partners and Anglo Australian Christian and Charitable Fund, which recently filed substantial notices for Cyclopharm (BD: Feb 17, Mar 9, 2017).

Cyclopharm was unchanged at 84.5 cents.

## CYCLOPHARM

Chemical Trustee says it has reduced its substantial shareholding in Cyclopharm from 28,209,015 shares (16.50%) to 9,176,470 shares (13.37%).

Chemical Trustee said it acquired shares on-market and in rights issues, but had been reduced by the 2012 share consolidation and diluted in the rights issues (see above).

The substantial shareholder notice said that Chemical Trustee was based Paternoster House, 65 St Paul's Churchyard, London and was signed by director John Donnelly.

## OBJ

OBJ says it has appointed Steven Schapera as a non-executive director effective from August 1, 2017.

OBJ said that Mr Schapera was London-based and founded Becca Cosmetics, distributed in Europe, Asia and North America, recently sold to Estee Lauder for more than \$US230 million.

The company said that Mr Schapera was currently the chairman of Becca Holdings and a partner in advisory group Hoist Strategic, founder and managing-director of London's Lab Brands and a director of Wild Nutrition.

OBJ said that Mr Schapera had a "wealth of experience" in the fast-moving consumer goods industry and would provide it with consulting services working with its business development team.

The company said that Mr Schapera would buy 3,248,860 placement shares for \$162,443 or five cents a share.

OBJ was up 0.1 cents or two percent to 5.2 cents with 1.2 million shares traded.