



Biotech Daily

Friday April 15, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: CLINUVEL UP 6%, OSPREY DOWN 8.5%**
- * **UNILIFE 'CAMBRIDGE WITHDRAWS LEGAL ACTION'**
- * **PHOSPHAGENICS DAVID SEGAL, POTENTIAL 2nd STRIKE AGM**
- * **RHINOMED EGM FOR 10m DIRECTOR RON DEWHURST OPTIONS**
- * **CORRECTION: UNISEED**
- * **AUSTRALIAN ETHICAL TAKES MORE ELLEX PROFIT TO 9%**

MARKET REPORT

The Australian stock market was up 0.76 percent on Friday April 15, 2016 with the ASX200 up 38.9 points to 5,157.5 points.

Twenty of the Biotech Daily Top 40 were up, 13 fell, six traded unchanged and one was untraded.

Clinuvel was the best, up 22 cents or 5.7 percent to \$4.10 with 20,950 shares traded.

Impedimed and Medical Developments climbed more than four percent; Avita, Biotron, Oncosil, Pharmaxis, Polynovo, Sirtex and Viralytics were up more than three percent; Acrux, Actinogen, Airxpanders, Anteo, Compumedics, Nanosonics and Optiscan rose two percent or more; CSL, Orthocell and Pro Medicus were up more than one percent; with Cochlear and Mesoblast up by less than one percent.

Osprey led the falls, down 2.5 cents or 8.5 percent to 27 cents with 12,518 shares traded.

Universal Biosensors lost 6.8 percent; Atcor, IDT and Living Cell fell more than five percent; Prana fell four percent; Admedus was down 3.2 percent; Antisense, Bionomics, and Prima shed more than two percent; Ellex, Resmed and Reva were down one percent or more; with Starpharma down by 0.7 percent.

UNILIFE CORP

Unilife says that Cambridge Retirement System has withdrawn legal action against the company and its directors.

Unilife said that it was served with a derivative complaint filed in the Delaware Court of Chancery by Cambridge, "a purported stockholder" against its then board of directors to recover allegedly "excessive and wasteful" compensation paid to the non-executive directors since 2010.

The company said that in June 2014, pursuant to the defendants' motion to dismiss the complaint, the Court dismissed Cambridge's complaint with respect to the directors' equity grants, but denied the motion with respect to their cash compensation.

Unilife said it filed an answer to the remaining claims in July 2014 and in June 2015, it entered into a memorandum of understanding with Cambridge agreeing to the basic terms of a non-monetary settlement of the action.

The company said that on March 18, 2016, Cambridge agreed to voluntarily dismiss its derivative complaint and no compensation in any form was provided to either Cambridge or its counsel in exchange for its agreement to voluntarily dismiss the lawsuit.

Unilife said that following Cambridge voluntarily dismissing the lawsuit, the memorandum of understanding was null and void and of no further legal effect.

The company said that on March 18, 2016, the court entered a stipulated order regarding notice of the proposed dismissal of all claims in the derivative action, requiring the company to provide notice of the dismissal to its stockholders.

Unilife was up half a cent or 3.6 percent to 14.5 cents.

PHOSPHAGENICS

Phosphagenics shareholders will vote on the election of two directors, the board-backed Nathan Drona and non-board-backed former employee David Segal.

Phosphagenics said that Mr Segal was formerly the company's investor relations manager and along with related parties held 14,931,281 shares or 1.2 percent of the company.

The company said that should more than 25 percent of votes oppose the remuneration report it would proceed to a board spill resolution.

Last year, the Phosphagenics remuneration report was opposed by 169,243,803 votes or 32.79 percent, providing the first trigger for a potential board spill at this year's annual general meeting (BD: May 19, 2015).

The Corporations Act (Section 250U) provides for a 'two strikes and re-election' process if a company's remuneration report is opposed by more than 25 percent of votes on two consecutive occasions, taking the company to a vote on a board spill motion.

Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 any company sustaining a vote of 25 percent or more against the remuneration report in two successive annual meetings is required to vote on a board spill and at the later meeting and if passed by more than 50 percent of votes the directors must stand for reelection at a subsequent meeting within 90 days.

If the spill vote fails, the trigger is reset to no opposition.

The meeting will be held at the Oliphant Auditorium, National Centre for Synchrotron Science (the Australian Synchrotron), 800 Blackburn Road, Clayton, on May 19, 2016 at 9.30am (AEST).

Phosphagenics was up 0.1 cents or 11.1 percent to one cent.

[RHINOMED](#)

Rhinomed will hold an extraordinary general meeting to elect Ron Dewhurst a director, issue him 10,000,000 options and approve share issues, including to Mr Dewhurst. Rhinomed said that shareholders would vote on the ratification of the prior placement of 139,583,340 shares and the issuer to Mr Dewhurst of 20,833,334 shares raising up to \$500,000 and the issue of 41,666,667 share plan shortfall shares.

The company said that the issue of 10,000,000 options exercisable at 6.74 cents by April 30, 2019 was “a form of incentive based remuneration ... common practice in listed companies”.

The meeting will be held at the Giorgios Function Room, 1233 High Street, Armadale, Victoria on May 17, 2016 at 10am (AEST).

Rhinomed was unchanged at 2.3 cents.

[CORRECTION: UNISEED](#)

Last night's edition incorrectly reported that Uniseed had “provided \$950,000 of \$4 million raised for probiotic drink company Perkii to commercialize its non-milk, live encapsulated probiotic drink”.

In fact, Uniseed invested \$1,000,000 and raised a further \$950,000 from its “network of sophisticated investors” along with a further \$2,050,000 raised from high net-worth investors including those represented by the Brisbane Angels and Melbourne Angels groups, with the total raised \$4 million.

The error was caused by some of the information being included in advertising “dot-points” at the top of the announcement, but not included in the body of the article which was missed by the stressed and harassed sub-editor who is suffering poor gut health.

The sub-editor has been relieved of duties for the weekend while he consumes several bottles of the non-milk based Perkii drink which encapsulates live bacteria in micro-gels to “control weight, improve gut health and boost immunity”.

[ELLEX MEDICAL LASERS](#)

Australian Ethical Smaller Companies Trust says it has again reduced its holding in Ellex from 10,757,216 shares (9.99%) to 10,036,340 shares (8.79%).

Australian Ethical became substantial in Ellex in 2013, acquiring 8,794,563 shares or 9.01 percent with 5,000,000 shares believed to be acquired in a capital raising at 26 cents a share (BD: Oct 3, 2013).

In October 2013, Australian Ethical increased its holding to 10.06 percent with the acquisition of 1,033,834 shares at 29.7 cents a share and in 2014 increased again to 13,151,270 shares or 12.2 percent at 30 cents a share (BD: Nov 1, 2013).

The investment group first reduced its holding on January 11, 2016, from 13,151,270 shares (12.21%) to 12,005,022 shares (11.15%), but failed to disclose the value of the 1,146,248 shares (BD: Jan 25, 2016), but Ellex was trading about 75 cents at that time.

Today, Australian Ethical said it sold 720,876 shares between March 14 and April 14, 2016 with the single largest sale 104,616 shares for \$82,061 or 78.4 cents a share. Ellex fell one cent or 1.2 percent to 82 cents.