



Biotech Daily

Friday July 10, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: UNIVERSAL BIOSENSORS UP 9%
- GI DYNAMICS DOWN 6%**
- * **ASX QUERIES REPEAT OPTISCAN CHAIR ANGUS HOLT NOTICES**
- * **OPTISCAN RIGHTS ISSUE RAISES \$426k, \$264k TO GO**
- * **BIODIEM \$242k ARC LINKAGE GRANT**
- * **ALCHEMIA: KEN POUTAKIDIS CHAIR, NATHAN DRONA AUDIT**
- * **WISHNY SRITHARAN KRISHNARAJAH DILUTED BELOW 5% IN SUN**

MARKET REPORT

The Australian stock market was up 0.38 percent on Friday July 10, 2015 with the ASX200 up 21.0 points to 5,492.0 points.

Sixteen of the Biotech Daily Top 40 stocks were up, eight fell, 12 traded unchanged and four were untraded.

Universal Biosensors was the best, up three cents or 9.4 percent to 35 cents with 72,172 shares traded.

Genetic Technologies and Psivida climbed more than eight percent; Benitec and Oncosil were up five percent or more; Compumedics, Ellex, Neuren and Tissue Therapies were up more than three percent; Actinogen, Atcor and Viralytics rose more than two percent; Anteo, Clinuvel, Nanosonics, Prima and Resmed were up more than one percent; with Cochlear up one cent or 0.01 percent.

GI Dynamics led the falls, down one cent or 6.25 percent to 15 cents with 13,813 shares traded.

Prana lost 3.2 percent; Osprey and Pharmaxis shed more than two percent; Bionomics, Mesoblast, Sirtex and Starpharma were down more than one percent; with CSL down 0.4 percent.

OPTISCAN

Optiscan has told the ASX that chairman Angus Holt's most recent director's interest notice was substantially late "due to inadequate administration controls on his part". In a series of questions referring to previous director interest notices the ASX asked whether an arrangement for weekly disclosures to the board, cited in a letter dated August 20, 2012 had been implemented.

Optiscan said that it "was not implemented as the executive chairman advised that he would cease trading in the company's shares, making the weekly declaration a cumbersome and redundant process".

"A period of compliance of more than one year followed with no trading," Optiscan said. "When trading re-commenced in October 2013, the appropriate disclosures were made and the board believed at that time the disclosure arrangement was performing satisfactorily."

The ASX said that Mr Holt's "continued practice of trading in the company's securities during periods which, we understand, are closed periods under the company's securities trading policy" and asked whether the company considered that it was able to meet its disclosure obligations under listing rule 3.19A?

Optiscan said that it considered that it was able to meet its disclosure obligations under listing rule 3.19A.

"Notwithstanding the disclosure issues arising from the release on July 3, 2015, the individual transactions were not of a quantum or frequency that would have a material impact on the price of securities and the company believes its continuous disclosure obligations were observed.

In two paragraphs of the four-page ASX query, the ASX said there were 11 changes to Mr Holt's notifiable interests that occurred in February 2014 and February 2015, "which, we understand, is a closed period under the company's securities trading policy; and during the relevant period, Mr Holt reduced his interest in the company's securities (on a net basis)".

"However, based on the Appendices 3Y lodged by the company in relation to Mr Holt on December 12, 2014, February 19, 2014, December 5, 2013 and October 7, 2013 (being the only Appendices 3Y lodged by the company during the relevant period in relation to Mr Holt), a reasonable person may have concluded that Mr Holt sought to increase his interest in the company's securities (on a net basis)," the ASX said.

"Having regard to the above, it appears that the company is in breach of listing rules 3.19A and/or 3.19B," the ASX said.

"It also appears Mr Holt may have breached section 205G of the Corporations Act 2001," the ASX said.

Optiscan said that "in the light of the disclosures on July 3, 2015, the company is currently in the process of taking strong action to address the issue".

"This may take a number of forms, one of which may be that the board adopt a prohibition on trading without the prior written approval of all other directors, and that contravention of a prohibition will require the director to resign," Optiscan said.

"The directors will engage in discussion with Mr Holt as a matter of urgency to canvass a range of issues that will bear on his future association with the company," Optiscan said.

"The outcome of these discussions will be reported to the market when concluded, in any event within two weeks of the date of this letter," Optiscan said.

Optiscan company secretary Bruce Andrew told Biotech Daily that the company was "disappointed that this happened and we are working to rectify the matter and restore improved governance".

Optiscan was unchanged at five cents.

OPTISCAN

Optiscan says it has raised \$426,404 from applications for 8,528,074 shares at five cents each in its one-for-15 entitlements offer.

Optiscan said it expected to place a further 5,273,419 shares, raising \$263,671 in accordance with the underwriting agreement.

In June, Optiscan said it hoped to raise a total of \$1.19 million through a \$500,000 loan and a fully underwritten one-for-15 rights issue at five cents a share to raise \$690,074 (BD: Jun 15, 2015).

The company said at that time that the non-renounceable rights issue was fully underwritten by Life Sciences Pty Ltd.

Registration documents held by the Australian Securities and Investments Commission said that Life Sciences Pty Ltd was a Western Australian company first registered on June 11, 2015 with Perth Bell Potter broker Jeremy Baldock named as a director.

BIODIEM

Biodiem says that with Queensland's Griffith University it has won a \$241,564 Australian Research Council Linkage grant to investigate BDM-I for infections.

Biodiem said the project, entitled 'Novel antimicrobial target discovery by an integrated approach' aimed to uncover the molecular targets of BDM-I and ultimately develop products.

The company said that the project planned "to show the first computational method to integrate target and ligand similarity for proteome-scale target and off-target discovery, which will advance the global fight against drug-resistant microorganisms".

Biodiem is a public unlisted company.

ALCHEMIA

Alchemia says that Ken Poutakidis has been appointed interim chairman and Nathan Drona has been appointed as chairman of the audit, compliance and risk committee.

Yesterday, Alchemia said that Tim Hughes had resigned as chairman and a director and the board would meet "as soon as possible to appoint a new chairman".

Earlier this week, Sandon Capital withdrew its requisition for an extraordinary general meeting to spill the board (BD: Jul 7, 2015).

Last month, Sandon requested a meeting to replace directors Tim Hughes and Dr Tracie Ramsdale with Dinimus Capital principal Ken Poutakidis and Sandon Capital founder and managing director Gabriel Radzynski and one week later the company appointed Mr Poutakidis as a director (BD: Jun 18, 26, 2015).

Last year, Alchemia fell from 62 cents a share to 10.5 cents a share on the news that its phase III trial of hyaluronic acid-irinotecan (HA-irinotecan) for metastatic colorectal cancer failed to meet its primary endpoint (BD: Oct 27, 2015).

In May, the company fell a further 51.8 percent to four cents on news that it was in dispute with Dr Reddy's Laboratories for the distribution of its generic fondaparinux, along with lower than expected fondaparinux revenues.

Alchemia was up 0.1 cents or three percent to 3.4 cents.

SUN BIOMEDICAL

Wishny Sritharan Krishnarajah says he has been diluted below the five percent substantial shoulder level in Sun Biomedical following its recent capital raising.

The Perth, Western Australia-based Mr Krishnarajah said that following the Dimerix acquisition, conversion of 929,964 shares and sale of 2,075,548 shares he held 20,124,452 shares in Sun or 1.52 percent.

In March, Mr Krishnarajah held 22,200,000 shares, then 5.37 percent.
Sun was untraded at one cent.