



Biotech Daily

Tuesday May 14, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PROTEOMICS UP 9%; ALTERITY (PRANA) DOWN 15%**
- * **RACE READY FOR 1st BISANTRENE LEUKAEMIA TRIAL IN 25 YEARS**
- * **MAYNE FALLS ON EXPECTED H2 DOWNTURN**
- * **ADMEDUS AGM CLEARS REM REPORT, 46% STAR BRIGHT DISSENT**
- * **BLACKCRANE TAKES 8% OF AVITA**

MARKET REPORT

The Australian stock market fell 0.92 percent on Tuesday May 14, 2019, with the ASX200 down 57.7 points to 6,239.9 points.

Nine of the Biotech Daily Top 40 stocks were up, 20 fell, eight traded unchanged and three were untraded.

Proteomics was the best, up three cents or 9.4 percent to 35 cents with 118,821 shares traded.

Prescient climbed 7.3 percent; Orthocell improved 4.9 percent; Impedimed and Nanosonics rose more than two percent; Avita, Clinuvel and Pharmaxis were up more than one percent; with Ellex up 0.8 percent.

Alterity (formerly Prana) led the falls on a US Securities and Exchange Commission filing on the issue of shares and warrants to major shareholder Life Biosciences, down 0.7 cents or 15.2 percent to 3.9 cents, with 608,000 shares traded.

Patrys lost 7.7 percent; Compumedics shed 6.25 percent; Kazia was down 5.3 percent; Optiscan and Osprey fell four percent or more; Pro Medicus and Uscom were down three percent or more; Genetic Signatures, LBT, Opthea, Polynovo, Telix, Universal Biosensors and Volpara shed more than two percent; Antisense, CSL, Mesoblast and Paradigm were down more than one percent; with Cochlear, Cynata and Medical Developments down by less than one percent.

RACE ONCOLOGY

Race says it expects a 12-patient phase II trial of Bisantrone for acute myeloid leukaemia to begin at Israel's Sheba Medical Centre within one month.

Race said the investigator-initiated trial had been approved by Israel's Ministry of Health and would be led by Tel Aviv University professor of medicine and Sheba haematology director Prof Arnon Nagler as principal investigator.

Race chief executive officer Peter Malloy told Biotech Daily that the trial would begin "within one month".

In the media release to the ASX, Mr Malloy said the trial was "a major development, as it's the first use of Bisantrone in patients since the drug disappeared more than 25 years ago". The company previously said Bisantrone was lost after a series of mergers in the early 1990s and was a phase II/III drug previously trialled in 44 clinical studies and on more than 2,000 patients (BD: Aug 27, 2015).

Today, Race said it had submitted an investigational new drug application to the US Food and Drug Administration for a US registration trial and was pursuing investigator-initiated phase II trials.

The company said the trial at Sheba would dose 12 therapy-resistant acute myeloid leukaemia patients with 250mg Bisantrone per metre squared per day for seven days with conventional supportive care.

Race said the primary objective was to generate clinical remissions with secondary endpoints including leukaemia-free survival and overall survival.

The company said that if patients had clinical remissions, they would receive a three-day consolidation course of Bisantrone at the same dose.

Race said it would provide Bisantrone at no cost to Sheba, along with EUR78,975 (\$A127,650) to support the trial.

The company said all results would be jointly owned by Race and Sheba and the trial would conclude no later than December 1, 2021.

Race climbed 2.6 cents or 45.6 percent to 8.3 cents with 2.3 million shares traded.

MAYNE PHARMA

Mayne fell as much as 15.4 percent to 55.25 cents on news that sales for the six months to June 30 would be impacted by "additional competition ... [and] trading pressures".

Mayne said revenue for the 10 months to April 30 was up 1.2 percent to \$428.5 million compared to the prior period, with gross profit up 23.0 percent to \$239.0 million.

The company said that for the four months to April 30, 2019 revenue was down 14.6 percent to \$154.1 million with gross profit down 20.1 percent to \$78.6 million.

Mayne said that sales for the six months to June 30, 2019 would be "impacted by additional competition on key generic products and generic market trading pressures".

The company said it expected stronger results for the 12 months to June 30, 2020 with the US launches of Tolsura for fungal infections and Lexette foam for psoriasis, and the growth of the generic and proprietary dermatology and women's health portfolios.

Mayne chief executive officer Scott Richards said that the "generic business has faced a challenging start to ... 2019 driven by competitive pressure on our key products including liothyronine and dofetilide".

"We have also faced typical wholesaler destocking in the retail channel in the [three months to March 31], one-off failure-to-supply penalties emanating principally from products supplied by third-party manufacturers, together with shelf stock adjustments resulting from price changes on some products," Mr Richards said.

Mayne closed down 10 cents or 15.0 percent to 56.5 cents with 63.3 million shares traded.

ADMEDUS

Admedus says its annual meeting passed the remuneration report following last year's 34.25 percent first strike, but with 46.3 percent opposition to Star Bright shares.

Admedus said the remuneration report was supported by 153,231,324 votes (91.30%) and opposed by 14,604,568 votes (8.70%).

Last year, the remuneration report was lost with 17,674,663 votes (34.25%) against the report and 33,929,028 votes (65.75%) in favor (BD: May 24, 2018).

Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 any company with a vote of 25 percent or more against the remuneration report in two successive meetings is required to vote on a board spill.

Today, Admedus said that the greatest dissent was to the approval of 42,599,866 shares at 10 cents a share on August 22, 2018 and 26,289,636 shares at 13.03 cents a share on September 4, 2018 to Star Bright with 138.6 million shares (46.3%) opposed and 160.9 million (53.7%) in favor.

The company said that approval to issue 3,188,831 options to chief executive officer Wayne Patterson exercisable at 5.9 cents each was passed by 155,665,455 votes (92.7%) in favor and 12,662,089 votes (7.3%) against.

In April, Admedus said resolution to approve the sale of Admedus Vaccines, formerly Coridon, to Star Bright had been withdrawn following the termination of the transaction (BD: Apr 23, 2019).

Today, the company said the other resolutions were passed by wider margins, including the election of directors John Seaburg, Lishan Zhang, Yanheng Wu, Wenyi Gu and Stephen Denaro, and approval of the 10 percent placement facility.

According to its most recent Appendix 3B new share announcement, Admedus had 589,942,803 shares on offer, meaning that the votes opposing the Start Bight shares amounted to 23.5 percent of the company, sufficient to requisition extraordinary general meetings.

Admedus was in an extended suspension and last traded at six cents.

AVITA MEDICAL

Blackcrane Capital says it has increased its holding in Avita from the equivalent of 124,345,592 shares (6.67%) to 145,186,212 shares (7.79%).

The Bellview, Washington-based Blackcrane said it continued to hold 59,445,952 Australian shares and increased from 3,244,982 American depository receipts (ADRs), equivalent to 64,889,640 Australian shares, to 4,287,013 ADRs, equivalent to 85,740,260 Australian shares.

The company said that between April 26 and May 9, 2019, it acquired 1,042,031 ADRs equivalent to 20,840,620 shares for \$US5,631,566 (\$A8,106,762) or an average of 38.9 cents per share.

Avita was up half a cent or 1.25 percent to 40.5 cents with 6.1 million shares traded.