



# Biotech Daily

Tuesday February 12, 2019

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH EVEN: IMPEDIMED UP 4%; AIRXPANDERS DOWN 11%**
- \* **FEDERAL \$32m FOR RESEARCHER ENTREPRENEUR TRAINING**
- \* **NANOSONICS: '90% OF JAPAN VAGINAL PROBES CONTAMINATED'**
- \* **INVION COMPLETES CHRONIC AIRWAY THERAPEUTICS SPIN-OUT**
- \* **CRESO DEALS COULD TRIGGER ASX CHAPTER 11**
- \* **VOLPARA APPOINTS PAUL REID CHAIR**
- \* **BOTANIX APPOINTS DR MICHAEL THURN EXECUTIVE DIRECTOR**
- \* **ZELDA HIRES ICCI FOR MARIJUANA TRIALS**
- \* **VICTOR KOVALEV REPLACES MEDADVISOR CTO DR DAVID CHATTERTON**

## MARKET REPORT

The Australian stock market was up 0.3 percent on Tuesday February 12, 2019, with the ASX200 up 18.3 points to 6,079.1 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 13 fell, 11 traded unchanged and three were untraded. All three Big Caps were up.

Yesterday's six percent worst, Impedimed, was today's best, up one cent or 4.3 percent to 24.5 cents with 21.9 million shares traded.

Antisense, Proteomics and Starpharma climbed more than two percent; Compumedics, CSL, Cynata, Kazia, Nanosonics, Paradigm, Resmed and Telix were up one percent or more; with Cochlear, Ellex, Mesoblast and Volpara up by less than one percent.

Yesterday 9.1 percent best, Airxpanders, led the falls, down 0.4 cents or 11.1 percent to 3.2 cents, with 2.3 million shares traded.

Actinogen, Imugene and Prana lost five percent or more; Medical Developments, Optiscan, Osprey, Patrys and Prescient fell four percent or more; Dimerix, Neuren and Pro Medicus were down more than one percent; with Clinuvel down 0.2 percent.

## FEDERAL GOVERNMENT

The Federal Government says it will provide \$32 million over four years “to help researchers make their medical breakthroughs a commercial success”.

A media release from Federal Health Minister Greg Hunt said that the funds, from the Medical Research Future Fund would support the Researcher Exchange and Development within Industry grant initiative to assist Australian researchers “gain access to entrepreneurial training and experience”.

The Government said that the program included mentorship, exchange opportunities, fellowships, facilitating projects between researchers and industry and personnel exchanges between disciplines.

Mr Hunt said the program would help researchers “develop meaningful partnerships with industry, universities, registered training providers and government entities, further strengthening the Australian medical research industry”.

Mr Hunt said the Researcher Exchange and Development within Industry grant initiative opened today, with application details at: [www.business.gov.au](http://www.business.gov.au).

## NANOSONICS

Nanosonics says a Japanese study backs its ultrasound probe cleaning system and shows significant transvaginal ultrasound probe contamination.

Nanosonics said the study investigated the level of bacterial contamination on transvaginal ultrasound probes following standard probe cleaning at a university hospital and a clinic and found that more than 90 percent of transvaginal ultrasound probes were contaminated at both sites.

The company said that more than 50 percent of the probes had potentially pathogenic bacteria, including methicillin resistant *Staphylococcus aureus*, or MRSA, also known as “golden staph”.

Nanosonics said that no data or regulations exist about residual bacterial contamination of trans-vaginal probes in Japan and currently gynecologists use probe covers and simple dry paper towel cleaning with or without low-level disinfection, such as wipes moistened with alcohol or quaternary ammonium compounds.

The company did not provide the title of the study or details on the number of samples tested and said it would be presented at the Japanese Society of Obstetrics and Gynaecology in Nagoya in April and would be published in the Japanese Journal of Medical Ultrasonics.

Nanosonics chief executive officer Michael Kavanagh said that a second study was planned to begin by July 2019 to evaluate the efficacy of the company’s Trophon in Japanese clinics.

“Studies such as these are important as we work towards establishing the necessary independent data to support the appropriate disinfection of ultrasound probes in Japan,” Mr Kavanagh said

Nanosonics was up four cents or 1.2 percent to \$3.45 with 830,366 shares traded.

## INVION

Invion says it has completed the spin-out of its respiratory assets into Chronic Airway Therapeutics, approved at the recent extraordinary general meeting (BD: Jan 30, 2019).

The company said its shareholders would receive one Chronic Airway Therapeutics share for each Invion share they held.

Invion was up 0.1 cents or 5.9 percent to 1.8 cents.

## CRESO PHARMA

Creso says potential transactions subject to a trading halt and suspension might trigger ASX Listing Rules Chapter 11 provisions on the change of nature or scale of activities. Earlier this month, Creso requested a trading halt “pending further detail on the disclosures in the recent cleansing statement” (BD: Feb 1, 5, 2019).

Creso’s cleansing statement issued after the trading halt referred to the issue of 555,555 placement shares, 185,185 listed options and 750,000 performance rights which “may be subject to a subsequent offer for sale”.

The company said it was in negotiations on the spin-out of its food additive and other cannabidiol assets and the acquisition of a European health food and beverage business “with a possible subsequent listing on the Nasdaq”.

Today, the company said that “as both the potential transactions are still in the preliminary negotiation phase, the terms and details of the potential transactions remain incomplete and insufficiently definite to warrant disclosure or certainty”.

“It is not possible to form a definitive view on whether the potential transactions would trigger the application of Chapter 11 of the ASX Listing Rules,” Creso said.

The company said that if the first transaction, a potential spin out of its food additive nutraceutical and other cannabidiol assets into a new company to be listed on ASX, was to proceed, it would seek shareholder approval.

Creso said that if the second transaction, the acquisition of a European health food business, was to proceed, it would “first engage with [the] ASX in respect of the application of ASX Listing Rule 11.1 and, if ASX were to consider that Listing Rule 11.1.3 was to apply, the transaction would not proceed”.

The ASX Listing Rule 11.1.3 says: “If ASX requires, the entity must meet the requirements in chapters 1 and 2 as if the entity were applying for admission to the official list”.

Creso said that negotiations were continuing in relation to both transactions.

Creso fell four cents or 9.6 percent to 37.5 cents.

## VOLPARA HEALTH TECHNOLOGIES

Volpara says Wellington, New Zealand-based director Paul Reid will replace Roger Allen as chairman, effective from March 1, 2019.

Volpara said Mr Reid Was the chairman of Figured and the director of Comvita, Christchurch International Airport and Pukeko Pictures.

Volpara was up half a cent or 0.5 percent to \$1.08.

## BOTANIX PHARMACEUTICALS

Botanix says its head of Australian operations Dr Michael Thurn has been appointed as executive director.

Botanix said Dr Thurn had more than two decades of life sciences and biotechnology experience and had held executive, managerial and board positions in listed and private companies.

The company said Dr Thurn had extensive knowledge in drug regulation, drug discovery, pre-clinical and clinical development in the dermatology industries in both Australia and the US and previously had worked with the Therapeutic Goods Administration.

Botanix said Dr Thurn led the clinical development of a topical acne treatment to the completion of a phase II trial and led Spinifex Pharmaceuticals, which was sold to Novartis.

Botanix fell 0.3 cents or three percent to 9.7 cents with 1.8 million shares traded.

## ZELDA THERAPEUTICS

Zelda says it has hired the International Cannabis and Cannabinoids Institute to support trials of medical marijuana for autism, opioid reduction and insomnia.

Zelda said the Institute would provide access to specialist services including expert advice on clinical study design and execution, requirements for regulatory approval, contract research services and a direct liaison with study investigators.

The company said it would collaborate with a panel of medicinal cannabis experts, including the Institute's director of research and development Dr Ethan Russo.

Zelda said Dr Russo was a study physician at GW Pharmaceuticals for numerous phase I to phase III clinical trials of the marijuana-based drugs Sativex and early stage investigations of Epidiolex.

Zelda was up 0.2 cents or 3.45 percent to six cents with 2.55 million shares traded.

## MEDADVISOR

Medadvisor says it has appointed Victor Kovalev as chief technology officer and head of product, replacing Dr David Chatterton, who continues as an advisor and mentor.

Medadvisor said that Dr Chatterton had been a chief technology officer for 12 years, with 10 years at Aconex.

The company said that Mr Kovalev had experience leading software development operations in Silicon Valley and most recently as chief technology officer at the artist marketplace Redbubble.

Medadvisor said that Mr Kovalev worked for Indiegogo and Yelp, where he was the director of engineering.

The company said that Mr Kovalev would lead the ongoing enhancement of its health management platform.

Medadvisor was untraded at 3.4 cents.