



Biotech Daily

Monday September 18, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PRANA UP 5%, DIMERIX DOWN 11%**
- * **TELIX TO RAISE \$50m, APPOINTS KEVIN MCCANN, DR MARK NELSON**
- * **PATRY'S: 'PAT-DX1 PLUS NANOPARTICLES TARGETS TUMORS IN MICE'**
- * **EPAT RAISES \$3.75m**
- * **ANALYTICA 1-FOR-8 OFFER TO RAISE \$1.6m**
- * **RECCE SAYS TV NEWS LED TO ASX 79% QUERY**
- * **ZELDA CLAIMS MARIJUANA BENEFIT FOR PAEDIATRIC AUTISM**
- * **CE MARK FOR G MEDICAL PRIZMA**
- * **AUSTRALIAN PATENT FOR MEDLAB NRGBIOTIC FOR DEPRESSION**
- * **PROLOG REDUCES TO 4.9% OF AIRXPANDERS**
- * **PROTEOMICS FOUNDER WILLIAM PARKER, XYLO REDUCE TO 9%**
- * **STUTTGART TAKES 8% OF BRAIN RESOURCE**

MARKET REPORT

The Australian stock market climbed 0.45 percent on Monday September 18, 2017 with the ASX200 up 25.6 points to 5,720.6 points. Seventeen of the Biotech Daily Top 40 stocks were up, nine fell, 10 traded unchanged and four were untraded.

Prana was the best, up 0.3 cents or 5.2 percent to 6.1 cents with 85,543 shares traded. ITL and Reva climbed five percent or more; Cellmid, Impedimed and Prima improved more than four percent; LBT, Living Cell and Osprey were up more than three percent; Opthea and Sirtex rose more than two percent; Compumedics, Nanosonics, Orthocell and Pro Medicus were up more than one percent; with Cochlear, CSL, Medical Developments and Starpharma up by less than one percent.

Dimerix led the falls, down 0.1 cents or 11.1 percent to 0.8 cents with 4.65 million shares traded. Factor Therapeutics lost five percent; Admedus and Neuren were down more than three percent; Acrux and Airxpanders shed more than two percent; with Bionomics, Ellex, Pharmaxis and Resmed down by less than one percent.

TELIX PHARMACEUTICALS

Melbourne's Telix says it hopes to raise \$50 million and has appointed Kevin McCann and Dr Mark Nelson as non-executive directors, with Mr McCann as chairman.

Telix co-founder chief executive officer Dr Christian Behrenbruch told Biotech Daily the company hoped to raise \$50 million by the end of 2017 to continue its radio-pharmaceutical programs, with a range of funding options possibly including an initial public offer to list on the ASX.

In a media release, Dr Behrenbruch said that Mr McCann and Dr Nelson had "a tremendous amount of experience and perspective in capital markets, corporate governance and commercial strategy".

The company said that founding directors Taylor Collison's Michael Cawley and Chrysalium Consulting's Dr Richard Zimmermann would resign as directors with Dr Zimmermann continuing as an adviser.

Telix said it was "focused on the development of diagnostic and therapeutic products based on targeted radiopharmaceuticals or molecularly-targeted radiation ... [and] developing an advanced portfolio of oncology products that address significant unmet medical need in renal, prostate and brain, or glioblastoma, cancer".

The company's website said that it was established in January 2017 and the lead program was a zirconium-TX250 positron emission tomography agent for imaging clear cell renal cell carcinoma and in a phase III trial.

Telix said that lutetium-TX250 was also in a phase IIa trial as a therapy for renal cancer. Telix said that the TX250 antibody, licenced from the Munich, Germany-based Willex AG, bound to carbonic anhydrase 9 which was highly expressed by clear cell renal cell carcinoma tumours, including metastases and could act as a vehicle for zirconium for imaging and lutetium for therapy.

The company said that the TX591 antibody was in a phase IIa trial for imaging and therapy of metastatic prostate cancer, and was developed at New York's Cornell University and licenced from the Cambridge, UK-based Abzena, with the TX101 small molecule, licenced from the Dresden, Germany-based Therapiea GMBH and in a phase IIa glioblastoma imaging trial and phase I glioblastoma therapy trial.

Telix said that Mr McCann was currently the chairman of Citadel Group, Dixon Hospitality and the Sydney Harbour Federation Trust and a pro-chancellor of the University of Sydney, a director of the US Studies Centre and member of the Evans and Partners advisory board.

The company said that Mr McCann was formerly chairman of Macquarie Group and Macquarie Bank, Origin Energy, Healthscope and ING Management and was chairman of law firm Allens Arthur Robinson.

Telix said that Mr McCann held a Bachelor of Arts and Bachelor of Law from the University of Sydney and a Masters of Law from Harvard University.

The company said that Dr Nelson was currently the chairman and co-founder of Caledonia Investments Group and a director of the Caledonia Foundation and a governor of the Florey Neurosciences Institute.

Telix said that previously Dr Nelson was a director of the Howard Florey Institute of Experimental Physiology and Medicine and was a member of its commercialization committee.

The company said that Dr Nelson held a Bachelor of Science from the University of Melbourne, a Masters of Philosophy from the University of Cambridge and a Doctorate of Philosophy from the University of Melbourne.

Telix is a public unlisted company.

PATRY'S

Patrys says it has shown that drug candidate PAT-DX1-NP is preferentially attracted to tumor tissues in mice and delivers its payload specifically to tumors.

Patrys said that PAT-DX1 was its humanized version of the 3E10 anti-DNA antibody and PAT-DX1-NP was the version linked to nanoparticles that could be loaded with chemotherapeutic or other drugs.

The company said that to enable visual quantification and localization of PAT-DX1-NP, the nanoparticles used in the study at Yale University were loaded with staining reagent, but future studies would use nanoparticles loaded with chemotherapeutic agents.

Patrys said that by linking PAT-DX1 to nanoparticles, the conjugated molecule was preferentially attracted to tumor tissues and delivered its payload specifically to tumors.

The company said that previous studies with murine 3E10 showed that similar conjugations significantly increased the efficacy of drug therapy.

Patrys said that when compared to unconjugated nanoparticles, experiments in mice with orthotopic glioblastoma brain tumors showed significantly higher localization of PAT-DX1-NP at the tumor sites.

The company said that PAT-DX1-NP localization was not elevated over background in other organs, including the heart, lungs, liver, spleen and kidneys, confirming the tumor-specificity of the conjugate.

Patrys chief executive officer Dr James Campbell said it was "clear that nanoparticles conjugated to Patrys' humanized form of the 3E10 antibody are performing as well as, if not better than, those conjugated to murine 3E10".

"Following on the recently announced preclinical activity of unconjugated PAT-DX1, this new observation confirms the utility and versatility of the PAT-DX1 asset," Dr Campbell said.

Patrys was up 1.1 cents or 57.9 percent to three cents with 325.6 million shares traded.

EPAT TECHNOLOGIES

Epat says it raised \$3,750,000 in a "heavily subscribed" placement at five cents share to professional and sophisticated investors.

Epat managing-director Philip Daffas said the funds would provide the runway to accelerate the commercialization of the company's dementia pain recognition application, including recruitment of sales and clinical support staff, as well as support the US Food and Drug Administration approval process.

Epat said that Patersons Securities was the lead broker.

Epat fell 0.6 cents or 9.7 percent to 5.6 cents with 5.1 million shares traded.

ANALYTICA

Analytica says it hopes to raise up to \$1,593,210 in a renounceable, one-for-eight share offer at 0.5 cents a share.

Analytica said that each share would come with one option exercisable at 0.5 cents by January 31, 2018 and one option exercisable at 0.5 cents by May 31, 2018.

The company said that the record date would be September 21, with the offer opening on September 26 and closing on October 12, 2017.

Analytica fell 0.1 cents or 16.7 percent to 0.5 cents with 3.65 million shares traded.

RECCE

Recce has told the ASX that a commercial television news program mentioning its Recce327 antibiotic may explain a 79.3 percent share price increase.

The ASX said the company's share price climbed 11.5 cents or 79.3 percent from 14.5 cents on September 15 to 26 cents on September 18, 2017 and noted both the television news coverage and "the significant increase in the volume of ... securities traded".

Recce said "the increase in both price and volume is the result of Channel 7 airing a program during their news segment on Friday evening September 15, 2017".

Recce closed up nine cents or 62.1 percent to 23.5 cents with 2.1 million shares traded.

ZELDA THERAPEUTICS

Zelda says a 21-patient Chilean trial shows its medical marijuana is "significantly more effective than conventional medicines ... [and] were well tolerated by the patients.

Zelda said it sponsored the observational trial of patients with a median age of 9 years and 10 months and using medicinal marijuana extracts it planned to use in clinical trials, found that 71.4 percent of cannabis-treated patients improved in at least one core symptom area and 66.7 percent showed significant overall improvement.

The company said the trial results were presented at the World Congress of Neurology in Kyoto, Japan, September 16 to 21, 2017.

Zelda said that cannabis extracts were significantly more effective than conventional medicines used including atypical anti-psychotics.

The company said that patients, who had "not responded well to conventional treatments", were treated over at least 12-weeks and were examined by electro-encephalogram, neuro-psychological analysis as well as metabolism and genetic tests.

Zelda said the trial was managed by Chile's Fundación Daya clinical research director Dr Gisela Kuester and the company had an ongoing strategic alliance with Fundación Daya.

The company said that the results would assist in the development of its autism clinical trial with a submission for ethics approval expected to be submitted in coming weeks and the trial to begin within three months of approvals and taking up to nine months.

Zelda was up 0.2 cents or 2.6 percent to 7.9 cents with 7.6 million shares traded.

G (GEVA) MEDICAL INNOVATIONS

G Medical says it has been granted Conformité Européenne (CE) mark for its Prizma medical smartphone case.

G Medical said the product complied with all relevant European medical and safety requirements and could be sold over-the-counter as a medical device in Europe and countries accepting the CE mark designation.

The company said Prizma allowed consumers to turn their mobile telephones into a mobile medical monitor to measure a range of vital signs, store data in the internet 'cloud' and share it with third parties such as healthcare professionals and family members.

Earlier this month, G Medical said that the US Food and Drug Administration had granted 510(k), class II device approval and regulatory approvals were being sought in China, Australia and other markets (BD: Sep 4, 2017).

The company said that G Medical chief executive officer Dr Yacov Geva said that CE certification following "so soon after the recent FDA announcement marks another significant development in our growth and paves the way for the company in its business development and commercialization efforts".

G Medical fell 1.5 cents or 3.75 percent to 38.5 cents with 1.2 million shares traded.

MEDLAB CLINICAL

Medlab says it has been granted an Australian patent covering its probiotic NRGBiotic as an adjunct treatment for depression.

Medlab said that the patent, entitled 'Probiotic combinations and uses thereof' would provide intellectual property coverage until May 21, 2035, with patent applications underway in the US, Europe and two Asian countries.

Medlab chief executive officer Sean Hall said the NRGBiotic patent validated the company's science.

"To be granted a patent on our NRGBiotic product Medlab needed to show uniqueness, usefulness and effectiveness," Mr Hall said.

Medlab medical research director Prof Luis Vitetta said that about one-third of patients with depression had limited success rate with standard medication.

"Our product NRGBiotic enhances the effect of standard medication," Prof Vietta said.

The company said that in Australia 2.1 million people or 9.3 percent of the population had depression and five percent of the world's population had depression.

Medlab was up three cents or 5.1 percent to 62 cents.

AIRXPANDERS

Prolog Capital says it has reduced its holding in Airxpanders from 19,213,465 Chess depository instruments (CDIs) (6.68%) to 14,201,775 CDIs (4.94%).

The St Louis, Missouri-based Prolog said that between August 8 and September 15, 2017, it sold 5,011,690 CDIs but failed to disclose the cost of shares.

Prolog said that as the company was below the five percent substantial shareholder notice level "so this will be our final change in substantial holder notice".

Last month, Prolog reduced its holding by 1,121,042 shares (1.02%) (BD: Aug 8, 2017).

Airxpanders fell two cents or 2.5 percent to 79 cents.

PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics founder William Parker has reduced his substantial shareholding from 6,277,594 shares (10.64%) to 5,277,594 shares (8.95%).

The substantial shareholder notice said that the shares were held by Xylo Pty Ltd for the Parker Family account, with 1,000,000 shares sold on market on September 14, 2017 for \$200,000 or 20 cents a share.

Proteomics fell three cents or 14.3 percent to 18 cents.

BRAIN RESOURCE

The Adelaide-based Stuttgart Pty Ltd has increased its holding in Brain Resource from 9,339,735 shares (6.2%) to 13,339,735 shares (7.98%).

The Stuttgart substantial shareholder notice, signed by accountant Rod O'Donnell, said that the company bought 4,000,000 shares for \$320,000 or eight cents a share in the March placement which raised \$1,000,000 (BD: Mar 30, 2017).

Brain was untraded at 6.5 cents.