



# Biotech Daily

Thursday December 6, 2018

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: ACTINOGEN UP 9%; IMPEDIMED DOWN 12.5%**
- \* **FEDERAL \$240m FOR 'INNOVATIVE, TRANSFORMATIONAL RESEARCH'**
- \* **CARDIEX RAISES \$5.5m FOR INHEALTH**
- \* **GILEAD \$250k FOR 6 RESEARCH PROJECTS**
- \* **MESOBLAST TO ASX: 'WE DID NOT TELL MEDIA OF CHAIR RETIRING'**
- \* **ZELDA, SUDA WORK ON MARIJUANA ORAL SPRAY, \$200k OPTIONS**
- \* **MEDADVISOR, THRIVOR PARTNER FOR PATIENT CARE**
- \* **E-QUIT ORDERS ESENSE MARIJUANA TERPENES**
- \* **DEUTSCHE BANK AG TAKES 14% OF GENETIC SIGNATURES, AGAIN**
- \* **VINVA TAKES 5% OF MAYNE PHARMA**
- \* **MEDIBIO REQUESTS 'MATERIAL CAPITAL RAISING' TRADING HALT**
- \* **LSQ LOSES CEO MARIO PENNISI; CLAIRE BLAIN ACTING; DR GOPISETTY**

## MARKET REPORT

The Australian stock market fell 0.19 percent on Thursday December 6, 2018 with the ASX200 down 10.7 points to 5,657.7 points. Seven of the Biotech Daily Top 40 stocks were up, 19 fell, 10 traded unchanged and four were untraded.

Actinogen was the best, up 0.4 cents or 8.7 percent to five cents, with 5.7 million shares traded. Dimerix was up 8.05 percent; Paradigm climbed 6.3 percent; Neuren improved 4.5 percent; Antisense was up 3.1 percent; LBT and Universal Biosensors rose more than two percent; Clinuvel, Genetic Signatures, Kazia and Telix were up more than one percent; with Polynovo and Resmed up by less than one percent.

Impedimed led the falls for the second day in a row, down three cents or 12.5 percent to 21 cents, with 279,231 shares traded. Prescient lost 8.75 percent; Compumedics was down 6.2 percent; Immutep, Orthocell and Volpara fell more than five percent; Avita lost 4.9 percent; Ellex, Mesoblast, Nanosonics and Patrys shed more than three percent; Medical Developments, Proteomics and Starpharma fell more than two percent; with Cyclopharm, Cynata and Pharmaxis down more than one percent.

## FEDERAL GOVERNMENT

The Federal Government says it will provide \$240 million from the \$20 billion Medical Research Futures Fund for “innovative and transformational medical research”.

A media release from the Federal Minister for Health Greg Hunt said the Frontier Health and Medical Research program would provide funding for early innovative projects and ideas that “traditionally would not have received funding at this stage”.

Mr Hunt’s office said the two-stage Frontiers program began with the selection of up to 10 applicants to receive funding of up to \$1 million each over one year to develop detailed planning for their research projects.

The media release said that the second stage chose research plans to receive \$50 million or more in funding over five years to develop their ideas into “new technological advances or approaches to revolutionize healthcare”.

The media release said that applications for the Frontier Health and Medical Research program were open at [www.business.gov.au/fhmr](http://www.business.gov.au/fhmr).

The Government said the Frontiers program was an initiative under the \$1.3 billion National Health and Medical Industry Growth Plan announced in the 2018 budget.

The media release said the program had “the potential to transform healthcare”.

## CARDIEX

Cardiex says it has raised \$5.5 million through an “oversubscribed” placement at three cents a share to acquire the Los Angeles-based Inhealth Medical Services.

Cardiex said the placement to sophisticated investors was heavily oversubscribed, with “strong support” from managers SG Hiscock and CVC.

The company said that chief executive officer Craig Cooper and director Niall Cairns through their C2 Ventures Pty Ltd had taken \$2.5 million of the placement, pending regulatory and shareholder approvals, with chairman Donal O’Dwyer and chief financial officer and company secretary Jarrod White also participating.

In October, Cardiex said it would pay more than \$4.6 million for up to 50.5 percent of Inhealth for its “health coaching and Telehealth services” saying that Inhealth provided digital, electronic commerce and mobile telephone tools for patients to connect online with health coaches as part of a patient care management program (BD: Oct 16, 2018).

Today, the company said the three cents issue price was a 9.1 percent discount to the last closing price of 3.3 cents and the placement was led by Taylor Collison.

Cardiex fell 0.2 cents or 6.1 percent to 3.1 cents.

## GILEAD AUSTRALIA

Gilead says its Australia Fellowship Program has provided \$250,000 for six research projects on HIV, blood cancers, hepatitis C and non-alcoholic fatty liver disease.

Gilead said that the University of Queensland’s Dr Owain Williams had won a grant, for a saliva-based HIV test available at two vending machines in Brisbane.

The company said the University of Melbourne’s Abby Douglas won funds to detect and rule out serious infection in leukaemia and bone marrow transplant patients with low white blood cell counts due to their therapies; the University’s Paul Yeh would study the genetic factors in stem cell transplant donors to predict outcomes; and Kumar Visvanathan won funds to research new methods of treating hard-to-reach hepatitis C patients

Gilead said Sydney’s Royal Prince Alfred’s Avik Majumdar would validate a non-alcoholic fatty liver disease test, to determine the risk of more severe disease, with the Melbourne Sexual Health Centre’s Nicholas Medland studying HIV diagnoses in gay Asian men.

## MESOBLAST

Mesoblast has told an ASX query that it did not provide the media with the information that chairman Brian Jamieson would retire at the end of March 2019 and did not know who did. The ASX said that in the chairman's address to the annual general meeting on November 30, Mr Jamieson said that he would retire from the board at the end of March 2019, an article appeared in the Australia Financial Review prior to the meeting and said that "it appears that [Mesoblast] may have breached listing rules 3.1 and/or 15.7".

"Listing Rule 15.7 requires that a listed entity not release information which is for release to the market to any person (including the media, even on an embargoed basis) until it has given the information to [the] ASX and received an acknowledgement that ASX has released it to the market," the ASX said.

The ASX asked Mesoblast to explain how the information appeared in newspaper articles, what arrangements it had in place to ensure compliance with Listing Rule 15.7 and what additional steps it intended to take to ensure compliance with Listing Rule 15.7.

Mesoblast said it was "not involved in providing the media with the information that its chairman, Brian Jamieson, will be retiring from the board at the end of March 2019, and is not aware who provided this information".

"[Mesoblast] does not believe this information about the chairman's intentions was price sensitive information given its notice of meeting dated October 30, 2018 included a statement that Mr Jamieson was standing for election at the company's AGM which occurred last Friday, with the intention that he would step down from the board as an appropriate successor is appointed," the company told the ASX.

Mesoblast said "the current arrangements are not deemed inadequate".

On page eight of 22 of the meeting notice, the company said that "to ensure an orderly transition in board composition, Brian Jamieson and Michael Spooner are each standing for re-election as directors at this AGM with the intention that, if re-elected, both they and Donal O'Dwyer, all three long-standing Australian non-executive directors, will step down from the board as appropriate successors are appointed" (BD Oct 31, 2018).

Mesoblast fell four cents or 3.1 percent to \$1.235 with 1.3 million shares traded.

## SUDA PHARMACEUTICALS, ZELDA THERAPEUTICS

Zelda says it has partnered with Suda to conduct a feasibility study to develop an oral spray delivery system for its marijuana cannabinoid derivatives.

Zelda said the feasibility study would involve Suda applying its Oromist oro-mucosal spray technology to Zelda's cannabinoid derivatives, for evaluation by Zelda.

The company said it would evaluate the study, fund the formulation work and pay Suda \$100,000 in options upfront and a further \$100,000 in options in milestone payments.

Zelda said it had the right to extend the agreement beyond the initial 24 months and to enter into a development and licencing agreement for the Suda oral spray formulations. The company said the agreement was intended to provide "a wide range of therapeutic targets ... [and contained] an exemption over a number of therapeutic areas where Suda has ongoing discussions with other cannabis companies".

Zelda director Dr Richard Hopkins said the deal would "improve upon existing market-approved oral-mucosal formulations that have proven very effective for delivering cannabis medicines in patients".

Suda chief executive officer Stephen Carter said his company's technology had "unique advantages compared to other routes of administration for delivering medicinal cannabis".

Suda fell 0.1 cents or 16.7 percent to half a cent with 18.7 million shares traded.

Zelda was up 0.2 cents or 4.35 percent to 4.8 cents.

## MEDADVISOR

Medadvisor says it will partner with Melbourne's Thrivor to provide Medadvisor patients with access to Thrivor's health management smartphone application.

Medadvisor said the Thrivor smartphone application would help patients living with a serious illness to navigate their health requirements, such as managing bookings, allocating tasks to supporters and store health documents.

The company said the Thrivor platform consisted of a smartphone application for patients which acted as a support tool for life outside clinical care and an administration component designed for hospitals and clinical trial sites to manage communication, appointments and payments.

Medadvisor said that it would receive five percent of the equity in Thrivor as an upfront initial fee for the collaboration.

Medadvisor chief executive officer Robert Read said that "many of the patients on our platform are living with cancer and other serious and complex illnesses which we know is an extremely emotional time".

"By partnering with Thrivor we can provide these patients with easier access to a world class [application] to manage their medication along with an [application] designed to coordinate and organize the complexities of their serious illness, such as cancer," Mr Read said.

Medadvisor was unchanged at 3.9 cents with 1.15 million shares traded.

## ESENSE-LAB

Esense says that England's E-Quits has ordered and paid for a new shipment of its cannabis terpene blend for distribution in the United Kingdom.

Esense said its terpene blends comprised a component in E-Quits final product and contained a mixture of cannabidiol infused with its Super Lemon Haze.

In October, Esense said it had a two-year supply agreement to supply marijuana terpenes to E-Quits to integrate its Super Lemon Haze Mix for integration into a variety of products to be marketed in the UK, including terpenes for the food additive market (BD: Oct 23, 2018).

Esense was up 0.2 cents or 5.9 percent to 3.6 cents with 3.9 million shares traded.

## GENETIC SIGNATURES

Deutsche Bank AG says it has become a substantial shareholder in Genetic Signatures with 14,893,618 shares or 14.32 percent.

The London and Hong Kong based Deutsche Bank AG London said the shares were held as a "Prime broker that has exercised its re-hypothecation right in respect of shares pursuant to a prime brokerage agreement".

The company said it paid nothing to acquire the shares, but said it acquired the shares "under a prime brokerage agreement with Karst Peak Select Master Fund".

Last month, Deutsche Bank's Sydney branch says it sold all 14,893,618 Genetic Signatures shares for \$8,489,362 or 57 cents a share, having become substantial with 14,893,618 shares in October 2016 (BD: Oct 21, 2016; Nov 22, 2018).

In a separate announcement, the Cayman Islands and Hong Kong-based Karst Peak Select Master Fund and Adam Leitzes said they had become substantial shareholders in Genetic Signatures buying 18,934,528 (18.20%) shares for 57 cents a share (BD: Nov 22, 2018).

Genetic Signatures was up one cent or 1.4 percent to 74 cents.

## MAYNE PHARMA

The Sydney-based Vinva Investment Management says it has become a substantial share-holder in Mayne Pharma with 78,822,159 shares or 5.00 percent.

Vinva said that between August 4 and December 4 it bought 99,648,311 shares for \$116,410,485 or \$1.168 a share, sold 165,726 shares for \$192,671 or \$1.163 a share and “transferred” 153,481 shares of no cost.

Mayne was up half a cent or 0.5 percent to 95.5 cents with 4.8 million shares traded.

## MEDIBIO

Medibio has requested a trading halt “pending an announcement ... in relation to a material capital raising”.

Trading will resume on December 10, 2018 or on an earlier announcement.

Medibio last traded at four cents.

## LIFE SCIENCES QUEENSLAND

Life Sciences Queensland says that founding chief executive officer Mario Pennisi has retired, with chief operating officer Claire Blain appointed acting chief executive officer. The industry organization said that Mr Pennisi was the founding chief executive officer of the Queensland Clinical Trials Network (QCTN) in 2005, taking up the position with Life Sciences Queensland in 2011.

Ms Blain told Biotech Daily that the Queensland Clinical Trials Network was in the process of becoming a subsidiary of Life Sciences Queensland.

The industry organization said that Ms Blain had been an executive since 2011 and was previously with QCTN since 2007.

Life Sciences Queensland said that Dr Nagaraj Gopisetty had been appointed as deputy chief executive officer, responsible for the Catalyst program to expand its activities “into start-up business development in health, agriculture and other life science sectors both in Brisbane and in regional Queensland”.

The organization said that Dr Gopisetty was previously the Brisbane-based Translational Research Institute’s business development and innovation manager.

Life Sciences Queensland chair Prof Peter Andrews said that Mr Pennisi’s “advocacy and passion for the life sciences industry has been the driving force for the development of this sector for over a decade, during which time Queensland’s reputation for research and development in the life sciences has gone from strength to strength”.

“Mario’s national and international networks have also brought immense benefits to LSQ member organizations, whose numbers have grown to almost 200 during his time at the helm,” Prof Andrews said.