



Biotech Daily

Monday April 23, 2018

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: COMPUMEDICS UP 12%; ELLEX DOWN 6%**
- * **VAXART EARNS \$6.5m FOR \$242m BIOTA INAVIR SALES**
- * **ATCOR \$5m PLACEMENT, RIGHTS OFFER, INVESTMENT**
- * **FDA APPROVES SPEEDX MYCOPLASMA GENITALIUM TEST**
- * **ZELDA RECRUITS PHASE IIa MARIJUANA INSOMNIA TRIAL**
- * **VIRALYTICS VOTES ON \$502m MERCK OFFER ON MAY 28**
- * **RECCE \$862k FEDERAL R&D TAX INCENTIVE; TOTAL \$1.3m**
- * **MMJ TAKES 1.6% OF MARIJUANA RETAILER FIRE AND FLOWER**
- * **MUTTON, LURIE REPLACE OPTISCAN DIRECTORS GRIFFITHS, FRANCIS**
- * **UNIVERSAL BIOSENSORS LOSES CHIEF SCIENTIST DR ALASTAIR HODGES**

MARKET REPORT

The Australian stock market was up 0.29 percent on Monday April 23, 2018 with the ASX200 up 17.2 points to 5,886.0 points.

Eleven of the Biotech Daily Top 40 stocks were up, 17 fell, 10 traded unchanged and two were untraded. All three Big Caps fell.

Compumedics was the best, up five cents or 12.05 percent to 46.5 cents with 126,905 shares traded.

Clinuvel climbed 11.1 percent; Genetic Signatures was up 7.3 percent; Admedus was up 4.5 percent; Optiscan rose 2.7 percent; Bionomics, Pharmaxis, Polynovo and Starpharma were up one percent or more; with Telix and Viralytics up by less than one percent.

Ellex led the falls, down 4.5 cents or six percent to 70 cents with 138,863 shares traded.

Nanosonics and Osprey fell four percent or more; Airxpanders, Impedimed, ITL, Oncosil and Universal Biosensors lost three percent or more; Actinogen, Prana, Psivida and Uscom shed more than two percent; Cochlear and Neuren were down one percent or more; with CSL, Medical Developments, Mesoblast, Pro Medicus, Resmed and Volpara down by less than one percent.

VAXART (FORMERLY AVIRAGEN, BIOTA)

Vaxart says it expects a \$US5 million (\$A6.5 million) milestone payment from Daiichi Sankyo for sales of Biota's Inavir exceeding JPY20 billion (\$A241.8 million) in 2017. In 2009, the Tokyo-based Daiichi Sankyo Co licenced inhaled, single-dose Inavir, or laninamivir octanoate, for the prevention and treatment of influenza from the then Melbourne-based Biota (BD: Aug 10, Nov 5, 2009).

On Friday (US time), Vaxart said that the payment was expected by July 2018.

Vaxart chief executive officer Wouter Latour said that Daiichi Sankyo had "successfully built a strong franchise in the influenza sector since the launch of Inavir in 2010, and is now the market leader in Japan".

"We expect Inavir to continue to generate meaningful royalty revenue for Vaxart over the coming years, and we congratulate our colleagues at Daiichi Sankyo with these excellent results," Mr Latour said.

In February, Vaxart and Aviragen merged, with shareholders of the company formerly known as Biota owning 49 percent of the merged entity (BD: Feb 15, 2018).

On the Nasdaq on Friday, Vaxart was up 20 US cents or 3.59 percent to \$US5.77 (\$A7.52, equivalent to 8.5 cents, compared to the \$1.00 share price before Biota left the ASX).

ATCOR MEDICAL

Atcor says it has commitments for a \$2,375,906 placement at two cents a share, an underwritten rights offer for \$1,124,094 and a director-related \$1,500,000 investment. Atcor said the placement was "heavily oversubscribed", with \$830,000 to be allotted on May 2, 2018 and the balance pending share-holder approval.

The company said that the \$1,500,000 investment would be made by "a related party of certain directors" subject to shareholder approval the one-for-five non-renounceable entitlement offer was fully under-written.

Atcor said that all the shares issued in the placement, investment and rights offer would come with one free attaching new option for every two new shares subscribed, exercisable at five cents by November 20, 2021.

Atcor said Taylor Collison was the lead manager to the capital raising and had fully underwritten the entitlement offer.

Atcor was up 0.2 cents or 9.1 percent to 2.4 cents.

SPEEDX

Speedx says US Food and Drug Administration has approved its Resistanceplus Mycoplasma genitalium positive control kit.

Speedx said the listing coincided with its FDA registration as a medical device manufacturing company and said that clinical trials were on track for the test.

The company said the diagnostic kit contained synthetic DNA to simulate Mycoplasma genitalium, a sexually transmitted infection that was macrolide-resistant, as well as five mutations known to confer resistance to macrolide antibiotics.

Last year, Speedx said the Waltham, Massachusetts-based Thermo Fisher Scientific would support its FDA Mycoplasma genitalium test application (BD April 24, 2017).

In 2016, the company said the test had Conformité Européenne (CE) mark, Australian Therapeutic Goods Administration approval and was sold in Europe, Australia and New Zealand (BD: Sep 20, 2016).

Speedx is a private company.

ZELDA THERAPEUTICS

Zelda says it has completed recruitment for its 24 patient, phase IIa trial of medicinal marijuana for chronic insomnia (BD: Nov 29, 2017).

Zelda said the next phase of the randomized, placebo-controlled study at the University of Western Australia would begin with patients undergoing baseline sleep measurements before pharmaceutical dosing.

The company said patients would be supplied with wrist monitors to record sleep activity at home over a period of two weeks and the data analyzed to determine the effect of Zelda's formulation on time of onset of sleep, sleep cycle duration and quality of sleep, with preliminary results expected in "late 2018".

Zelda was up half a cent or 4.55 percent to 11.5 cents with 1.2 million shares traded.

VIRALYTICS

Viralytics says the Federal Court of Australia has ordered a scheme of arrangement shareholder meeting on May 28 to vote on the acquisition by Merck Sharp & Dohme.

In February, Merck Sharp & Dohme (Merck Inc in North America) offered \$502 million to acquire Viralytics for its Coxsackievirus A21 cancer immunotherapy (BD: Feb 22, 2018)

Today, the company said the scheme booklet had been registered with the Australian Securities and Investments Commission and if approved and all conditions satisfied or waived, each shareholder would receive \$1.75 cash per share.

Viralytics said that a copy of the scheme booklet, including the independent expert's report and notice of meeting, was attached to the announcement and shareholders would receive copies of the booklet, notice of meeting and proxy form in the coming days.

The company said the scheme meeting would be held at Warrane Theatre, Museum of Sydney, Corner Phillip and Bridge Streets, Sydney, on May 28, 2018 at 2pm (AEST).

Viralytics was up half a cent or 0.3 percent to \$1.70 with 885,102 shares traded.

RECCE PHARMACEUTICALS

Recce says it has received an additional \$861,590 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Recce said the payment related to "overseas advanced drug development expenditure in the year to June 30, 2017 and brought the total incentive to \$1,288,516.

Reece was up 3.5 cents or 24.1 percent to 18 cents.

MMJ PHYTOTECH

MMJ says it has invested \$C1,000,000 (\$A1,020,952) for a 1.6 percent shareholding in the Edmonton, Alberta-based private cannabis retailer Fire and Flower.

MMJ said that Fire and Flower used "experiential strategies and education-based programming" to sell marijuana products, with plans to open 37 retail locations in Alberta Province when permitted by regulatory bodies.

The company said it had acquired 1.25 million shares at 80 Canadian cents (81.7 Australian cents) a share, each of which had an attaching warrant exercisable at \$C1.05 within 24 months.

MMJ chief executive officer Jason Conroy said that "Fire and Flower is a retail investment with an experienced management team and significant potential that further diversifies our portfolio ahead of the expected federal legalization of cannabis later this year in Canada".

MMJ was up 1.5 cents or 4.05 percent to 38.5 cents.

[OPTISCAN IMAGING](#)

Optiscan says that Graeme Mutton and Darren Lurie have replaced directors Dr Ian Griffiths and Peter Francis.

Optiscan said that Mr Mutton and Mr Lurie were appointed on April 20 and Dr Griffiths and Mr Francis resigned effective from April 23, 2018.

Director Ian Mann told Biotech Daily today that he was continuing as a director as was Dr Philip Currie and Mr Lurie was expected to be appointed chairman.

Last week then chairman Alan Hoffman resigned (BD: Apr 18, 2018).

Optiscan is due to hold a board spill extraordinary general meeting on May 10, 2018 to consider resolutions from two meeting requisitions (BD: Apr 5, 2018).

The first requisition was from Mr Mann, former chief executive officer Archie Fraser and founder, inventor and chief technology officer Peter Delaney to remove directors Mr Hoffman, Dr Griffiths, Mr Francis and Dr Currie.

A second requisition notice from the Perth-based Mr Mutton and associates called for the removal of Mr Mann and the appointment of Mr Mutton and Mr Lurie.

The notices of meeting and a website established by Mr Mann, Mr Delaney and Mr Fraser said that six members of the senior management team had resigned and called for the then board, except Mr Mann, to be replaced (BD: Mar 28, 29, April 3, 4, 2018).

Today, Optiscan said that "given the significant board changes that have occurred, the new board would like to retain their [Mr Griffiths and Mr Francis] engagement for a further two weeks to ensure that there is an opportunity to transfer their knowledge and benefit of their experience".

The company said that Mr Lurie was an executive who had chaired an ASX-listed company, Farm Pride Foods, had been a principal in two corporate advisory businesses, a partner in a law firm and a Bachelor of Law and a Bachelor of Accounting.

Optiscan said that Mr Mutton was an accountant and retired business owner and significant shareholder with experience in management.

Optiscan was up 0.2 cents or 2.7 percent to 7.6 cents.

[UNIVERSAL BIOSENSORS](#)

Universal Biosensors says that its founding chief scientist Dr Alastair Hodges has resigned by "mutual agreement", effective from April 23, 2018.

Universal Biosensors said that Mr Hodges would serve the notice period until mid-July "for an orderly transition of responsibilities" and that he would provide consulting and advisory services following his departure, pending the negotiation of an agreement.

The company said that in the interim it would appoint Dr Peter Newman as acting research manager with Luke Cossins as acting research development manager.

Universal Biosensors chief executive officer Rick Legleiter said Dr Hodges had been "instrumental in developing our research science and technology for the blood glucose and coagulation products, ultimately leading to regulatory clearance and market commercialization".

"On behalf of the company ... I wish to thank Dr Hodges for his contributions and wish him success with his future endeavors," Mr Legleiter said.

Earlier this month, Universal Biosensors said co-founder and head of technology development Garry Chambers resigned by "mutual agreement" (BD: Apr 13, 2018).

Universal Biosensors fell one cent or 3.7 percent to 26 cents.