



# Biotech Daily

Monday August 14, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: DIMERIX UP 10%, ATCOR DOWN 12.5%**
- \* **US FDA CLEARS IMPEDIMED SOZO FOR LYMPHOEDEMA**
- \* **NOVOGEN: REVIEW SAVINGS, R&D FOCUS, NASDAQ COMPLIANCE**
- \* **EPAT PLEADS SCHULTZ, OLDS TO ASX 44% QUERY**
- \* **MEDIBIO 14m PERFORMANCE RIGHTS, OPTIONS; 50% FEES HIKE AGM**
- \* **RACE TO ISSUE 2m PLACEMENT OPTIONS**
- \* **CM CAPITAL (TALU) DILUTED TO 10.4% OF OSPREY**
- \* **GI DYNAMICS: DR GERALD HOLTSMANN, DR THOMAS RÖSCH ADVISORS**

## MARKET REPORT

The Australian stock market was up 0.66 percent on Monday August 14, 2017 with the ASX200 up 37.3 points to 5,730.4 points.

Seventeen of the Biotech Daily Top 40 stocks were up, nine fell, 12 traded unchanged and two were untraded.

Dimerix was the best, up 0.1 cents or 10 percent to 1.1 cents with 2.6 million shares traded.

Prana climbed 5.8 percent; Cellmid and Impedimed were up more than four percent; Opthea was up 3.25 percent; Sirtex and Viralytics rose more than two percent; Acrux, Actinogen, Cochlear, Medical Developments, Nanosonics, Oncosil and Universal Biosensors were up more than one percent; with Clinuvel, CSL, Pro Medicus, Psivida and Starpharma up by less than one percent.

Atcor led the falls, down 0.5 cents or 12.5 percent to 3.5 cents with 637,165 shares traded.

Living Cell fell 4.2 percent; Osprey lost 3.4 percent; Admedus and Uscom shed more than two percent; Avita, Factor Therapeutics and Reva were down more than one percent; with Mesoblast and Resmed down by less than one percent.

## IMPEDIMED

Impedimed says the US Food and Drug Administration has cleared its Sozo bio-impedance diagnostic to aid in the clinical assessment of unilateral lymphoedema. Impedimed said that the FDA cleared its 510(k) application to market the non-invasive diagnostic to measure, monitor and manage fluid status and body composition. Impedimed chief executive officer Richard Carreon said he was “delighted to receive this FDA clearance for Sozo in the US”.

“Sozo makes it far simpler for cancer patients to be monitored for lymphoedema via their L-Dex score and significantly streamlines the patient flow within the cancer clinic,” Mr Carreon said.

“This clearance puts us ahead of schedule for our planned market launch of Sozo in the United States and also allows us to now expedite our regulatory strategy for additional Sozo indications including fluid status monitoring for patients living with heart failure,” Mr Carreon said.

Impedimed was up three cents or 4.8 percent to 65 cents.

## NOVOGEN

Novogen says it has found \$1.8 million of annual cost savings, reduced directors’ costs by 50 percent, focused its research and recompiled with its Nasdaq listing.

Novogen said that following the departure of directors John O’Connor and Ian Phillips the board comprised chairman Iain Ross, Bryce Carmine, Steven Coffey and chief executive officer James Garner and they had offered to reduce their fees, reducing board costs by 50 percent (BD: Jun 8, 2017).

The company said that a review of business operations identified about \$1.8 million of annualized savings in operating expenses including “a reduction in consultant expenditure, optimization of the intellectual property portfolio, management of occupancy expenses and a modest reduction in headcount”.

Novogen said the measures had been substantially implemented and would allow a greater allocation of resources to the clinical trials of GDC-0084 and Cantrixil, following the dropping of the Anisina or ATM-3507 program (BD: Apr 6, 2017).

The company said that following the changed ratio of its American depository receipts (ADRs) from 25 Australian shares to one ADR to 100 shares to one ADR the Nasdaq had confirmed it was in compliance with the minimum \$US1 bid rule (BD: Jun 1, 2017).

Novogen said it had instructed the Bank of New York Mellon as its depository holder not to exercise unvoted ADR proxies at future general meetings.

Novogen up 0.1 cents or 2.3 percent to 4.5 cents.

## EPAT

Epat 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 43.6 percent from 3.9 cents on August 8 to 5.6 cents today, August 14, 2017, but did not note an increase in trading volume.

Epat said that it made two announcements on July 19 and 24 regarding its pain recognition software (BD: Jul 19, 24, 25, 2017).

Epat was up 1.1 cents or 23.9 percent to 5.7 cents with 49.5 million shares traded.

## MEDIBIO

Medibio will vote to grant eight directors 4,250,000 'performance' options, chief executive officer Jack Cosentino 10,000,000 options and raise directors fees 50 percent.

Medibio said the meeting would vote to issue 750,000 performance rights to chairman Chris Indermaur, with 500,000 performance rights to each of Kris Knauer, Dr Franklyn Prendergats Andrew Maxwell, Dr Adam Darkins, Michael Phelps, Peter Carlisle and Patrick Kennedy.

The company said the performance rights, worth a total of \$925,604, would convert to options exercisable at 45 cents each within five years of issue, with no performance hurdles.

Medibio said that it proposed issuing 10,000,000 options to chief executive officer Jack Cosentino exercisable at 45 cents each within five years of issue.

The company said that it proposed to increase the aggregate pool of directors' fees by 50 percent from \$500,000 a year to \$750,000 a year.

Medibio said the meeting would vote on a resolution to issue 77,778 shares at 30 cents each to Dr Prendergast in part-payment of director fees.

The company said that other resolutions included the issue of 4,650,000 partly paid shares, adoption of the performance rights plan, the ratification of previous issues of securities, and the issue of shares to contractors and consultants,

The meeting will be held at Computershare, Level 4, 60 Carrington Street, Sydney on September 11, 2017 at 10am (AEDT).

Medibio was unchanged at 39 cents.

## RACE ONCOLOGY

Race says that it will issue 2,000,000 unlisted options each to Merchant Capital Markets and 708 Capital in relation to its \$2.5 million placement (BD: Jul 17, 2017)

Race said the options would be exercisable at 30 cents each by September 30, 2018.

The company said that the options would be issued under the 15 percent capacity rule, subject shareholder approval at the August 30, 2017 extraordinary general meeting.

Race was up three cents or 9.4 percent to 35 cents.

## OSPREY MEDICAL

CM Capital says its 34,040,899 Chess depositary interest (CDI) holding in Osprey has been diluted from 13.4 percent to 10.4 percent.

The Brisbane, Queensland-based CM Capital, now known as Talu Ventures, said that the shares were held by the VT4A fund and VT4B fund as trustees for CM Capital Venture Trusts 4A and 4B.

Earlier this month, Osprey said it had raised \$22,185,630 at 40 cents per Chess depositary interest (CDI) and would offer a share purchase plan to raise a further \$10,314,370 (BD: Aug 4, 2017).

Brandon Capital also issued a substantial shareholder notice saying its 60,505,552 shares had been diluted from 23.8 percent to 18.6 percent, but it acquired shares in the placement and had unwritten the share plan and would lodge a further change of substantial shareholder notice next week.

Osprey fell 1.5 cents or 3.4 percent to 42.5 cents.

## GI DYNAMICS

GI Dynamics says it has appointed Dr Gerald Holtmann and Dr Thomas Rösch to its scientific advisory board.

GI Dynamics said that Dr Holtmann had experience with its Endobarrier for obesity and type 2 diabetes and was currently the primary investigator of Brisbane-based trial, entitled 'Effects and Mechanisms of Action of an Endoscopically Placed DuodenalJejunal Sleeve Device (EndoBarrier) in Obese Patients with Type 2 Diabetes: Focus on Intraluminal Triglyceride Digestion'.

Last year, GI Dynamics said the Australian Therapeutic Goods Administration cancelled the Endobarrier listing on the Australian Register of Therapeutic Goods because it "failed to provide adequate evidence of compliance with certain provisions of the TGA Essential Principles within the required 20 working days" (BD: Sep 14, Oct 24, 2016).

GI Dynamics said last year, that it was not permitted to supply the Endobarrier in Australia for use outside approved trials, but this did not constitute a recall, nor was the action a result of any direct safety concerns associated with the Endobarrier.

Today, GI Dynamics said that Dr Holtmann was a University of Queensland associate dean and director of gastroenterology and hepatology at Brisbane's Princess Alexandra Hospital and was a director of the West Moreton Hospital and Health Service and the Gallipoli Foundation.

The company said that Dr Holtmann had published more than 300 articles and book chapters in journals and had more than 16,000 citations.

GI Dynamics said that Dr Holtmann was qualified in medicine and gastroenterology, and held a Master of Business Administration from the University of South Australia.

The company said that Dr Rösch had gastroenterology and endoscopy experience and conducted the first Endobarrier procedures in Germany and was the Hamburg, Germany-based University Hospital Eppendorf director of interdisciplinary endoscopy.

GI Dynamics said that previously that Dr Rösch was the chief of endoscopy and professor of diagnostic and therapeutic endoscopy at Charité Berlin, Campus Virchow Hospital from 2004 to 2008, with research featured in more than 230 publications, numerous review articles and more than 1,500 lectures.

GI Dynamics fell 0.4 cents or 9.1 percent to four cents.