



# Biotech Daily

Wednesday May 15, 2019

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: USCOM UP 10%; ORTHOCELL DOWN 16%**
- \* **OPTHEA COMPLETES OPT-302 WET-AMD TRIAL VISITS**
- \* **BTC RAISES \$8m FOR ADMEDUS INFUSION BUSINESS; SHARE PLAN**
- \* **CANN AUSTRALIAN MARIJUANA RESIN FOR VICTORIA**
- \* **THC WINS AUSTRALIAN MARIJUANA EXPORT LICENCE**
- \* **ELIXINOL WINS NEW YORK MARIJUANA AUTHORIZATION**
- \* **MEDIBIO FACES 23% OPPOSITION TO 14.5m 'IN LIEU' OPTIONS**
- \* **AVITA LOSES CFO DALE SANDER; TIM ROONEY INTERIM CFO**
- \* **SUDA: PAUL HOPPER CHAIRMAN; STEVEN CARTER CEO**
- \* **MACH7 APPOINTS TRAVIS NUZZI SALES, MARKETING HEAD**

## MARKET REPORT

The Australian stock market rebounded 0.71 percent on Wednesday May 15, 2019, with the ASX200 up 44.3 points to 6,284.2 points.

Eleven of the Biotech Daily Top 40 stocks were up, 15 fell, 10 traded unchanged and four were untraded. All three Big Caps rose.

Uscom was the best, up 1.5 cents or 9.7 percent to 17 cents with 200,000 shares traded.

Avita climbed 8.6 percent; Polynovo was up 6.5 percent; Antisense and Cynata improved more than five percent; Clinuvel was up 4.9 percent; Immutep and Nanosonics were up more than three percent; Opthea rose 2.2 percent; Cochlear, CSL, Medical Developments and Resmed were up one percent or more; with Pro Medicus 0.8 percent.

Orthocell led the falls, retreating 10.5 cents or 16.4 percent to 53.5 cents, with 22.7 million shares traded.

Impedimed lost seven percent; Genetic Signatures, Neuren and Pharmaxis were down more than five percent; LBT and Patrys fell four percent or more; Benitec was down 3.7 percent; Dimerix, Mesoblast, Oncosil and Prescient shed more than two percent; Volpara was down 1.8 percent; with Paradigm and Telix down by less than one percent.

## OPTHEA

Opthea says it has completed final patient visits for its 366-patient, phase IIb trial of OPT-302 for wet age-related macular degeneration.

Opthea said 348 of the 366 patients randomized in the trial completed the week-24 visits, one month after the final dose administration.

The company said patients received intravitreal injections of its selective vascular endothelial growth factor C and D (VEGF-C and D) trap therapy, OPT-302, with the VEGF-A inhibitor ranibizumab, marketed as Lucentis.

Opthea chief executive officer Dr Megan Baldwin said the final patient visits was “an important milestone” with top-line results expected “within the coming months”.

“We are very pleased with the trial’s progress, which completed patient recruitment several months ahead of schedule, and has continued to demonstrate a favorable safety profile for OPT-302,” Dr Baldwin said.

Opthea said the trial investigated whether the addition of OPT-302 to ranibizumab over six-months of dosing improved visual acuity and anatomic parameters for patients who did not receive prior therapy.

Opthea was up 1.5 cents or 2.2 percent to 69.5 cents.

## BTC HEALTH, ADMEDUS

BTC says it has completed the \$8 million placement at eight cents a share to buy the Admedus’ hospital infusion business, and will offer a share plan for existing investors.

On Monday, BTC said it would acquire the business for \$6.3 million and hoped to raise \$8 million to fund the acquisition (BD: May 13, 2019).

Today, the company said the first tranche of the placement raised \$2.6 million and tranche two would raise \$5.4 million, subject to shareholder approval.

BTC said it would offer a share plan to existing investors at the record date of May 14, allowing each shareholder to buy up to \$15,000 in shares, with the plan opening on May 15 and closing on May 30, 2019.

The company said it had a short-term funding facility of \$4 million from its largest shareholder Naos Asset Management and would pay for the facility with 5,000,000 options exercisable at 10 each within three years from the date of issue.

The company said Sigma Healthcare invested \$2 million in the placement and following the acquisition, would distribute BTC health products to public and private hospitals.

BTC was up three cents or 35.3 percent to 11.5 cents.

## CANN GROUP

Cann Group says it has supplied the Victoria Government its first Australian-sourced and grown marijuana resins.

Last October, Cann said it had a supply contract with the Victoria Department of Health and Human Services Office of Medicinal Cannabis to supply resin for the paediatric epilepsy program until June 30, 2020 (BD: Oct 29, 2018).

Today, the company said it extracted the resin at its Melbourne southern facility and with Victoria’s Department of Agriculture used “a supercritical carbon dioxide extraction method to produce a whole plant extract” which then underwent formulation for patient use.

Cann chief executive officer Peter Crock said the company had “completed 39 harvests at this facility, which continues to operate at full capacity”.

Cann said it expected to commission a large-scale cultivation facility near Mildura in 2020. Cann was up nine cents or 4.2 percent to \$2.25.

### THC GLOBAL GROUP

THC says it has a marijuana licence from the Australian Office of Drug Control to export marijuana from Australia.

THC said it would continue to grow its marijuana products in Australia, with a binding intention with Eve Investments to lease an additional 150,000 square metres (15.0 hectares or 37.1 acres) for its Northern New South Wales site.

The company said it received in-principle advice from the Australian Therapeutics Goods Administration that it would be able to produce both cannabis and non-cannabis products at its Queensland-based extraction facility.

THC was up two cents or 4.55 percent to 46 cents with 1.2 million shares traded.

### ELIXINOL GLOBAL

Elixinol says the New York State Department of Agriculture and Markets has granted it cannabidiol (CBD) processor research partner authorization.

Elixinol said this would allow it to scale its hemp production and improve efficiency.

Elixinol fell seven cents or 1.4 percent to \$4.80 with 407,320 shares traded.

### MEDIBIO

Medibio says it has faced up to 22.8 percent opposition to the grant of 14,500,000 options in lieu of directors' fees.

In April, Medibio said the meeting would vote to issue Peter Carlisle 4,000,000 options, Claude Solitario 3,000,000 options, Patrick Kennedy 2,600,000 options, with Dr Franklyn Prendergast and Michael Phelps to receive 2,200,000 options each and 500,000 options for retired director Andrew Maxwell (BD: Apr 12, 2019).

The company said in April that the options would be exercisable at the 30-day volume-weighted average price to the grant date within four years.

Medibio previously announced cost reductions including the cessation of cash remuneration of non-executive directors and they had not been remunerated since for services from January 1, 2019 (BD: Jan 20, 2019).

Today, the company said that 19,035,882 votes (22.8%) opposed Mr Maxwell's options with 64,594,460 votes (77.2%) in favor; and all other resolutions passed by wider margins.

In March, when Medibio raised \$923,465 of a hoped-for \$4 million in a rights issue the company said it had 248,801,499 shares on issue, meaning the votes against Mr Maxwell's options amounted to 7.7 percent of the company which was sufficient to call extraordinary general meetings (BD: Mar 12, 2019).

Medibio was up 0.1 cents or 8.3 percent to 1.3 cents.

### AVITA MEDICAL

Avita says it has appointed chief administrative officer Tim Rooney to replace chief financial officer Dale Sander on an interim basis.

Avita said Mr Sander had resigned "to spend more time with his family on the East Coast, effective immediately".

In 2017, Avita appointed Mr Sander as chief financial officer (BD: Dec 15, 2017).

Today, the company said Mr Rooney joined Avita as chief financial officer and chief operating officer in 2012 and was interim chief executive officer from 2013 to 2015.

Avita said it was conducting a search for a permanent chief financial officer.

Avita was up 3.5 cents or 8.6 percent to 44 cents with 13.1 million shares traded.

## SUDA PHARMACEUTICALS

Suda says it has appointed Paul Hopper as non-executive chairman replacing executive chairman Steven Carter who continues as chief executive officer.

Suda said that the changes were effective from today and thanked Mr Carter “for his contribution as executive chairman and acknowledged Mr Carter’s leadership through a transformative period”.

The company said Mr Hopper had more than 25 years’ experience in the life sciences, medical and healthcare sectors and had been the founder, chairman, director and chief executive officer of more than 14 companies in the US, Australia and Asia.

Suda said Mr Hopper was previously with Viralytics, Psivida, Somnomed, Polynoma and Fibrocell Science.

The company said that Mr Hopper was currently the chairman of Imugene, Vaxinia, Semexion and Bioscience Oncology and a director of Prescient Therapeutics.

Suda said that pending shareholder approval it would issue Mr Hopper 40,000,000 four-year options vesting in three tranches, with the first 13,000,000 options exercisable at 145 percent of the value of shares on the issue date, the second 13,000,000 options exercisable at 155 percent, and the final 14,000,000 options exercisable at 165 percent of shares at the issue date.

Suda was up half a cent or 14.3 percent to 0.4 cents with 40.1 million shares traded.

## MACH7 TECHNOLOGIES

Mach7 says it has appointed Travis Nuzzi as its head of sales and marketing.

Mach7 said Mr Nuzzi would direct sales strategy, identify unmet market needs and drive commercial growth in the US.

The company said Mr Nuzzi had more than 20 years’ experience, including roles at GE Healthcare, Ultrarad, Dell and Paxerahealth.

Mach7 said Mr Nuzzi held a Bachelor of Science from the Blacksburg, Virginia-based Virginia Polytechnic Institute and State University.

Mach7 was unchanged at 26 cents.