



# Biotech Daily

Thursday May 10, 2018

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: OSPREY UP 6%; ADMEDUS DOWN 14%**
- \* **ADMEDUS PLACEMENT TO RAISE \$6m, SHARE PLAN**
- \* **BIOTRON RIGHTS OFFER TO RAISE \$1.5m**
- \* **AFL, RIO TINTO, AURECON-JACOBS JOIN MEDIBIO CHECK-IN**
- \* **GI DYNAMICS: 'PAPER BACKS ENDOBARRIER FOR HBA1C, INSULIN'**
- \* **OSPREY 20% OPPOSE DIRECTOR OPTIONS**
- \* **MGC LAUNCHES 2<sup>nd</sup> MARIJUANA COSMETIC**
- \* **HIGHBRIDGE, JP MORGAN CHASE TAKE 7% OF BENITEC**
- \* **BRENDAN MORAN INCREASES, DILUTED BELOW 5% OF LBT**
- \* **BARD1 REQUESTS 'ASX PRICE QUERY' TRADING HALT**
- \* **NOVITA CHAIR BRUCE HIGGINS GOES, MARK SIMARI IN; GLENN SMITH M-D**

## MARKET REPORT

The Australian stock market was up 0.18 percent on Thursday May 10, 2018 with the ASX200 up 10.7 points to 6,118.7 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 13 fell, eight traded unchanged and three were untraded.

Yesterday's worst, Osprey, was today's best, up one cent or 5.6 percent to 19 cents with 188,495 shares traded. Dimerix, Ellex, Impedimed and Volpara climbed more than four percent; Benitec and Telix improved more than two percent; Compumedics, CSL, Opthea, Pharmaxis, Polynovo, Resmed and Starpharma were up more than one percent; with Bionomics, Clinuvel, Nanosonics and Viralytics up by less than one percent.

Admedus led the falls, down five cents or 13.9 percent to 31 cents with two million shares traded. Airxpanders lost 7.7 percent; Optiscan fell 5.6 percent; Actinogen was down 4.4 percent; LBT was down 3.85 percent; Universal Biosensors and Uscom shed more than two percent; Cynata, ITL, Medical Developments, Pro Medicus and Reva were down more than one percent; with Cochlear and Sirtex down by less than one percent.

## ADMEDUS

Admedus says it has commitments for a \$6 placement at 30 cents a share and hopes to raise more funds through a share plan at the same price.

The capital raising price is a 16.7 percent discount to the company's 36 cent closing price when it called the trading halt (BD: May 8, 2018).

Admedus said the proceeds would be used "to expand and progress its strategic projects, including the acceleration of [its three-dimensional] product portfolio from development to commercialization".

The company said its directors would contribute 12 percent or \$720,000 of the placement. Admedus said that the record date for the share plan was May 9 and it would close on May 28, 2018.

The company said that CCZ Statton Equities was the lead manager for the placement. Admedus fell five cents or 13.9 percent to 31 cents with two million shares traded.

## BIOTRON

Biotron says it hopes to raise up to \$1.47 million in a partly-underwritten renounceable rights offer at 1.5 cent a share.

Biotron said the offer price was a 42 percent discount to the one-month volume-weighted average price.

The offer price is a 51.6 percent discount to the company's 3.1 cents closing price when it called the capital raising trading halt (BD: May 8, 2018).

Today, Biotron said that each new share would come with one attaching option exercisable at five cents by December 12, 2019.

The company said that the rights offer was partly-underwritten to \$800,000.

Biotron said the proceeds along with existing cash reserves would be used to expand its hepatitis B virus program, including testing of promising compounds in new models of infection, continued evaluation of additional compounds against an expanded range of viral diseases including respiratory viruses, Dengue virus, and others, for commercialization and negotiation activities, legal fees, travel and personnel costs, and for general working capital.

The company said the record date would be May 16, the offer would open on May 21 and close on June 6, 2018.

Biotron said that CPS Capital Group was the lead manager and underwriter.

Biotron fell 0.6 cents or 19.35 percent to 2.5 cents with 5.1 million shares traded.

## MEDIBIO

Medibio says that the Australian Football League (AFL) and mining company Rio Tinto have joined its "corporate mental health Check-in" program.

Medibio said that the Aurecon Jacobs joint venture for Melbourne's West Gate Tunnel project had also joined the four-week campaign which uses its cardiac rhythm for major depression and other mental illnesses technology.

The company said that Rio Tinto would make the system available for 400 people working in its iron ore projects as a pilot program for the larger organization.

Medibio said the AFL and Umpires Association would provide the Check-in for all umpires and football operations staff.

Medibio was up 1.5 cents or 8.8 percent to 18.5 cents.

## GI DYNAMICS

GI Dynamics says a meta-analysis of 17 studies confirms its previous 14-study meta-analysis showing its Endobarrier reduces blood glucose levels and insulin resistance. GI Dynamics said that the meta-analysis, titled 'Effects of the Duodenal-jejunal Bypass Liner on Glycemic Control in Type 2 Diabetic Patients with Obesity: A Meta-analysis with Secondary Analysis on Weight Loss and Hormonal Changes' authored by the Boston, Massachusetts-based Brigham and Women's Hospital's Dr Pichamol Jirapinyo had been published in the journal Diabetes Care.

An abstract is available at: <https://www.ncbi.nlm.nih.gov/pubmed/29678867>.

The company said that the meta-analysis of 17 published studies evaluated the Endobarrier with meta-analysis primary outcomes of change in haemoglobin A1c (HbA1c) and homeostatic model assessment of insulin resistance (HOMA-IR).

GI Dynamics said that secondary outcomes were change in weight and change in hormones critical to the regulation of metabolic and bariatric disorders.

"The analysis shows that [the Endobarrier] is effective at treating diabetes in this patient population with a reduction in HbA1c of 1.3 percent and with many patients coming off diabetic medication," Dr Jirapinyo said.

"This reduction in HbA1c is significantly better by 0.9 percent as compared to optimal medical management alone," Dr Jirapinyo said.

"In addition, this study demonstrates that patients who receive [the Endobarrier] experience significant improvements in insulin resistance and weight loss, which persist up to at least six months after device removal," Dr Jirapinyo said.

GI Dynamics said that the study showed "a clinically and statistically significant improvement in insulin resistance".

Last year, the company said a meta-analysis by Dr Jirapinyo of up to 431 patients in 14 separate studies showed the mean HbA1c blood sugar level was reduced by 1.3 percent at explant, with data from 99 patients in two studies showing a 1.0 percent mean reduction six months after removal of the Endobarrier (BD: May 24, 2017).

Today's announcement did not disclose the total number of patients involved.

GI Dynamics was untraded at 3.5 cents.

## OSPREY

The Osprey annual general meeting voted up to 19.54 percent against granting 2,352,166 director options and to increase the incentive plan by 60 percent.

Osprey's meeting results said that the strongest opposition vote was against the issue of options to chairman John Erb with 42,887,867 votes (19.54%) against and 176,650,144 votes (80.46%) in favor (BD: Apr 9, 2018).

The grant of options to all directors was passed with slightly wider margins, with the grant of options to chief executive officer Mike McCormick facing 15.9 percent opposition.

The resolution to increase the incentive plan by 5,151,500 Chess depository instruments (CDIs) or 60.0 percent to 13,804,300 CDIs was opposed by 14.69 percent of votes.

Osprey said there were no votes against the election of directors Dr Chris Nave Sandra Lesenfants and Andrew Jane, with the prior issue of shares and the 10 percent placement capacity passed overwhelmingly.

The company did not have a resolution on the remuneration report.

Osprey's most recent Appendix 3B new issue announcement said that Osprey had 339,508,206 CDIs on issue, meaning that the votes against Mr Erb's options amounted to 12.6 percent of the company, sufficient to requisition extraordinary general meetings.

Osprey was up one cent or 5.6 percent to 19 cents.

### MGC PHARMACEUTICALS

MGC says its 51 percent European cosmetics subsidiary MGC Derma has launched its marijuana-based CBD Herbal Replenish Cream.

MGC said that it was the second Derma Plus skincare product to be launched cannabidiol (CBD) compounds “to improve the natural defence of the skin and to stimulate the skin functions and regeneration”.

MGC was unchanged at 7.4 cents with 4.35 million shares traded.

### BENITEC BIOPHARMA

Highbridge Capital Management LLC says that through JP Morgan Chase it has become a substantial shareholder in Benitec with 15,444,020 shares or 7.0 percent.

The New York-based Highbridge said it bought 772,201 American depository shares for \$US2,000,001 or the equivalent of 17 cents per Australian share.

In April, Benitec said it had made the \$2.7 million placement to Highbridge and would open a one-for-two rights issue to raise a further \$17 million (BD: Apr 30, 2018).

Benitec was up half a cent or 2.9 percent to 17.5 cents.

### LBT INNOVATIONS

Brendan Moran says he has ceased his substantial shareholding in LBT due to “dilution from [a] capital raise” but holds 8,841,817 shares.

In 2016, the Sydney-based Mr Moran returned to substantial buying 1,026,770 shares at 31 cents a share, taking his holding to 6,715,467 shares (5.2%) (BD: Dec 22, 2016).

In March, LBT raised \$7 million in a placement at 15 cents a share and in April raised a further \$487,000 in a share plan (BD: Mar 6, Apr 6, 2018)

LBT fell half a cent or 3.85 percent to 12.5 cents.

### BARD1 LIFE SCIENCES

Bard1 has requested a trading halt pending “a response to an ASX price query”.

Trading will resume on May 14, 2018 or on an earlier announcement.

Bard1 last traded down 0.1 cents or 4.8 percent to two cents with 14.9 million shares traded.

### NOVITA HEALTHCARE

Novita says that chairman Bruce Higgins has resigned and will be replaced by director Mark Simari, with chief executive officer Glenn Smith promoted to managing-director.

Novita said that Mr Higgins resigned “due to other commitments”.

The company said that Mr Higgins offered not to accept the 6,800,000 options approved by shareholders at the annual general meeting on October 30, 2017 and was issued on November 21, 2017 and thanked Mr Higgins for his contribution.

Novita fell 0.3 cents or 9.7 percent to 2.8 cents.