



Biotech Daily

Thursday October 19, 2017

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH EVEN: NEUREN UP 25%; BENITEC DOWN 17%**
- * **PROF JENNY GRAVES WINS \$250k PM SCIENCE PRIZE**
- * **CARL ZEISS 60 SALES STAFF BACK OPTISCAN MICROSCOPES**
- * **DIMERIX FACES 27% DISSENT OVER 20-TO-1 CONSOLIDATION**
- * **REGAL FUNDS TAKES 7% OF AVITA**
- * **MEDADVISOR ISSUES 203m (18%) 'FOUNDER PERFORMANCE' SHARES**
- * **ESENSE REQUESTS 'MATERIAL AGREEMENT' TRADING HALT**
- * **HYDROPONICS CEO DAVID RADFORD STARTS ON \$325k; BOARD MOVES**
- * **ANTEO APPOINTS MATTHEW SANDERSON DIRECTOR; CEO WANTED**
- * **PHARMAXIS APPOINTS DR DIETER HAMPRECHT; ADVISORS**
- * **POLYNOVO LOSES CO SEC ANDREA GOLDIE**

MARKET REPORT

The Australian stock market edged up 0.1 percent on Thursday October 19, 2017 with the ASX200 up 5.6 points to 5,896.1 points. Seventeen of the Biotech Daily Top 40 stocks were up, 16 fell, with seven traded unchanged.

Neuren was the best, up 2.5 cents or 25 percent to 12.5 cents with 17.1 million shares traded. Cyclopharm was up 16.9 percent; Dimerix rose 11.1 percent; Cellmid improved 4.35 percent; Actinogen, Oncosil and Orthocell were up more than three percent; Admedus, Genetic Signatures, Impedimed and Reva rose more than two percent; Bionomics, Cochlear, Mesoblast, Pharmaxis, Polynovo and Pro Medicus were up one percent or more; with Ellex up 0.4 percent.

Benitec led the falls, down three cents or 16.7 percent to 15 cents with 336,684 shares traded. Avita lost 6.45 percent; Factor Therapeutics and Living Cell fell more than five percent; Opthea, Osprey, Starpharma, Universal Biosensors and Volpara shed more than two percent; Prana, Psivida and Viralytics were down more than one percent; with Clinuvel, CSL, Medical Developments, Nanosonics, Resmed and Sirtex down less than one percent.

FEDERAL GOVERNMENT

The Prime Minister Malcolm Turnbull has awarded the \$250,000 Prime Minister's prize for science to the La Trobe University's Prof Jenny Graves.

Prime Minister's office said that Prof Graves won the award for her work on "what kangaroos, platypus and dragons can tell us about sex and humanity".

The Prime Minister's Office said in a media release that the \$50,000 Frank Fenner prize for life scientist of the year went to University of Queensland's Prof Jian Yang for "unravelling the complexity of height, intelligence, obesity and schizophrenia".

The media release said that the \$50,000 Malcolm McIntosh prize for physical scientist was awarded to the University of Technology Sydney's Prof Dayong Jin for developing "new ways to visualise the processes of life", with the \$250,000 prize for innovation awarded to the Oral Health co-operative research centre and the University of Melbourne's Prof Eric Reynolds for his work on Australian dairy milk saving teeth.

The media release said that Brett McKay would share the \$50,000 Prime Minister's prize for excellence in secondary school science teaching with New South Wales's Kirrawee High School and Neil Bramsen would share the \$50,000 prize for excellence in primary science teaching with Mount Ousley Public School, in Wollongong, New South Wales.

Australia chief scientist Dr Alan Finkel said the scientists and innovators were "all about dreaming big, even when their work was only visible by microscope".

"When we think of the undiscovered reaches of science, it's easy to look to the vast frontiers of space travel or the deep oceans to fuel our imagination," Dr Finkel said.

"But as this year's Prime Minister's prizes for science remind us that great things often come in small packages and have enormous impact on our lives," Dr Finkel said.

OPTISCAN IMAGING

Optiscan says the commercialization of its confocal microscopes for neurosurgery has been "significantly advanced" with support from Germany's Carl Zeiss Meditec.

Optiscan said that along with demonstrating its Kinevo 900 and Convivo systems at neurosurgery conferences in Boston and Venice Carl Zeiss had dedicated 60 sales staff to promote and sell the microscopes.

The company said that Carl Zeiss described the Convivo as a "digital biopsy tool" and held product demonstrations for neurosurgeons and pathologists in a simulated operating theatre.

Optiscan said the conferences heard presentations from "opinion leading neurosurgeons who have been using the Convivo systems for the past months, drawing groups of 100 plus neurosurgeons to listen to the speakers".

Optiscan chief technology officer and confocal microscope inventor Peter Delaney said the "direct feedback from the key neurosurgeons with initial hands on experience using Convivo over the last few months has been overwhelmingly positive".

"Discussions with [Carl Zeiss] and neurosurgeons echoed that this digital biopsy tool is a technology which will be a significant advancement for neurosurgery," Mr Delaney said.

Optiscan chief executive officer Archie Fraser said that "Carl Zeiss demonstrated their significant commitment to the success and commercialization of Convivo".

Optiscan said that as part of the roll out by Carl Zeiss, further Convivo systems would be placed with additional key neurosurgeons, prior to receiving final regulatory approvals, with Carl Zeiss responsible for all approvals including Conformité Européenne (CE) mark and US Food and Drug Administration approval, expected in early 2018.

Optiscan said Carl Zeiss continued to purchase systems in the lead up to approvals.

Optiscan fell one cent or 8.7 percent to 10.5 cents.

DIMERIX

Dimerix annual general meeting passed all resolutions with 118,186,681 votes (26.9%) opposed to the 20-to-one consolidation and 320,978,701 votes (73.1%) in favor.

The company said all other resolutions were passed easily with up to 38.2 million votes against the issue of options to directors and 32.6 million votes against the remuneration report, with more than 321.0 million votes in favor.

According to the most recent Dimerix Appendix 3B new issue announcement the company had 1,829,949,652 shares on issue, meaning the vote against the consolidation was 6.5 percent of the company, sufficient to requisition extraordinary general meetings.

Dimerix was up 0.1 cents or 11.1 percent to one cent with 12.9 million shares traded.

AVITA MEDICAL

Regal Funds Management says it has become a substantial shareholding in Avita with 51,966,936 shares or 6.71 percent.

The Sydney-based Regal Funds said that it bought 44,444,444 shares between October 11 and 17, 2017 at 4.5 cents a share and the registered holders were UBS Nominees and Merrill Lynch (Australia) Nominees.

Last week, Sydney's Pengana Capital, formerly Hunter Hall, said it reduced its holding in Avita from 10.89 percent to 0.7 percent, selling 68,732,783 shares in two parcels on October 11, 2017, with the larger parcel sold at 4.5 cents a share (BD: Oct 13, 2017).

Avita fell 0.4 cents or 6.45 percent to 5.8 cents with 1.3 million shares traded.

MEDADVISOR

Medadvisor says it has issued 202,000,000 "founder performance shares and [Robert] Read rights" as well as 679,166 shares converted from options and in lieu of fees.

In a series of announcements, Medadvisor said that 195,000,000 A class performance shares had been converted and 7,000,000 shares issued on the exercise of chief executive officer Mr Read's rights, restricted until December 1, 2017.

The company said that following the issue it would have 649,260,518 shares on issue with 498,800,073 restricted shares not quoted on the ASX and with a further 55,000,000 class B performance shares not quoted.

Medadvisor said that 612,500 shares were issued "in lieu of consulting fees" and 66,666 shares from options granted under the incentive option plan.

Medadvisor said that Mr Read acquired 7,000,000 shares through Gread Management as trustee for the AG and RR Family account, taking the Gread holding to 13,423,888 shares and 35,500,000 performance rights.

In directors' interest announcements Joshua Swinnerton said his Wavey Industries acquired 68,225,102 shares from performance rights, taking the holding to 175,062,602 shares and Jim Xenos said his Kojent companies acquired 56,036,062 shares from performance rights, taking the holding to 144,086,062 shares.

Medadvisor was unchanged at 3.6 cents with 1.7 million shares traded.

ESENSE TECHNOLOGIES

Esense has requested a trading halt pending "an announcement regarding the execution of a material, binding off-take agreement".

Trading will resume on October 23, 2017 or on an earlier announcement.

Esense last traded at 24.5 cents.

THE HYDROPONICS COMPANY

Hydroponics says it has appointed David Radford as its chief executive officer, starting on \$325,000 a year, effective immediately.

Hydroponics said that Mr Radford was an experienced senior executive “with a track record of driving profitable growth across multiple geographies and business segments”.

The company said that Mr Radford was formerly an executive with Cobe Laboratories, Brambles Recall division and GE Healthcare and was a chief executive officer of Nanosonics and Bioxyne, as well as working with private equity funds.

Hydroponics said that as well as the base rate, Mr Radford would be entitled to a short-term incentive of \$50,000 pending performance targets focused on expansion of the Canadian business marijuana supplies business and a long-term incentive package of 3,120,000 three-year options vesting in four equal tranches on issue and each anniversary of his employment, subject to shareholder approval.

The company said that director Ian Mutton had been appointed chairman replacing Alan Beasley who would continue as a non-executive director.

Hydroponics said that Mr Mutton was a legal practitioner with experience in contracts, competition and product liability laws, and previously worked with the Commonwealth Crown Solicitor, Trade Practices Commission and had chaired a number of ASX-listed boards.

The company said that Hamish MacDonald had resigned as managing-director but would continue as a non-executive director, while executive director John Hall had resigned from the board “to focus his time and attention on the development of the medicinal cannabis strains, contracted staff and facilities at Bundaberg”.

Hydroponics was up 1.5 cents or 6.4 percent to 25 cents.

ANTEO DIAGNOSTICS

Anteo says it has appointed Matthew Sanderson as an independent director, effective immediately.

Anteo said it was seeking a chief executive officer.

In September, Anteo said it would sell its recently-acquired Diasource Immunoassays to Biovondor Laboratorni Medicina AS for \$23,807,627 in cash, with chief executive officer and Diasource principal Dr Jef Vangenechten resigning, immediately, and chairman Dr John Hurrell appointed as interim executive chairman (BD: Sep 1, 2017).

In 2015, the company said it would buy the Belgium-based Diasource for up to \$34 million in cash and scrip appointing Diasource chief executive officer as Anteo’s chief executive officer (BD: Aug 26, 2015; Jan 25, 2016).

Anteo fell half a cent or 20 percent to two cents with 160.7 million shares traded.

POLYNOVO

Polynovo says that company secretary Andrea Goldie has resigned effective from October 18, 2017.

Polynovo said that joint company secretary Gavin Smith would continue as company secretary.

Polynovo was up half a cent or 1.4 percent to 37 cents with 1.9 million shares traded.

PHARMAXIS

Pharmaxis says it has appointed Dr Dieter Hamprecht drug discovery head of chemistry, with Prof Darren Kelly and Dr Kathleen Metters appointed advisors.

Pharmaxis said that Dr Hamprecht was previously partner Boehringer Ingelheim's Milan research managing-director.

The company said that Dr Hamprecht was a medicinal chemist holding with senior positions at Glaxosmithkline and Boehringer with 37 publications and 44 patents to his name.

Pharmaxis chief executive officer Gary Phillips Dr Hamprecht had "extensive experience in small molecules and peptides after 20 years working in multinational pharma company research groups and managing internal programs and assessing external opportunities as part of Boehringer's scientific diligence teams".

The company said that Prof Kelly was the University of Melbourne's associate dean of innovation and enterprise and the Director of Innovation and Enterprise at the Centre for Eye Research Australia, as well as the Melbourne St Vincent's Hospital's director of biomedical research.

Pharmaxis said that Prof Kelly was previously Fibrotech's chief executive officer taking the company to the \$600 million sale to Shire (BD: May 2, 2014).

The company said that Prof Kelly was currently the chief executive officer of the privately-owned Occurx (BD: May 18, 2015).

Pharmaxis said that Prof Kelly was entrepreneur in residence at the Brandon Capital-managed Medical Research Commercialisation Fund and had published more than 200 manuscripts in the field of translational research.

The company said that Dr Metters had more than 25 years of experience in the discovery and development of novel therapies for the treatment of serious diseases, including nine years with Merck and Co, where she was head basic research and lead its external discovery and preclinical sciences.

Pharmaxis said Dr Metters was Lycera Corp's chief executive officer and was appointed a Pharmaxis non-executive director in June 2017.

Mr Phillips said the drug discovery team had "exceeded industry benchmarks in generating five lead candidates from our amine oxidase chemistry platform in the last four years".

Pharmaxis was up half a cent or 1.9 percent to 26.5 cents.