



Biotech Daily

Tuesday December 11, 2018

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: TELIX UP 4%; PRESCIENT DOWN 10%**
- * **ORTHOCELL RAISES \$1.8m; BIRMINGHAM DENTAL APPROVES CELGRO**
- * **BIONOMICS SHARE PLAN RAISES \$250k OF \$2m; TOTAL \$10m**
- * **FIL RETURNS TO 5% IN STARPHARMA**
- * **BIONOMICS RECEIVES \$6.5m FEDERAL R&D TAX INCENTIVE**
- * **RHYTHM RECEIVES \$284k FEDERAL R&D TAX INCENTIVE**
- * **POLYNOVO APPOINTS JAN-MARCEL GIELEN CFO, CO SEC**
- * **GI DYNAMICS: CHARLES CARTER CFO, CO SEC; DAVE BRUCE GOES**
- * **GENETIC TECHNOLOGIES APPOINTS PAUL VINEY COO, CFO, CO SEC**

MARKET REPORT

The Australian stock market was up 0.42 percent on Tuesday December 11, 2018, with the ASX200 up 23.4 points to 5,575.9 points.

Twelve of the Biotech Daily Top 40 stocks were up, 21 fell, four traded unchanged and three were untraded. All three Big Caps were up.

Yesterday's 10.3 percent worst, Telix, was today's best, up 2.5 cents or 4.4 percent to 59 cents, with 2.4 million shares traded. Dimerix, Immutep and Resmed climbed more than three percent; Cochlear, CSL and Medical Developments rose more than two percent; Clinuvel, Compumedics, Cynata, Neuren, Polynovo, Pro Medicus and Starpharma were up more than one percent; with Genetic Signatures up 0.7 percent.

Yesterday's 5.5 percent best, Prescient, led the falls, down 0.8 cents or 10.4 percent to 6.9 cents, with 2.2 million shares traded, followed by Antisense down 10 percent to 2.7 cents with 1.75 million shares traded.

Orthocell, Osprey and Paradigm lost eight percent or more; Cyclopharm shed 7.7 percent; Optiscan was down 5.45 percent; Actinogen, Mesoblast, Proteomics and Volpara fell four percent or more; Airxpanders, Patrys and Uscom were down more than three percent; Impedimed, LBT and Oncosil shed more than two percent; Avita, Nanosonics and Pharmaxis were down more than one percent; with Ellex down 0.7 percent.

ORTHOCELL

Orthocell says it has raised \$1.8 million in an “oversubscribed placement” at 17 cents a share to professional and sophisticated investors in Australia and Asia.

Orthocell said the placement price was a discount of 8.1 percent to the last close and a 11.7 percent discount to the 5-day volume weight average price.

The company said that each new share would come with an attaching option, exercisable at 25 cents each by December 31, 2021.

Orthocell said that the funds, in combination with cash reserves, would be used to accelerate European market entry of its Celgro for dental bone and soft tissue repair; progress regulatory approvals in the US and other jurisdictions; and support business development and marketing initiatives.

Orthocell managing-director Paul Anderson said the company was “well-placed to continue driving sales of Celgro into key European markets, leveraging the [Conformité Européenne] mark in the US regulatory approval process and introducing other key indications to market”.

The company said that Melbourne’s PAC Partners Securities was the placement’s lead manager.

Separately, Orthocell said that its Celgro scaffold had been approved for use by the UK National Health Service Birmingham Dental Hospital.

The company said the approval of Celgro for dental implant procedures to prevent tissue in-growth and enable high-quality bone repair was “the first step in growing Orthocell’s public hospital customer base”.

Orthocell said that the Birmingham Dental Hospital was one of 10 public dental hospitals in England, and apart from sales, the approval provided “the opportunity for Celgro to be used by leading clinicians while educating upcoming dentists”.

Mr Anderson said that Birmingham Dental Hospital was home to the University of Birmingham’s dentistry school and “creates exciting and valuable opportunities”.

Mr Anderson said the hospital performed thousands of dental implant procedures each year and was “a top-tier teaching institution [where] dental students will be exposed to the superior performance of Celgro”.

Orthocell fell 1.5 cents or 8.1 percent to 17 cents.

NOXOPHARM

Noxopharm says it has been approved to treat the final 12 high-dose, 1,200mg, patients in its phase I trial of Veyonda, or NOX66, with radiotherapy for late-stage prostate cancer

Noxopharm said three previous cohorts received 400mg, 800mg and 1,200mg of NOX66 with radiotherapy and the treatment was well-tolerated without reported safety issues.

The company said there were “signs of positive clinical responses with the two highest dosages of Veyonda, 800mg and 1,200mg, included partial responses, declines in [prostate specific antigen] greater than 50 percent, and material reductions in pain”.

In September, the company said it had been approved to increase the number of patients to 32 patients in the phase I trial of NOX66 for metastatic, castrate-resistant, prostate cancer and no remaining treatment options at Sydney’s St Vincent’s Hospital and they would receive a combination of Lu-PSMA, or 177-lutetium-prostate-specific membrane antigen-617, and NOX66 with safety and prostate-specific antigen responses the main end-points of the study (BD: Sep 5, 2018).

The company said the first cohorts had eight men each receiving NOX66 400mg and 800mg, respectively.

Noxopharm was unchanged at 49 cents.

BIONOMICS

Bionomics says its share plan at 15.5 cents, capped at \$2,151,937, has raised \$250,000, taking the total raised with a placement to BVF Partners LP to \$10,099,786.

Last month, Bionomics said the 15.5 cent share plan price was the closing price on November 9 and a 5.3 percent discount to the placement price (BD: Nov 12, 2018).

In an announcement after the market closed on Friday November 9, Bionomics said that chief executive officer Dr Deborah Rathjen would retire next year, chief financial officer Steven Lydeamore had resigned and the company expected to raise \$11.9 million in two placements and offer a share plan (BD: Nov 12, 2018).

The company said at that time that it had raised \$7,873,505 from the San Francisco, California-based BVF at 16.37 cents a share and expected to raise a further \$3,984,183 from BVF and other investors for a total of \$11,857,688, taking BVF's holding to 19.9 percent (BD: Nov 12, 2018).

The company later said that its second placement at 16.37 cents a share raised \$1,976,281 of the hoped-for \$3,984,183 (BD: Nov 14, 2018).

Bionomics chair Dr Errol De Souza said in November that "based on feedback from the brokers of insufficient demand from institutions along with difficult market conditions over the last two days, the board has made the decision not to proceed with the offer" and the placement would consist "solely of shares placed to BVF".

The company said that placement proceeds totalled \$9,849,786.

Bionomics said Shaw Stockbroking and Bell Potter were the joint lead managers.

In October, Bionomics fell 69 percent when its 193-patient, phase II trial of anti-anxiety drug BNC210 in adults with post-traumatic stress disorder (PTSD), failed to meet its primary endpoint (BD: Oct 2, 2018).

In 2014, the company said its 136-patient, phase II trial of BNC105P for renal cell carcinoma failed to meet its primary endpoint with no significant difference between the two arms (BD: Mar 19, 2014).

Last night on the Nasdaq-reported over-the-counter-quality-exchange (OTCQX), Bionomics fell 2.9 US cents or 34.12 percent to 5.6 US cents (7.8 Australian cents) with 67,423 shares traded.

On the ASX, Bionomics was up 1.5 cents or 13.6 percent to 12.5 cents.

STARPHARMA

FIL Limited says it has returned to a substantial holding in Starpharma with 18,876,903 shares (5.08%).

The Bermuda-based FIL said it bought 778,586 shares between October 10 and December 6, 2018 at prices ranging from \$1.45 to \$1.5636 a share and "transitioned-in" a further 183,599 shares.

In October, FIL said it had reduced its substantial holding from 21,789,977 shares (5.88%) to below the five percent substantial level, saying that it sold 3,291,851 shares between September 12 and October 3, 2018 at prices ranging from \$1.46 to \$1.56 a share (BD: Oct 8, 2018).

Biotech Daily calculated that FIL retained 18,498,126 shares or 4.98 percent of Starpharma at that time.

FIL last increased its holding in Starpharma in 2016, saying it had increased to 29,022,710 shares (7.91%) through a "custodian adjustment" and a "transition in" as well as buying and selling shares (BD: Jun 14, 2016).

Starpharma was up 1.5 cents or 1.1 percent to \$1.43.

BIONOMICS

Bionomics says it has received \$6,568,808 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Bionomics said the rebate related to research and development expenditure for the year to June 30, 2018.

RHYTHM BIOSCIENCES

Rhythm says it has received \$283,796 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Rhythm said the rebate related to research and development expenditure for the year to June 30, 2018 and it expected "the refund for the 2018-'19 financial year to be significantly higher ... in line with expenditure".

Rhythm was up one cent or 7.4 percent to 14.5 cents.

POLYNOVO

Polynovo says it has appointed Jan-Marcel Gielen as its chief financial officer and company secretary effective from December 12, 2018.

Polynovo said that Mr Gielen was previously Cardioscan chief financial officer for six years and had worked for Restore and Icx.com in Melbourne and San Francisco.

The company said that Mr Gielen held a Bachelor of Business-Accounting from Monash University.

Polynovo was up one cent or 1.7 percent to 60 cents with 1.1 million shares traded.

GI DYNAMICS

GI Dynamics says it has appointed Charles Carter as chief financial officer, company treasurer and will replace Dave Bruce as company secretary.

GI Dynamics said that Mr Carter had nearly 16 years of experience as a finance executive in the medical industry, having worked with a variety of life sciences, therapeutics and medical device companies.

GI Dynamics was up 0.1 cent or 5.9 percent to 1.8 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says it has appointed Paul Viney as chief operating officer, chief financial officer and company secretary, effective from December 27, 2018.

Genetic Technologies said that most recently Mr Viney was employed by New Zealand's Powerhouse Ventures and had more than 15 years' experience in governance and leadership of mid and small capitalization ASX-listed entities and had experience with industrial manufacturing and medical technologies.

Genetic Technologies was unchanged at 0.8 cents with 1.2 million shares traded.