



# Biotech Daily

Monday October 16, 2017

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: NEUREN UP 29%; BENITEC DOWN 6%**
- \* **POLYNOVO NOVOSORB BREAST DEVICES UNNAMED COMPANY DEAL**
- \* **NEUROTECH RAISES \$4m FOR MENTE AUTISM**
- \* **UNIVERSAL BIOSENSORS \$7.5m FEDERAL R&D TAX INCENTIVE**
- \* **REVA FANTOM STENT 1<sup>st</sup> SWISS IMPLANT**
- \* **FEDERAL \$50k PATRYS GARVAN PAT-DXI PANCREATIC CANCER GRANT**
- \* **CANADIAN PATENT FOR ORTHOCELL CELGRO COLLAGEN SCAFFOLD**
- \* **ONCOSIL PANCREATIC TRIAL: 28 RECRUITED, 14 IMPLANTED**
- \* **NOVOGEN VOTES ON NAME CHANGE TO KAZIA, 10-TO-1 CONSOLIDATION**
- \* **IMPEDIMED VOTES ON 1.6m CEO OPTIONS, 1.3m 'PERFORMANCE' RIGHTS**
- \* **LIVING CELL AGM FOR 3m DIRECTOR OPTIONS IN LIEU; 33% FEES HIKE**
- \* **PRANA AGM TO VOTE ON 11m DIRECTORS OPTIONS 'IN LIEU OF PAY'**
- \* **BIOXYNE PLEADS SCHULTZ, MALAYSIAN SALES TO ASX 37% QUERY**
- \* **MEDICAL DEVELOPMENTS DAVID WILLIAMS SELLS 4m MORE SHARES**
- \* **PETER DIAMOND, DAK DRAFTING TAKE 5% OF NOVITA**
- \* **SCOTT WARD IMPEDIMED CHAIR; CHERRELL HIRST; ROBERT GRAHAM**
- \* **CELLMID APPOINTS DR MARTIN CROSS DIRECTOR**
- \* **RESPIRI HIRES MARIO GATTINO CEO ON \$300k, DR TIM OLDHAM GOES**
- \* **IMUGENE HOSTS IMMUNO-ONCOLOGY R&D BRIEFING**

## MARKET REPORT

The Australian stock market was up 0.56 percent on Monday October 16, 2017 with the ASX200 up 32.6 points to 5,846.8 points. Thirteen of the Biotech Daily Top 40 stocks were up, 15 fell, 10 traded unchanged and two were untraded.

Neuren was best, up 2.5 cents or 29.4 percent to 11 cents with 24.7 million shares traded. Avita rose 11.8 percent; Living Cell was up 10.6 percent; Airxpanders and Prima improved more than three percent; Bionomics, Nanosonics, Opthea and Osprey rose more than two percent; with Orthocell, Polynovo, Prana and Viralytics up more than one percent.

Benitec led the falls, down one cent or 6.25 percent to 15 cents with 19,400 shares traded. Acrux lost 5.3 percent; Cellmid, Psivida, Sirtex and Starpharma fell four percent or more; Admedus, Mesoblast and Volpara were down more than three percent; Ellex, ITL and Medical Developments shed more than two percent; with Clinuvel and Cyclopharm down more than one percent.

## POLYNOVO

Polynovo says it has a memorandum of understanding with an unnamed medical device company to develop breast devices based on its Novosorb polymer technology.

Polynovo said it was the first extension of the Novosorb biodegradable temporizing matrix (BTM) bio-resorbable wound-repair platform technology in a new surgical application.

Polynovo chief executive officer Paul Brennan told Biotech Daily the products could be used for breast reconstruction following surgery as well as cosmetic enhancement and augmentation, with the Novosorb material bio-resorbing over time and being replaced with natural breast tissue.

The company said that “for commercial reasons we are not identifying the partner until the contractual arrangements are signed” which was expected within 90 days.

Polynovo said the final agreement would include an upfront payment, milestone payments and a royalty stream from the commercial sale of a range of breast products, with Polynovo retaining “full ownership and control of our polymer [intellectual property]”.

Mr Brennan said: “This could be a watershed moment for Polynovo”.

“Our Novosorb BTM is a great product but our entry into the breast reconstruction market with a portfolio of products is potentially a transforming event,” Mr Brennan said.

“Our Novosorb polymer is a true platform technology that can provide innovation in a variety of device applications,” Mr Brennan said.

Polynovo chairman David Williams said that “an innovative partner for our breast portfolio will accelerate our access to market”.

In 2008, the then Metabolic Pharmaceuticals acquired 60 percent of Novosorb from the Commonwealth Scientific and Industrial Research Organisation and Xceed Capital; in 2009, with Metabolic renamed Calzada, it took 87.65 percent and in 2010, acquired the remaining CSIRO holding (BD: Nov 27, 2008; Dec 23, 2009; Feb 19, 2010).

The then Calzada previously said Novosorb had potential applications including burns and other wound and tissue repair, orthopaedic procedures including its use as a bio-resorbable long-bone implant as well as cardiovascular stents (BD: Feb 1, 2012).

In 2012, the then Calzada was granted a US patent, entitled ‘Biodegradable Polyurethane/Urea Compositions’ covering bio-degradable polymer compositions, including thermoplastics and thermosets, method claims for in-situ cured bone void fillers and fracture fixation products (BD: Feb 1, Aug 7, 2012).

Mr Brennan told Biotech Daily that other projects underway included a bone replacement collaboration with Smith + Nephew as well as separate development of drug-eluting pellets for a range of illnesses and a potential diabetes treatment.

Mr Brenna said that in pre-clinical work with pigs the Novosorb material was inserted and once it had vascularized, pancreatic islets of Langerhans could be injected to produce insulin.

Polynovo was up half a cent or 1.5 percent to 34 cents with 4.9 million shares traded.

## NEUROTECH INTERNATIONAL

The Malta-based Neurotech says it has raised \$4 million in “a well oversubscribed ... placement” at 20 cents a shares to commercialize its Mente Autism device.

Neurotech said the placement was in two tranches with the first tranche of \$2.6 million under its existing capacity and the second tranche subject to shareholder approval.

The company said the funds would be used for product enhancements, manufacturing, purchase of additional inventory, potential strategic initiatives and general working capital.

Neurotech said that Azure Capital was the sole lead manager to the placement.

Neurotech fell one cent or 4.65 percent to 20.5 cents.

## UNIVERSAL BIOSENSORS

Universal Biosensors says it has received \$7,522,341 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program. Universal Biosensors said the rebate related to research and development expenditure in its financial year to December 31, 2016. Universal Biosensors was unchanged at 38 cents.

## REVA MEDICAL

Reva says the first patient in Switzerland has been implanted with its Fantom bioresorbable vascular stent at the Liestal, Switzerland Kantonsspital Baselland. Kantonsspital Baselland's Dr Gregor Leibundgut said Fantom had "simplified delivery, single-step inflation for ease of use and radiopacity for accurate scaffold placement". Reva chief executive officer Dr Reggie Groves said the Tyrocore tyrosine-derived polymer was designed for vascular scaffold applications and was the first bio-resorbable scaffold visible under fluoroscopy.

"With the launch of Fantom in Switzerland, Reva continues to execute on our growth plan with direct selling efforts in the first phase of Fantom's targeted launch," Dr Groves said. Reva was untraded at 71 cents.

## PATRYS, GARVAN INSTITUTE OF MEDICAL RESEARCH

Patrys says that with the Garvan Institute it will receive a \$50,000 Federal Government Innovation Connections grant for its PAT-DX1 program for pancreatic cancer. Patrys said that the Garvan Institute's Dr Marina Pajic would investigate the efficacy of PAT-DX1 in studies of pancreatic cancer cell lines in-vitro and pancreatic cancer mouse models both as a single agent and in combination with other therapies. The company said it expected to report the findings next year. Patrys was unchanged at 1.5 cents with 8.6 million shares traded.

## ORTHOCELL

Orthocell says it has been granted a Canadian patent for its Celgro collagen medical device platform for soft tissue regeneration and repair applications. Orthocell said that the patent, entitled 'Collagen Scaffold for Cell Growth and a Method for Producing Same' was valid until July 24, 2029 and provided "additional important intellectual property to protect the Celgro product platform". The company said the patent covered the method of manufacture of novel bio-scaffolds and as an aid in the surgical repair of soft tissue injuries. Orthocell said that Celgro patents had been granted in the US, China, Singapore, Japan, Australia and New Zealand. Orthocell managing-director Paul Anderson said the company was "focused on building and maintaining patent protection for our leading manufacturing technologies and treatment processes". "Securing a divisional patent for Celgro in Canada is another milestone in strengthening our [intellectual property] position in key global markets," Mr Anderson said. "This complements our progression of our products through the registration processes in Australia and internationally," Mr Anderson said. Orthocell was up half a cent or 1.7 percent to 30 cents.

## ONCOSIL MEDICAL

Oncosil says it has recruited 28 patients and treated 14 patients in its trial of Brachysil radiation for pancreatic liver cancer

In September, Oncosil said it has recruited 23 patients and treated 10 patients in the 300-patient, multi-centre, randomized, open-label Oncopac-1 trial of Brachysil for locally advanced, unresectable pancreatic adeno-carcinoma (BD: Sep 22, 2017).

The company said last month that “positive interim data” relating to tumour response and disease control would be updated at the European Association of Nuclear Medicine meeting in Vienna, on October 21, 2017.

Today, Oncosil chief executive officer Daniel Kenny said he was “pleased with the ongoing recruitment of our participating study centres”.

Oncosil was unchanged at 12.5 cents with 1.7 million shares traded.

## NOVOGEN

Novogen says its annual general meeting will vote to change its name from Novogen to Kazia Therapeutics and approve a 10-to-one stock consolidation.

Novogen chairman Iain Ross said the change of name was “tantamount to a reinvention of the company”.

“We recognize that such measures are sometimes considered cosmetic, but I want to assure you that in this case they are carefully considered and integral components of a well-planned corporate transformation,” Mr Ross said.

The company said that the meeting would vote on the re-election of director Bryce Carmine, approve the remuneration report, the employee share option plan and the placement capacity.

The meeting will be held at K&L Gates, Level 31, 1 O’Connell Street, Sydney, on November 15, 2017, at 2pm (AEDT).

Novogen was unchanged at four cents.

## IMPEDIMED

Impedimed says investors will vote on the issue of 1,553,000 options and 1,262,000 performance rights to chief executive officer Richard Carreon.

Last year, Impedimed avoided a remuneration report second strike and potential board spill with 84.8 percent of votes in favor, but 22.8 percent opposed an amendment to the terms of options for Mr Carreon (BD: Nov 14, 2016).

In 2015, Impedimed earned a remuneration report first strike with the annual general meeting voting 25.1 percent against the report and 25.9 percent opposing the grant of 512,500 options to Mr Carreon (BD: Oct 29, 2015).

Today, Impedimed said it proposed to issue Mr Carreon a further 1,262,000 free performance rights vesting over three years to June 30, 2020, pending completion of a congestive heart failure trial and revenue targets; and 1,553,000 options, vesting in four equal annual tranches, exercisable at the 5-day volume-weighted average price to the day before grant.

The company said that shareholders would vote on the remuneration report, the employee incentive scheme and the election of directors Judith Downes, Amit Patel and Don Williams.

The meeting will be held at Johnson Winter and Slattery, Level 25, 20 Bond Street, Sydney on November 15, 2017 at 9am (AEDT).

Impedimed fell half a cent or 0.6 percent to 80 cents.

## LIVING CELL TECHNOLOGIES

Living Cell will vote to grant five directors 600,000 unlisted options each to reduce the cash cost and has proposed a 33 percent increase in directors' fees to \$600,000.

Living Cell said that chairman Roy Austin and directors Prof Robert Elliott, Laurie Hunter, Dr Bernard Tuch and Robert Willcocks would each receive 600,000 options exercisable at the 10-day volume-weighted average price to the date of the meeting, within four years of issue.

The company said that if approved the options would "comprise a component of the directors remuneration".

"Remunerating directors in this manner reduces the cash cost to the company and aligns the reward to directors with those to shareholders," Living Cell said.

The company's notice of meeting said shareholders would vote to increase the total remuneration for directors by \$150,000 from \$450,000 to \$600,000, the remuneration report, the 10 percent placement capacity and the re-election of directors Mr Austin and Mr Tuch.

The meeting will be held at Pullman Auckland, Cnr Princes Street and Waterloo Quadrant, Auckland, New Zealand on November 15, 2017 at 2pm (NZDT).

Living Cell was up 2.5 cents or 10.6 percent to 26 cents with 3.1 million shares traded.

## PRANA

Prana will vote to issue 5,000,000 options to chairman Geoffrey Kempler and 1,250,000 options to each of five directors, and re-elect three directors.

Prana company secretary Phillip Hains told Biotech Daily that the options were "in lieu of cash remuneration".

The Prana notice of motion proposed that Mr Kempler and directors Lawrence Gozlan, Peter Marks, Prof Ira Shoulson, Brian Meltzer and Dr George Mihaly should be issued with the options, exercisable at 50 percent above the closing price on the date of issue and by December 14, 2022.

The company said that investors would vote on the remuneration report, approval of the 10 percent placement capacity and the re-election of directors Mr Marks, Mr Gozlan and Prof Shoulson.

The meeting will be held at the RACV Club, Level 2, 501 Bourke Street, Melbourne on November 17, 2017 at 9.30am (AEDT).

Prana was up 0.1 cents or 1.8 percent to 5.6 cents.

## BIOXYNE

Bioxyne has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose 1.4 cents or 36.8 percent from 3.8 cents to 5.2 cents ON October 13, 2017 and noted a significant increase in the trading volume.

Bioxyne said it was progressing with its direct sales plan in Asia, recently opened an office in Kuala Lumpur and was waiting for a Malaysian direct sales licence, expected to begin by the end of 2017.

Bioxyne was up 0.2 cents or 4.4 percent to 4.7 cents with 2.6 million shares traded.

### MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments chairman David Williams says he has sold 4,182,666 shares reducing his holding from 17,877,540 shares (30.37%) to 13,694,874 shares (23.17%). Medical Developments said that Mr Williams sold the shares at \$5.40 a share “to make room for two large European institutional investors” as well as UK, US, Hong Kong and Australian investors.

In 2015, Mr Williams sold 4,640,000 shares at \$3.29 a share and 7,000,000 shares at \$2.40 a share to institutional investors “to increase liquidity” and in 2016, Mr Williams said he sold 1,000,000 shares at \$4.60 a share (BD: May 12, Sep 30, 2015; Mar 2, 2016). Today, Mr Williams said the shares were held directly and by Lawn Views Pty Ltd, Moggs Creek Pty Ltd, Kidder Peabody Pty Ltd and Ward Williams. Medical Developments fell 13 cents or 2.3 percent to \$5.60.

### NOVITA HEALTHCARE (FORMERLY AVEXA)

Peter Diamond and Dak Drafting Services say they have become substantial shareholders in Novita with 18,000,000 shares or 5.0 percent of the company.

In a notice signed by director Peter Diamond, the Perth-based Dak Drafting Services said the shares were acquired on October 13, 2017 for \$568,916 or 3.2 cents a share. Novita fell 0.4 cents or 10.3 percent to 3.5 cents with 1.5 million shares traded.

### IMPEDIMED

Impedimed says Scott Ward will replace chair Dr Cherrell Hirst who is retiring after 12 years with the company and Prof Robert Graham would be appointed a director.

Impedimed said the changes would follow its November 15 annual general meeting.

The company said that Mr Ward was appointed a director in July 2013, was currently the chair of the remuneration committee and was the executive chairman of Cardiovascular Systems and managing-director of Sightline Partners, with more than 35 years’ experience in the healthcare industry, including 30 years at Medtronic.

Impedimed said that Prof Robert Graham was a molecular cardiologist and the executive director of Sydney’s Victor Chang Cardiac Research Institute and held academic positions at the University of New South Wales and the Cleveland, Ohio-based Case Western Reserve University School of Medicine.

Dr Cherrell Hirst said that she was “very privileged to have served on this board for the past 12 years and to have worked with such a capable team of fellow directors and executives”.

### CELLMID

Cellmid says it has appointed Dr Martin Cross as a non-executive director, with immediate effect.

Cellmid said that Dr Cross had more than 30 years’ experience in corporate and industry roles and from 2013 to 2015 was the chairman of Medicines Australia and from 2010 to 2013 Dr Cross was chairman of the Generics Medicine Industry Association and the Pharmaceutical Industry Council and was Alphapharm’s managing-director, and previously Dr Cross was a Novartis Australia and New Zealand executive.

The company said that Dr Cross held a Bachelor of Science and a Doctorate of Philosophy from the University of Aberdeen and was also a director of Oncosil. Cellmid fell 0.1 cents or four percent to 2.4 cents with 2.2 million shares traded.

## RESPIRI

Respiri says it has appointed Mario Gattino as its chief executive officer, starting on \$300,000 a year, effective from December 1, 2017.

Respiri said that Mr Gattino most recently was Ikaria Australia and New Zealand vice president and general manager and previously was a Pfizer executive in a number of roles for more than 20 years.

The company said that Mr Gattino previously Perrigo Australia and New Zealand managing director.

Respiri said Mr Gattino would receive a short-term, performance-based incentive of up to 50 percent of his base salary and a long term incentive through options.

The company said Mr Gattino would receive 10,000,000 options exercisable at 10 cents by December 31, 2019, 10,000,000 options exercisable at 15 cents by December 31, 2020, and 5,000,000 options exercisable at 20 cents by December 31 2021.

Respiri said Mr Gattino held a Bachelor of Applied Science from La Trobe University, and a Master of Business Administration from the University of New South Wales.

The company said that director Dr Timothy Oldham would retire at the annual general meeting later this year.

Respiri was unchanged at 4.5 cents with 2.8 million shares traded.

## IMUGENE

Imugene says it will host its first research and development briefing on immuno-oncology, next month in Sydney.

Imugene said that director Dr Alex Hoos, Glaxosmithkline's oncology research and development and immuno-oncology head would speak on the 'State of play in immuno-oncology'.

The company said its scientific advisory board head Prof Christoph Zieliniski, the Vienna, Austria Comprehensive Cancer Centre chairman would discuss 'Immuno-oncology: trends on the horizon'.

Imugene said its chief scientific officer and co-inventor of its HER-Vaxx Prof Ursula Wiedermann would address 'The future of vaccines against cancer'.

The briefing will take place at Meeting Room 3, Level 2, Primus Hotel, 339 Pitt Street, Sydney, on November 13, 2017, at 3pm (AEDT).

For further information and to register contact chief executive officer Leslie Chong by telephone on +61 (0) 458 040 433 or by email at: [Leslie.Chong@Imugene.com](mailto:Leslie.Chong@Imugene.com).

Imugene fell 0.1 cents or five percent to 1.9 cents with 35.05 million shares traded.