



# Biotech Daily

Tuesday October 8, 2019

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH EVEN: OPTISCAN UP 12%; ACTINOGEN DOWN 9%**
- \* **FEDERAL \$35m FOR MACQUARIE UNI SYNTHETIC BIOLOGY RESEARCH**
- \* **RECCE \$4m CAPITAL RAISING TRADING HALT**
- \* **VISIONEERING REVENUE WARNING TO \$8.7m**
- \* **DIMERIX RECEIVES \$1.2m FEDERAL R&D TAX INCENTIVE**
- \* **NEUROTECH CONVERTIBLE LOANS FOR UP TO \$600k**
- \* **BARD1 ASSAY VALIDATION MILESTONE**
- \* **SIENNA CLAYTON MOVE FOR SIEN-NET PRODUCTION**
- \* **MACH7 810k DIRECTOR OPTIONS AGM; BOARD CHANGES**
- \* **MEMPHASYS PLEADS SCHULTZ TO ASX 23.5% QUERY**
- \* **ZELDA REQUESTS 'MATERIAL CONTROL TRANSACTION' TRADING HALT**
- \* **BVF, MARK LAMBERT BELOW 5% IN OPTHEA**
- \* **M&G (PRUDENTIAL) TAKES 12.7% OF MESOBLAST**
- \* **'ODD FELLOWS' TAKES 5.4% OF RHINOMED**

## MARKET REPORT

The Australian stock market was up 0.45 percent on Tuesday October 8, 2019, with the ASX200 up 29.8 points to 6,593.4 points. Thirteen of the Biotech Daily Top 40 stocks were up, 14 fell, seven traded unchanged and six were untraded. All three Big Caps were up.

Optiscan was the best, up 0.5 cents or 11.6 percent to 4.8 cents with 46,000 shares traded. Patrys climbed five percent; Osprey and Resonance improved four percent or more; Clinuvel was up 3.65 percent; Neuren and Universal Biosensors rose more than two percent; Nanosonics, Oncosil and Starpharma rose one percent or more; with Cochlear, CSL, Medical Developments, Opthea, Resmed and Volpara up less than one percent.

Actinogen led the falls for the second day in a row, down 0.4 cents or 8.7 percent to 4.2 cents, with 48.9 million shares traded. Antisense lost 8.3 percent; Immutep was down 7.7 percent; Pharmaxis fell five percent; Uscom shed 4.35 percent; Next Science was down 3.1 percent; Cynata, Pro Medicus and Proteomics lost more than two percent; with Mesoblast, Paradigm and Polynovo down more than one percent.

## FEDERAL GOVERNMENT

The Federal Government says it will provide \$35 million to establish a synthetic biology research centre at Macquarie University.

A media release from the Federal Minister for Industry, Science and Technology Karen Andrews and the Federal Minister for Education Dan Tehan said that the Australian Research Council Centre of Excellence in Synthetic Biology would combine engineering with molecular biology to design and construct biological systems with commercial applications.

Macquarie University said the centre would be led by Prof Ian Paulsen and it would help advanced technologies in new personalized medicines,

"This research centre will create systems that will convert biomass from agriculture and waste streams into biofuel, biodegradable pesticides, bioplastics and other high value biochemicals," Mr Tehan said.

"These products will have commercial applications, leading to job creation and business opportunities as well as new income streams for Australian farmers," Mr Tehan said.

"Our Government is investing in the emergence of an environmentally sustainable advanced biomanufacturing industry in Australia because it's good for jobs, good for the economy and good for the environment," Mr Tehan said.

Ms Andrews said that synthetic biology was "an exciting field and its discoveries can translate into industrial products and processes of global significance".

"Funding research centres like this one is a proven way to take science from the [laboratory] and apply it in industry to create new opportunities," Ms Andrews said.

Macquarie University vice-chancellor Prof Bruce Downton said that synthetic biology "will give us ways to better manage both agriculture and our environment".

Prof Downton said the Centre would be a collaboration with other Australian and overseas universities as well as industry partners.

The media release said that six Australian universities and 25 academic and industry partner organizations from Australia, New Zealand, Asia and America would provide an additional \$61.1 million in cash and in-kind support to the centre.

## RECCE PHARMACEUTICALS

Recce has requested a trading halt "pending the release of an announcement relating to a capital raising".

A deal sheet from Shaw and Partners said that Recce wanted to raise \$4 million at 26 cents a share, a 17.5 percent discount from 31.5 cents at the close on October 7, 2019.

Trading will resume on October 10, 2019 or on an earlier announcement.

Recce last traded at 31.5 cents.

## VISIONEERING TECHNOLOGIES

Visioneering says it expects revenue for the year to December 31, 2019 of up to \$US5.9 million (\$A8.7 million), which is lower than previously anticipated.

Visioneering said it initially expected a revenue increase of 97 percent to 128 percent compared to 2018, with the revised expected revenue reduced to a 73 percent to 79 percent increase.

The company said the reduction in anticipated revenue for 2019 was due to delays in launching its Naturalvue multifocal contact lenses in Canada and a lower-than-expected growth of Naturalvue sales in the US.

Visioneering fell 0.3 cents or 3.3 percent to 8.7 cents with 1.6 million shares traded.

## DIMERIX

Dimerix says it has received \$1,180,758 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Dimerix said the rebate related to research and development expenditure for the year to June 30, 2019.

Dimerix was unchanged at 10.5 cents.

## NEUROTECH INTERNATIONAL

Neurotech says it has "firm commitments" to raise up to \$600,000 through the issue of unsecured convertible loans at eight percent interest a year.

The Malta-based Neurotech said that the loans would mature on December 31, 2021 and loans not converted to shares or convertible notes would be repaid by the company to the holder at 120 percent of the outstanding loan value.

The company said that each share converted through the loan would have an attaching option exercisable at 130 percent of the conversion price, expiring on January 31, 2023. Neurotech said the loans could be converted to shares and options at any time prior to the maturity date at the lesser of two cents a share or a 10 percent discount to the five-day volume weighted average price to the day of issue of the conversion notice.

The company said it had issued the initial tranche of \$300,000, which was available until three months following the 2019 annual general meeting, if approved by shareholders.

Neurotech said that loans could be converted to a limited amount of shares before the annual general meeting, and loans which had not been converted to shares by the meeting would become convertible notes, subject to shareholder approval.

The company said it would pay Max Capital Pty Ltd advisory fees of six percent of the loan and 4,000,000 options, exercisable at 135 percent of the five-day volume weighted average price prior to the annual general meeting, within three years.

Neurotech was up 0.1 cents or 6.7 percent to 1.6 cents with 1.6 million shares traded.

## BARD1 LIFE SCIENCES

Bard1 says it has reached the assay validation development milestone for a pilot research-use-only custom assay program for the Luminex diagnostic platform.

Last year, Bard1 said it had an agreement with the Waltham, Massachusetts Thermo Fisher Scientific for multiplex research-use-only custom assay development for its auto-antibody assay using Procartaplex technology for Luminex instrumentation, with the first Procartaplex application planned its ovarian cancer test (BD: May 18, 2018).

Last October, it planned to develop its breast cancer blood test and ovarian cancer test using the Luminex instrumentation platform (BD: Oct 28, 2018).

Today, Bard1 said it had completed the evaluation of the pilot research-use-only Bard1 kits and it was ready to start the next optimization phase for tests by the end of the year.

The company said that Thermo Fisher had agreed to extend the contract development agreement for additional work to optimize and improve the research-use-only Bard1 kit in ovarian cancer samples.

Bard1 said Luminex is an industry standard diagnostic platform widely used for development and commercialization of multi-analyte diagnostic tests.

Bard1 chief executive officer Dr Leeearne Hinch said the Thermo Fisher milestone had been completed on time.

Bard1 fell 0.7 cents or 14.3 percent to 4.2 cents with 45.4 million shares traded.

## SIENNA DIAGNOSTICS

Sienna says it will move its headquarters to Clayton to expand its operations and begin manufacturing its Sien-Net blood sample preparation technology in 2020.

Sienna said the Clayton premises would contain office space, research and development laboratories and a manufacturing suite and warehouse facility for its Sien-Net product line. The company said the new location was adjacent to the Monash Technology Precinct, the Commonwealth Scientific Industrial Research Organization and the Australian Synchrotron.

Sienna said it expected to move "early in the new year, when construction of the new laboratory and manufacturing suites is completed".

Sienna chief executive officer Matthew Hoskin said the manufacturing of the company's Sien-Net technology was "an important milestone".

"We are preparing for the expansion of our development, manufacturing and commercialization capabilities, in anticipation of bringing in new products as part of our technology expansion program".

"The move represents a key development in the implementation of our vision to become a hub for the development and launch of [in-vitro diagnostic] tests from the university research bench to the global pathology market," Mr Hoskin said.

Sienna fell 0.7 cents or 14.3 percent to 4.2 cents.

## MACH7 TECHNOLOGIES

Mach7 says shareholders will vote to grant 810,000 options to directors with directors Damien Lim and Wayne Spittle to be replaced by Robert Bazzani and Jennifer Pilcher. Mach7 said the annual general meeting would vote on the issue of 750,000 long-term incentive options to Mr Lampron, vesting in equal amounts on July 1, 2020, 2021 and 2022, and exercisable at the higher of the five-day volume weighted average price at grant date or 80 cents, 95 cents, and \$1.10 a share, respectively, all expiring within five years of the grant date.

Mach7 said it would propose to grant 35,000 options to director David Chambers and 25,000 options to Dr Eliot Siegel as part of their director's remuneration.

The company said the five-year options would be exercisable at the higher of the 30-day volume-weighted average price to the date of the meeting or a 10 percent premium to the closing price on the date of issue.

Mach7 said the meeting would vote of the remuneration report, the re-election of Mr Chambers, a 10 percent placement capacity, and the ratification of the issue of shares.

The company said that chairman Mr Lim would retire from the board from January 1, 2020, after eight years with the company, with Mr Bazzani to fill his position.

Mach7 said Mr Bazzani was a barrister, solicitor, and chartered accountant and had been a partner and chairman at KPMG.

The company said Mr Spittle would retire as a director at the annual general meet on November 11, 2019 for personal reasons after more than three years on the board.

Mach7 said that company secretary and chief financial officer Ms Pilcher would be appointed to the board as an interim director to replace Mr Spittle, until January 1, 2020, "to ensure the company is in compliance with the Corporations Act which requires ... at least two Directors on the board whom ordinarily reside in Australia".

The meeting will be held at RSM Australia, Level 21, 55 Collins Street, Melbourne on November 11, 2019 at 10am.

Mach7 was unchanged at 75 cents.

### MEMPHASYS

Memphasys 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 23.5 percent from a low of 6.8 cents to an intra-day high of 8.4 cents and noted a "significant increase" in trading volumes.

Memphasys fell 0.3 cents or 3.7 percent to 7.8 cents with 3.7 million shares traded.

### ZELDA THERAPEUTICS

Pharmaust has requested a trading halt "pending an announcement ... in relation to a material control transaction with a US based healthcare group".

Trading will resume on October 10, 2019 or on an earlier announcement.

Zelda last traded at 7.8 cents.

### OPTHEA (FORMERLY CIRCADIAN TECHNOLOGIES)

BVF Partners and Mark Lambert say they have ceased their substantial shareholding in Opthea, selling all 13,105,918 shares (5.25%).

The San Francisco, California-based Mr Lambert said that on October 7, 2019, BVF Partners sold 13,105,918 shares on-market for \$40,628,346 or \$3.10 a share.

In August, following the Opthea OPT-302 wet age-related macular degeneration trial results, BVF and Mr Lambert sold 14,100,000 shares at about \$2.64 a share and 10,500,000 shares at \$2.69 a share (BD: Aug 7, 19, 29, 2019).

In 2018, BVF and Mr Lambert acquired 6,817,134 shares through the exercise of 27 cent options and in 2015, BVF and Mr Lambert increased their holding in the then Circadian, buying 6,556,53 shares for 20 cents a share (BD: Jun 25, 2015; Nov 9, 2018).

Opthea was up three cents or 0.9 percent to \$3.41.

### MESOBLAST

Prudential PLC says with subsidiary M&G Investment Funds it has increased its holding in Mesoblast from 65,636,115 shares (13.15%) to 70,636,115 shares (14.15%).

The London-based Prudential said that on October 4, 2019 it bought 5,000,000 shares for \$10,000,000 or \$2.00 a share.

Last week, Mesoblast said it had raised \$75 million in a placement to new and existing Australian and global institutional investors at \$2.00 a share (BD: Oct 3, 2019).

Mesoblast fell 3.5 cents or 1.7 percent to \$1.975 with 736,110 shares traded.

### RHINOMED

The Melbourne-based IOOF Holdings says it has become a substantial shareholder in Rhinomed with 9,090,910 shares or 5.373 percent of the company.

IOOF, formerly the Independent Order of Odd Fellows, with its Sydney-based subsidiary Perennial Value Management, said that on September 27, 2019 it bought 9,090,910 shares for \$2,636,364 or 29 cents a share.

Rhinomed was up four cents or 16.7 percent to 28 cents with 1.4 million shares traded.