



# Biotech Daily

Tuesday October 24, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX FLAT, BIOTECH UP: NEUREN UP 9%; BENITEC DOWN 8%**
- \* **AUSBIOTECH INVEST STARTS CONFERENCE WEEK**
- \* **TELEX \$50m IPO FOR TARGETED RADIO-PHARMACEUTICALS**
- \* **ADMEDUS DEVELOPS TRANS-CATHETER HEART VALVES**
- \* **EBOS INVESTS \$10.5m, TAKES 14% OF MEDADVISOR; UP 39%**
- \* **DIMERIX READY FOR PROPAGERMANIUM PK TRIAL**
- \* **ORTHOCELL RECEIVES \$2.3m FEDERAL R&D TAX INCENTIVE**
- \* **APHRIA SHIPS MEDLAB CANNABIS OIL FOR SYDNEY CANCER PAIN TRIAL**
- \* **IDT 49% REMUNERATION 1ST STRIKE; PLACEMENT VOTE LOST**
- \* **SIRTEX DISSENT ON CEO PERFORMANCE SHARES, REMUNERATION**
- \* **INVION PLEADS SCHULTZ TO ASX 125% QUERY**
- \* **NOVITA PLEADS SCHULTZ TO ASX 22% QUERY**
- \* **ACTINOGEN VOTES ON 5m DIRECTOR DR GEOFF BROOKE OPTIONS**
- \* **VIRALYTICS VOTES ON 20% DIRECTORS' FEE POOL HIKE**
- \* **BENITEC LOSES 7-YEAR DIRECTOR DR JOHN CHIPLIN**
- \* **SAHM NASSERI REPLACES PHYLOGICA DIRECTOR DR RICK KENDALL**

## MARKET REPORT

The Australian stock market edged up 0.06 percent on Tuesday October 24, 2017 with the ASX200 up 3.6 points to 5,897.6 points. Seventeen of the Biotech Daily Top 40 stocks were up, 13 fell, six traded unchanged and four were untraded. All three Big Caps rose.

Neuren was the best, up one cent or 9.1 percent to 12 cents with 3.7 million shares traded. Avita climbed 5.7 percent; Admedus and Orthocell improved four percent or more; Acrux, Clinuvel, LBT, Nanosonics, Prima and Uscom were up more than three percent; Ellex, Living Cell, Sirtex and Universal Biosensors rose two percent or more; Medical Developments and Pro Medicus were up more than one percent; with Cochlear, CSL, Resmed and Viralytics up by less than one percent.

Benitec led the falls, down 8.3 percent to 16.5 cents with 95,382 shares traded. Impedimed lost 6.7 percent; Polynovo fell 5.6 percent; Cellmid fell 4.2 percent; Cyclopharm, Mesoblast and Oncosil were down three percent or more; ITL and Starpharma shed more than two percent; Compumedics was down 1.4 percent; with Airxpanders, Opthea and Volpara down by less than one percent.

## [AUSBIOTECH AUSTRALIA BIOTECH INVEST](#)

Ausbiotech chief executive officer Glenn Cross formally launched the industry organization's week of conferences with its Biotech Invest event in Melbourne.

Mr Cross told the audience of investors and biotechnology executives that the event was the eleventh Biotech Invest event and the sixth in which the Victoria Government was the major sponsor.

Mr Cross said the event had 310 registered delegates, including 70 investors from nine countries led by 41 delegates from China and Hong Kong, seven from Japan and six each from the US and UK.

He said the event would hear 29 company spotlight addresses from companies and three keynote speakers, including the UK Department of Trade's Dr Sam Bakri, the ASX business development manager Kate Galpin and the Hong Kong-based Cedrus Investments executive director Olivia Lam.

Mr Cross said Ausbiotech was grateful to its investment event sponsors, the Federal Government-funded MTP Connect, the ASX, KPMG, Dibbs Barker lawyers, Buchan Consulting and Morgans stockbrokers.

Mr Cross said that Australian biotechnology had outperformed a number of indices and "it's a good time to be in biotech".

"We are one of the few sectors where we are globally competitive," Mr Cross said.

The Victoria Parliamentary Secretary for Medical Research, Small Business and Innovation Frank McGuire said that Victoria received 40 percent of National Health and Medical Research Council grants and the Government was "proud to be the centre of biotech in Australia".

"Victoria, and Melbourne in particular, is one of the largest biotechnology clusters in the world and a centre for advanced manufacturing," Mr McGuire said.

Mr McGuire said the State had exported more than \$1 billion in biotechnology products "a figure that has doubled since 2011".

Mr McGuire said that biotechnology matters for global health and prosperity and cited as examples the bionic ear, the Walter and Eliza Hall Institute-developed Venetoclax for cancer and three-dimensional printed body parts.

Mr McGuire said that Victoria had streamlined its clinical trials process so that with mutual recognition agreements there was no need for repeated assessments.

He said that the Victoria Comprehensive Cancer Centre was opened by US Vice-President Joe Biden as an acknowledgement of the strength of collaborations between Australian and US researchers and said it was a relationship that saved lives.

In the first keynote address, Dr Bakri described life science markets in the UK and Europe and stressed that the UK was a strong economy before entering the European Union and would be following Brexit.

Dr Bakri said that investment in biotechnology had led to cancer survival rates doubling in 40 years, "hepatitis C has all but been cured", statins prevent 80,000 UK cardiac arrests a year and HIV anti-virals removed death sentences from millions of people.

Dr Bakri said that European government funding had increased with a range of programs available and said that the UK Enterprise Investment Scheme meant that if a project failed, the investors would only lose part of their money.

He said that venture capital raised had increased five-fold from 2009 to \$542 million in 2015.

Dr Bakri said that "the Nordics are the emerging player in Europe" with the Nasdaq First North exchange allowing companies to raise funds in Europe and the US.

Dr Bakri said there were 51 initial public offers on the Nasdaq First North exchange in 2016 compared to 39 on the London Alternative Investment Market.

## TELIX PHARMACEUTICALS

Telix says it expects to raise \$50 million at 65 cents a share in an initial public offer to list on the ASX to develop diagnostic and therapeutic targeted radio-pharmaceuticals.

Telix said that the offer was fully underwritten by lead managers Taylor Collison and Wilsons Corporate and was “strongly supported” by its existing shareholders, including industry partners and institutional investors, such as Acorn Capital, CVC, Monash Investors, Viburnum Funds, Allan Moss and Alium Capital Management.

The company said the offer would strengthen its institutional shareholder base with Fidelity International a cornerstone investor, which would hold about 10 percent of the issued capital on completion.

Telix said that the offer comprised a retail and institutional offer and was expected to close about November 8, 2017 with the company expected to begin trading on the ASX on November 15, 2017, under the code TLX.

The company said its chair was former Macquarie Bank chairman Kevin McCann with directors including Caledonia Investments co-founder Dr Mark Nelson and ITM Group co-founder Oliver Buck, along co-founder and chief medical officer Dr Andreas Kluge and co-founder and chief executive officer Dr Christian Behrenbruch.

Dr Behrenbruch said that the company had a portfolio of “highly-promising clinical programs in renal, prostate and brain [or glioblastoma] cancer” (BD: Sep 18, 2017).

Dr Behrenbruch said that Telix was positioned for leadership in the fast-growing field of molecularly-targeted radiation.

“We have excellent patient data underpinning our development programs, a highly experienced clinical development team and meaningful partnerships with thought leaders in the field,” Dr Behrenbruch said. “This financing will enable the company to reach several major development and commercial milestones over the next 24 months.”

The prospectus is available through the Telix website at [www.telixpharma.com/IPO](http://www.telixpharma.com/IPO).

## ADMEDUS

Admedus says it has applied for two US patents relating to its Adapt bovine tissue-based trans-catheter aortic valve replacement device.

Admedus said it had filed two separate US patent applications relating to the development and manufacture of its three-dimensional trans-catheter aortic valve replacement (TAVR) device and a new water-based packing system.

The company said the device would target the \$3 billion heart valve replacement market and was an alternative for patients unsuitable for surgical valve replacement or repair.

Admedus said its new packing process used pre-sterilised wet-packs which allowed the replacement valve and catheter to be supplied ready for immediate use.

The company said three-dimensional, single-piece molded valves used three leaflets in a single scaffold, securely attached to a stent with minimal sutures, which minimized labor and the reduced suturing time lowered the cost of manufacturing.

Admedus chief executive officer Wayne Paterson said the Adapt process had been proven with “clinically important remodelling and anti-calcification properties and more than nine years of data behind us, we are in a strong competitive position”.

Admedus said its product portfolio had moved from a single flat patch one year ago to high value three-dimensional trans-catheter and surgical aortic valve replacements.

The company said it had developed the Adapt-treated bovine Cardiocel 3D and one-piece moulded valves to address unmet medical needs.

Admedus requested a trading halt pending an announcement about a debt facility.

Admedus last traded up one cent or four percent to 26 cents.

## MEDADVISOR

Medadvisor says it the Melbourne and Christchurch, New Zealand-based Ebos group has invested \$10.5 million in the company or 14.1 percent.

Medadvisor said that it placed \$9.5 million with Ebos at 5.75 cents a share and the group separately bought 20,000,000 shares in an off-market transaction.

The company said that the investment would accelerate its customer acquisition strategy through hospitals and general practitioners to broaden the health services available to pharmacies and their customers with its software, to increase the pace of international business development efforts in the UK and US and to extend those efforts to the Asia Pacific region, including New Zealand.

Medadvisor said that through its community pharmacy division, Ebos had interests in or operated pharmacy chains and brands including Terry White Chemmart, Pharmacy Choice, Good Price Pharmacy Warehouse and Healthsave Pharmacy, as well as providing software and services to community pharmacies.

The company said that certain Ebos businesses had made strategic agreements, including three-year commercial terms, expected to generate about \$4 million in revenue. Medadvisor was up 1.4 cents or 38.9 percent to five cents with 54.6 million shares traded.

## DIMERIX

Dimerix says it has ethics approval for a 14-patient, pharmaco-kinetic study of an extended-release propagermanium for its phase IIb DMX-200 chronic kidney disease trial. Dimerix said the study was a randomized cross-over design in which 14 healthy individuals would be given immediate or extended release propagermanium formulations. The company said that blood and urine concentrations of the drug would be measured as well as the effect of food on the pharmaco-kinetics.

Dimerix chief executive officer Kathy Harrison said the pharmaco-kinetic study was “expected to be a short trial which will be completed before the end of 2017, setting us up to start the phase IIb efficacy study in 2018”.

The company said the design of the efficacy study was underway.

Dimerix said DMX-200 would be an adjunct therapy combining propagermanium to the anti-hypertensive drug irbesartan.

Dimerix is currently undertaking a 20 to one stock consolidation and was untraded at 20 cents.

## ORTHOCELL

Orthocell says it has received \$2,252,168 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Orthocell said that the funds were for expenditure in the year to June 30, 2017.

Orthocell managing director Paul Anderson said the tax incentive “strengthens our balance sheet and allows us to continue to invest resources and accelerate [research and development] activities across our entire product portfolio”.

“The funding comes at a time when the company is actively driving regulatory approvals and further clinical development of our world leading regenerative medicine technologies,” Mr Anderson said.

Orthocell was up 1.5 cents or 4.8 percent to 33 cents.

## MEDLAB CLINICAL

Medlab says its Aphria Inc has supplied cannabis oil for its Sydney trial of cannabis for cancer patients suffering intractable pain.

Medlab said that the Leamington, Ontario-based Aphria had shipped the cannabis oil to its schedule 8 Australian Therapeutic Goods Administration (TGA) approved Melbourne facility.

The company said the shipment was “a first important step for both companies as it demonstrates the conclusion of the necessary health regulatory steps both in Australia and Canada for the export and import of this important ingredient for our Royal North Shore Hospital trial with advanced cancer patients suffering intractable pain”.

“We anticipate that the trial drug Nanabis should be manufactured and delivered to Royal North Shore Hospital within six weeks,” Medlab said.

A joint media release said that the trial was the first of its kind, globally, with product formulation and permits approved by Health Canada and the TGA.

Aphria chief executive officer Vic Neufeld said that “as Aphria’s first international partner, Medlab shares our vision to advance the use of medical cannabis as an alternative treatment for patients in need”.

Medlab chief executive officer Sean Hall said the shipment was “an important step for Australian medical science as we prepare to begin our first clinical trial for advanced cancer pain patients to help them manage their pain with a cannabis-based medicine”.

The company said that the cannabis oil would be combined with its Nanocelle delivery system, which enabled “sub-micron sized particles to be taken by mouth spray, allowing a swifter and more direct absorption of medicine into the bloodstream”.

Medlab said its cannabidiol and tetrahydrocannabinol drug had approval to start the trial at the Kolling Institute of Medical Research at the Royal North Shore Hospital.

The company said the phase I/IIa trial would combine single ascending dose and multiple ascending dose studies.

Medlab said it also had approval for a trial of Nanabidiol which was a cannabidiol-only product for chemotherapy-induced nausea and vomiting and seizures.

Medlab said it expected to manufacture 3,500 units of Nanabis for the trial.

Medlab was up 1.5 cents or 2.2 percent to 69 cents.

## IDT AUSTRALIA

IDT has a remuneration report first strike with the annual general meeting voting 43,586,579 votes (48.8%) against the report and 45,804,729 votes (51.2%) in favor.

Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 any company sustaining a vote of 25 percent or more against the remuneration report in two successive annual meetings is required to vote on a board spill and at the later meeting, and if passed by more than 50 percent of votes, the directors must stand for re-election at a subsequent meeting within 90 days.

IDT said its proposed increased placement capacity failed, with 58,475,480 votes (57.5%) against and 43,264,686 votes (42.5%) in favour.

The company said that Mary Sontrop was elected as director, with 78,750,105 votes (75.74%) in favour, with Graeme Kaufman re-elected with 66,073,609 votes (63.61%) in favour and Reo Shigeno re-elected with 52,922,912 votes (56.02%) in support.

In June the company said it had 248,161,716 shares on issue, meaning that the votes against the placement amounted to 23.6 percent of the company, sufficient to requisition extraordinary general meetings.

IDT fell 0.6 cents or 7.2 percent to 7.7 cents with 2.1 million shares traded.

## SIRTEX MEDICAL

The Sirtex annual general meeting approved all resolutions but faced up to 12.6 percent dissent against the issue of performance rights and the remuneration report.

Sirtex said that 22,276,228 votes (87.42%) supported the issue of 102,723 'performance' shares for chief executive officer Andrew McLean, with 3,204,236 votes (12.58%) against. The remuneration report was opposed by 3,119,656 votes (12.25%), with 22,343,489 votes (87.75%) in favor.

Directors Mr Mclean, Neville Mitchell and Helen Kurincic were re-elected overwhelmingly. The company's most recent Appendix 3B announcement said that Sirtex had 55,930,167 shares on issue, meaning that the votes against the performance shares amounted to 5.7 percent of the company, sufficient to requisition extraordinary general meetings.

Sirtex said in an appendix 3F final share buy-back notice that it had bought back 1,943,333 shares, but did not say whether they had been cancelled.

Sirtex was up 32 cents or 2.3 percent to \$14.44 with 542,293 shares traded.

## INVION

Invion 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 125.0 percent from 0.4 cents on October 18, to 0.9 cents today, October 24, 2017.

Invion closed up 0.2 cents or 33.3 percent to 0.8 cents with 30.4 million shares traded.

## NOVITA HEALTHCARE (FORMERLY AVEXA)

Novita 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 one cent or 21.7 percent from 4.6 cents on October 20 to 5.6 cents on October 23, 2017, and noted a significant increase in the trading volume.

Novita was unchanged at 4.6 cents with one million shares traded.

## ACTINOGEN

Actinogen says its annual general meeting will vote to issue 5,000,000 options to director Dr Geoffrey Brooke, exercisable at 10 cents by March 24, 2025.

Actinogen said a special meeting would vote on the cancellation of 5,000,000 loan shares issued in 2014 to former chairman Martin Rogers.

The company avoided naming Mr Rogers referring to him as "the affected shareholder" saying that on December 3, 2014, it issued 25,000,000 loan shares at two cents a share to Mr Rogers as a long-term incentive in connection with his appointment as a director.

The company said it provided an interest free loan for the entire issue price of the shares. Actinogen said that the shares were subject to vesting conditions with 5,000,000 unvested subject to completing recruitment of the phase IIa proof of concept study.

The company said the meeting would vote on the ratification of 500,000 options for consultants, remuneration report, the 10 percent placement capacity and the re-election of directors Dr Geoff Brooke and Dr Jason Loveridge.

The meetings will be held at Macquarie University City Campus, Seminar Room 2414, Level 24, 123 Pitt Street, Sydney, on November, 29, 2017 at 10.30am (AEDT).

Actinogen was untraded at 5.5 cents.

## [VIRALYTICS](#)

Viralytics says its annual general meeting will vote to increase the maximum aggregate non-executive directors remuneration \$100,000 or 20 percent to \$600,000 a year.

Viralytics currently has four directors including chief executive officer Dr Malcolm McColl.

The company said shareholders would vote to issue 200,000 options each to directors Peter Turvey, Dr Leonard Post, 266,000 options for chairman Paul Hopper and 2,500,000 options for Dr McColl.

Viralytics said the meeting would vote on the 10 percent placement capacity and the remuneration report.

The meeting will be held at McCullough Robertson, Level 32, MLC Centre, 19-29 Martin Place, Sydney on November 22, 2017 at 11am (AEST).

Viralytics was up half a cent or 0.6 percent to 81 cents.

## [BENITEC BIOPHARMA](#)

Benitec says that Dr John Chiplin, who joined the company since 2010, has resigned as a non-executive director, effective immediately.

Earlier this month, Benitec said chief business and operations officer Cliff Holloway resigned effective from January 2018 to “pursue other interests overseas” and that Nant Capital-appointed director Dr Jerel Banks would replace Peter Francis as chairman with Mr Francis continuing as a director. (BD: Oct 24, 2016; Oct 11, 12, 2017).

Benitec fell 1.5 cents or 8.3 percent to 16.5 cents.

## [PHYLOGICA](#)

Phylogica says it has appointed Sahn Nasserri as a non-executive director replacing Dr Rick Kendall.

Phylogica said that Dr Kendall resigned “to concentrate on his other business commitments with Kite Pharma”.

The company said that Mr Nasserri was currently the New York-based Merck & Co global strategy and marketing of human papillomavirus vaccines director.

Phylogica said that prior to joining Merck, Mr Nasserri was a management consultant with McKinsey & Company based in the Sydney office and had strategy, marketing, commercial deal-making and policy experience in the healthcare space in the Asia Pacific and the US.

The company said that Mr Nasserri held a Bachelor in Chemical Engineering from the University of New South Wales and a Masters of Business Administration from New York’s Columbia University and the London Business School.

Phylogica was up 0.2 cents or 5.4 percent to 3.9 cents with 3.5 million shares traded.