



Biotech Daily

Wednesday March 14, 2018

Daily news on ASX-listed biotechnology companies

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- * **IMMURON RAISES \$5m FROM UNNAMED US FUND, 9.2% HOLDER**
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- * **ESENSE CLAIMS MARIJUANA TERPENE 'ANTI-INFLAMMATORY ACTIVITY'**

MARKET REPORT

The Australian stock market fell 0.66 percent on Wednesday March 14, 2018, with the ASX200 down 39.4 points to 5,935.3 points. Thirteen of the Biotech Daily Top 40 stocks were up, 19 fell, six traded unchanged and two were untraded.

Reva was the best on an investor briefing, up 2.5 cents or seven percent to 38 cents with 71,442 shares traded. Admedus climbed five percent; LBT and Polynovo were up more than three percent; Clinuvel rose 2.25 percent; Acrux, Airxpanders, Nanosonics, Optiscan and Pharmaxis were up more than one percent; with Cochlear, Ellex, Mesoblast and Pro Medicus up by less than one percent.

Factor led the falls on a discounted rights' offer, down 0.4 cents or 8.5 percent to 4.3 cents with 659,470 shares traded. Dimerix and Immutep lost more than seven percent; Benitec and Neuren shed five percent or more; Starpharma and Telix fell four percent or more; Opthea, Universal Biosensors and Uscom were down more than three percent; Bionomics and Cyclopharm shed more than two percent; Compumedics, CSL, Genetic Signatures, Impedimed, Medical Developments, Orthocell and Volpara were down one percent or more; with Resmed and Sirtex down by less than one percent.

USCOM

Uscom executive chairman Prof Rob Phillips says the company is developing a breath test for lung cancer and infectious diseases.

In a stock brokers' investor meeting presentation, posted to the ASX, and under the heading "Confidential", Prof Phillips said that the diagnostic was based on the company's Spirosonic asthma and chronic obstructive pulmonary disease diagnostic.

Prof Phillips said that the lung was "an excretory organ" and when people breathed-out cells, including cancer cells, could be detected.

"The challenge is how to harvest and filter those cells," Prof Phillips said.

Prof Phillips said the project was funded by a \$3.8 million grant to a consortium of his company, the Hungarian Academy of Science and the Budapest-based Semmelweis University Medical School.

In 2015, Uscom acquired the Budapest-based Thor Laboratories for its high fidelity digital Doppler technology for measurement of respiratory function, later renaming the equipment Spirosonic (BD: Sep 1, 2015).

In 2013, the company bought New Zealand's Pulsecor for its BP+ supra-systolic central blood pressure device, Cardioreporter pulse pressure wave analysis software, 34 blood pressure measurement and analysis patents and four trademarks (BD: Jun 18, 2013).

Today, Prof Phillips told the investor meeting that the acquisitions were strategic to place the company with technologies for monitoring and diagnosing cardio-vascular and respiratory health, which were responsible for 75 percent of all human mortality.

He said the company had sold more than 1,200 Uscom 1A ultra-sonic cardiac output monitors, with the BP+ and Spirosonic in the process for approval in the US and China.

Prof Phillips said that while revenue was "lumpy" from month-to-month and quarter-to-quarter, the company was cash-flow positive for the three months to December 31, 2017 and the company was "getting close to being cash-flow positive".

Prof Phillips said that Uscom had a compound annual growth rate of 40 percent a year for the past five years, with revenue of \$3.5 million in 2017.

He set short, medium and long-term revenue targets of \$10 million, \$20 million and \$50 million, respectively.

Prof Phillips said that all the previous revenue was due to the Uscom 1A, with seven new products in the market this year and a broadening of the revenue base.

Prof Phillips said that the publication of the 500th peer-reviewed publication on the technologies was "a monumental landmark".

He said that with governments around the world seeking to reduce health costs and with an ageing population, electronic health was a focus and one his company had embraced.

"Anyone can build a software platform, but what they all need is front-end sensors," Prof Phillips said. "We are in five [electronic] health studies."

Prof Phillips said that the company was fully engaged with the People's Republic of China and he had made many visits to the country.

Prof Phillips noted that China had 2.6 million doctors, a similar number of nurses, 23,170 hospitals and an electronic health spend "approaching \$US2 billion".

He said Uscom had eight distributors in China but the arrival of Steven Meng as a substantial shareholder company was expected to pave the way for increased access.

Prof Phillips said that Mr Meng was an experienced pharmaceutical executive and was familiar with China's regulatory, intellectual property and legal frameworks as well as the politics of doing business in China.

The investor presentation said that Mr Meng became substantial in Uscom in February with a holding of 23,158,475 shares or 16.88 percent, through Smart Top Overseas.

Uscom fell one cent or 3.8 percent to 25.5 cents.

IMMURON

Immuron says it has raised \$5,133,470 from an unnamed “large US institutional investment fund” in a placement at 39 cents a share.

According to the company’s most recent Appendix 3B new issue announcement, Immuron had 129,315,462, and with the issue of the new shares, the unnamed US fund would hold 9.2 percent.

Immuron said the placement issued 13,162,744 new shares to the US company with three free attaching options for every five shares issued, providing 7,897,647 options exercisable at 46.8 cents each within five years of issue.

The company said the funds would be used for its clinical programs, to support marketing initiatives for Travelan for travellers’ diarrhoea and provide ongoing working capital.

Immuron chief executive officer Dr Jerry Kanellos said the company “received a number of recent offers for financial support following the release of the ... positive top-line results of its IMM-124E phase II non-alcoholic steatohepatitis clinical study”.

“We’re very pleased that we have been able to partner with this large US institutional investor for this raising and for them to take such a significant position in our company brings stability and validation to the company’s share register,” Dr Kanellos said.

Last week, Immuron said that its 133-patient, phase II trial of IMM-124E for non-alcoholic steatohepatitis trial had mixed results, missing its primary endpoint but showing mechanism of action (BD: Mar 8, 2018).

Today, the company said that New York’s Joseph Gunnar & Co and HC Wainwright & Co were the exclusive joint placement agents for the offer.

Immuron fell four cents or 8.5 percent to 43 cents with 1.95 million shares traded.

FACTOR THERAPEUTICS

Factor says it expects to raise \$4.17 million in a “fully-underwritten, one-for-seven, non-renounceable, entitlement offer” at four cents a share.

Factor said that the offer price was a 15 percent discount to the last traded price.

The company said that the proceeds would be applied principally to drive the lead program in venous leg ulcers, complete the phase IIb study of VF001 for venous leg ulcers, ensure readiness for the end-of-phase II regulatory engagement, with funds “to progress selected pipeline assets to their next milestones” specifically the ocular program to progress to clinical candidate selection and orphan drug designation application through a collaboration with the Singapore Eye Research Institute, as well as discovery phase experiments for the next pipeline molecule, leading to a patent filing.

Factor said that directors eligible to participate in the offer had committed to take up their entitlements.

The company said that the record date would be March 19, the offer would open on March 22 and close on April 11, 2018.

Factor said that Taylor Collison was the lead manager and underwriter to the offer.

Factor fell 0.4 cents or 8.5 percent to 4.3 cents.

BIOTECH DAILY EDITORIAL CORRECTION

Last night’s editorial on ‘Doing the Deal’ listed a number of important Australian innovations and erroneously claimed medical penicillin as one of ours.

In fact, the Australian connection was that Australian Prof Howard Florey worked with the discoverer of penicillin, Prof Alexander Fleming, in Oxford, England with several other key researchers, and the work was funded by the UK Medical Research Council.

PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics says it has commitments to raise a total of \$3.4 million from the exercise of its PIQO options exercisable at 20 cents each by March 31, 2018.

Proteomics said it had already raised \$430,146 from the exercise of the options with a further 15,104,635 options to be exercised.

The company said that its directors would exercise \$1 million of the options with Alto Capital agreeing to underwrite the last \$2 million not taken up by option holders.

Proteomics said the funds would leave it “in a strong financial position to continue to leverage the Promarker technology across the integrated areas of analytical services, diagnostics and therapeutics”.

PIQO options were down 0.2 cents or eight percent to 2.3 cents.

Proteomics was unchanged at 23 cents.

PHARMAUST

Pharmaust says it will collaborate with the Melbourne-based Olivia Newton-John Cancer Research Institute’s Dr Doug Fairlie on monepantel for cancer.

Pharmaust said that the collaboration had been awarded a \$50,000 Federal Department of Industry, Innovation and Science Innovation Connections Grant “which recognizes the commercial potential of this partnership”.

The company said the aim of the collaboration was “to better understand how ... monepantel [was] able to kill cancer cells” as well as identify drug combinations that improved its potency against different types of cancers.

Pharmaust said that the outcomes of the research would be used to support and accelerate the clinical development strategies for monepantel in humans and dogs.

Pharmaust chief executive officer Dr Richard Hopkins said that determining whether monepantel had a novel mode of action could unlock value and help inform the selection of cancers that would most likely respond to monepantel treatment in trials.

Pharmaust was up 0.2 cents or 3.5 percent to 5.9 cents with two million shares traded.

ATCOR MEDICAL

Atcor says it will conduct “a major repositioning” by changing its name to Cardiex and invest \$US600,000 in the Silicon Valley-based Blumio to collaborate on wearable sensors.

Atcor said the proposals were subject to shareholder approval and the name “recognizes Atcor’s legacy in cardiovascular health while at the same time promoting excellence and expertise in global health solutions ... [and was] part of a complete re-branding”.

The company said that Blumio developed sensor and wearable technology for blood pressure detection and the agreement provided the framework for the development and integration of Atcor’s intellectual property into Blumio’s sensors and the collaboration of the parties in developing new technology applications for sensor-based detection of cardiovascular disease.

Atcor said that the \$US600,000 (\$A761,701) investment would give it 7.5 percent of Blumio.

Atcor chief executive officer Craig Cooper said that it was “important that we partner and align ourselves with world-class companies at the cutting edge of technology and innovation”.

“This is a significant move forward for Atcor and represents the first step in our plan to become the world leader in hypertension and cardiovascular health,” Mr Cooper said.

Atcor was up 0.3 cents or 11.5 percent to 2.9 cents with 1.2 million shares traded.

SIRTEX MEDICAL

Sirtex says that the US Federal Trade Commission and the German Federal Cartel Office have approved its acquisition by Varian Medical Systems.

In January, Varian said it would pay \$1.6 billion for Sirtex (BD: Jan 31, 2018).

Today, Sirtex said that US Federal Trade Commission granted early termination of the waiting period under the Clayton Act and Premerger Notification Rules with respect to the scheme of arrangement and the German Federal Cartel Office confirmed the scheme did “not fulfil the conditions for prohibition” under the Act Against Restraints of Competition.

The company said the approvals were two key conditions to the scheme’s implementation. Sirtex said that a draft scheme booklet was lodged with the Australian Securities and Investments Commission on March 9, 2018 and following review by ASIC and subject to Federal Court of Australia orders approving the booklet it would be despatched about April 5, 2018.

Sirtex fell three cents or 0.1 percent to \$27.57 with 358,888 shares traded.

VISIONEERING TECHNOLOGIES

Visioneering says that 58,883,014 US shares and Chess depository instruments (CDIs) will be released from ASX and voluntary escrow on March 22 and 28, 2018.

Visioneering said that on March 22, 3,242,254 US shares were due to be released from ASX escrow, of which 8,895 shares would be tradable; and 2,306,460 CDIs were due to be released from ASX escrow, of which 247,118 CDIs would be tradable.

The company said that on March 28, 36,975,022 US shares were due to be released from voluntary escrow, of which 29,289,938 shares would be tradeable and 16,359,278 CDIs were due to be released from voluntary escrow, of which 16,224,347 CDIs would be tradeable.

Visioneering was untraded at 43 cents.

BRAIN RESOURCE

Brain says its unmarketable parcels sale has been completed with 434,105 shares sold on-market on behalf of 99 shareholders.

Brain said that the sale was managed by Gleneagle Securities.

Brain was up half a cent or 10 percent to 5.5 cents.

TPI (TASMANIAN POPPY INDUSTRIES) ENTERPRIZES

Thorney Opportunities says it has increased its substantial shareholding in TPI from 7,062,503 shares (9.69%) to 8,832,604 shares (10.89%).

The Melbourne-based Thorney said that between November 29, 2017 and March 13, 2018 it bought 1,141,715 shares at “market prices” but failed to provide the cost of the shares as required under the Corporations Act 2001 and acquired 628,386 shares for no payment.

The company said that the shares were held by Thorney Operations, Thorney Investment Group, Tiga Trading Pty Ltd and Jamahjo Pty Ltd.

TPI was up 12 cents or 8.6 percent to \$1.52.

[ESENSE-LAB](#)

Esense says it has made “major progress” with its marijuana ‘terpenes’ showing “robust anti-inflammatory activity”.

Esense said it tested an anti-inflammatory activity across its medical cannabis terpene blends including Girl Scout Cookies, OG-Kush, Sour Diesel, Jack Herer, Daniel, Super Lemon Haze, Gorilla Glue, Chees and Granddaddy Purple, but did not say whether the study was in-vitro, in animals or humans or how the study was conducted.

The company said that macrophages cells were stimulated with an inflammatory stimulant and tested for the secretion of inflammatory cytokines including tumor necrosis factor-alpha and nitric oxide) in the presence or absence of the terpene blends.

Esense said that “a clear and robust anti-inflammatory effect could be seen in the presence of six out of the nine tested blends manifested by a dose response suppression of cytokine secretion” (sic).

“Blends such as OG-Kush, Sour diesel, Granddaddy purple, Daniel and OG-kush managed to suppress cytokine secretion up to 90 percent,” the company said.

Esense was up two cents or 12.5 percent to 18 cents.