



Biotech Daily

Wednesday July 24, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: IMUGENE UP 10.5%; AMPLIA DOWN 16%**
- * **LIVING CELL NTCELL 'PARKINSON'S BENEFIT, SANS OTHER DRUGS'**
- * **EXOPHARM PLACEMENT RAISES \$4.4m; SHARE PLAN FOR \$2.8m**
- * **US PATENT FOR PAINCHEK FACIAL RECOGNITION PAIN ASSESSMENT**
- * **VISIONEERING MYOPIA CONTACT LENSES HONG KONG REGISTRATION**
- * **CYNATA TELLS ASX: \$204m OFFER 'INCOMPLETE, CONFIDENTIAL'**
- * **ANTISENSE TREATS 5 OF 9 DUCHENNE ATL1102 PATIENTS**
- * **COMPUMEDICS PLEADS SCHULTZ TO ASX 9% QUERY**
- * **ALTHEA TAKES 'ACQUISITION, CAPITAL RAISING' HALT TO SUSPENSION**
- * **MGC CLAIMS: 'CANNABINOIDS KILL GLIOBLASTOMA' - IN VITRO**
- * **AUSTRALIAN ETHICAL TAKES 10.5% OF SOMNOMED**
- * **FIL DILUTED TO 14% OF MEDIBIO**
- * **OVENTUS REQUESTS CAPITAL RAISING TRADING HALT**

MARKET REPORT

The Australian stock market was up 0.77 percent on Wednesday July 24, 2019, with the ASX200 up 52.1 points to 6,776.7 points. Fifteen of the Biotech Daily Top 40 stocks were up, 17 fell, six traded unchanged and two were untraded. All three Big Caps were up.

Imugene was the best, up 0.2 cents or 10.5 percent to 2.1 cents, with 27.8 million shares traded. Antisense climbed 7.3 percent; Actinogen was up 5.6 percent; Prescient improved 4.65 percent; Opthea and Polynovo were up three percent or more; Cynata, Genetic Signatures, Nanosonics, Neuren, Orthocell and Resmed rose two percent or more; Clinuvel was up 1.4 percent; with Cochlear, CSL, Ellex, Medical Developments and Mesoblast up by less than one percent.

Yesterday's 24 percent best, Amplia, led the falls, down 2.5 cents or 16.1 percent to 13 cents, with 268,299 shares traded. Osprey lost 6.7 percent; Proteomics was down 5.7 percent; both Dimerix and Immutep fell 4.55 percent; Avita, Impedimed, LBT, Resonance and Volpara were down more than three percent; Compumedics, Kazia and Telix shed more than two percent; Paradigm was down 1.25 percent; with Cyclopharm, Pro Medicus and Starpharma down by less than one percent.

LIVING CELL TECHNOLOGIES

Living Cell says Parkinson's disease patients treated with NTCell have shown "a clinically relevant effect" when not taking anti-Parkinsonian medications.

Last year, the company said the 18-patient, phase IIb trial of its NTCell encapsulated pig choroid brain cells studied three groups of six patients, with two patients from each group having sham surgery, while the active cohorts received 40 microcapsules, 80 microcapsules and 120 microcapsules implanted on each side of the brain.

The company reported a statistically significant difference at 18-months for the patients implanted with the 80-capsule dose ($p < 0.05$) (BD: Nov 2, 2018).

In May, Living Cell said that at 24 months post-implant the four people who received 80 capsules continued "to show a benefit as measured by the change in the Unified Parkinson's Disease Rating Scale" (UPDRS), which was greater than the two in the placebo group, but not when compared to all the six placebo patients (BD: May 13, 2019).

Today, the company said that a clinically relevant effect of less than minus 6.45 points from UPDRS baseline was observed in both the 80 and 40 capsule groups, when not taking anti-Parkinsonian medications.

Living Cell said the effect of 80 capsules was greater than that of 40 capsules and when compared to placebo, the treatment was clinically relevant in weeks 52-104 for the 80 capsule group, and at week 52 for the 40 capsule group, with no adverse effects.

The company said that no clinically relevant effect was seen in the 120 group, with evidence that the transplant site could not accommodate the capsules.

Living Cell interim chairman Prof Bernie Tuch said the company would plan a phase III trial as "larger patient numbers are needed to convince regulatory authorities".

Living Cell was up 0.7 cents or 28.0 percent to 3.2 cents with 6.3 million shares traded.

EXOPHARM

Exopharm says it has commitments for a \$4,440,000 placement at 37 cents a share and hopes to raise a further \$2,775,000 through a share purchase plan.

Exopharm said the placement to sophisticated, professional and other exempt investors was at a 17 percent discount to the last closing price and an 18 percent discount to the five-day volume weighted average price of 44.9 cents a share.

The company said chairman Jason Watson would apply for 100,000 shares in the placement, subject to shareholder approval.

Exopharm said the record date for the share plan was July 23, with the offer opening on July 26 and closing on August 15, 2019.

Exopharm said the funds would be used to manufacture its Exomere product, accelerate trials of Plexaris and Exomere, for other research activities and for working capital.

The company said Alto Capital was the lead manager and CPS Capital was the co-lead manager to the placement and the share plan.

Exopharm fell four cents or 9.0 percent to 40.5 cents.

PAINCHEK

Painchek says it has been allowed a US patent for its smart phone pain assessment and monitoring device using artificial intelligence and facial recognition.

Painchek said the patent, entitled 'Pain Assessment Method and System' would protect its intellectual property until February 17, 2037.

Painchek was up half a cent or three percent to 17 cents with 3.5 million shares traded.

VISIONEERING TECHNOLOGIES

Visioneering says Hong Kong Department of Health has granted registration approval to its Naturalvue multifocal one-day contact lenses.

Visioneering said the registration covered its “current and anticipated products” and the use of the Naturalvue multifocal lenses for myopia progression control.

The company said the registration would allow it to sell to regulated channels, such as hospitals, and it would enter Asia through its launch in Hong Kong this year.

Visioneering chief executive officer Dr Stephen Snowdy said that Hong Kong was “an important market for us because it represents our initial entry into Asia”.

“While Hong Kong is a relatively small market by population, the prevalence and severity of myopia indicate a strong need for our Naturalvue multifocal product,” Dr Snowdy said.

Visioneering was up 0.7 cents or 11.7 percent to 6.7 cents.

CYNATA THERAPEUTICS

Cynata has told the ASX that a \$203.8 million takeover offer was “incomplete, non-binding and conditional ... [and] all were subject to strict confidentiality obligations”.

On Friday, Cynata told the ASX that the Osaka, Japan-based Sumitomo Dainippon Pharma had offered \$2.00 a share to acquire the company (BD: Jul 19, 2019).

The first ASX query, dated July 16, said the company’s share price rose 37 cents or 30.1 percent from \$1.23 to \$1.60 over the five days to July 16, 2019.

Cynata said last week it had a non-binding proposal from Sumitomo, had not agreed to it and did not believe it was “public information or would explain the recent trading”.

Today, the ASX asked Cynata whether the Sumitomo Dainippon proposal and secondary discussion were “information that a reasonable person would expect to have a material effect on the price or value of its securities”, when it became aware of the information and when it became aware of the proposal and the secondary discussions?

Cynata said the proposal was submitted by a letter dated June 20, 2019 and the secondary discussions began on or around May 22, 2019 and it did not make any disclosure prior to the announcement which disclosed the proposal.

Cynata said the proposal “was, and is, incomplete, non-binding and conditional [and] all participants engaged on the proposal were, and are, subject to strict confidentiality obligations”.

“At the time of receipt of the ASX price query, and at the time of making the announcement, the company was not aware of any loss of confidentiality,” Cynata said.

Cynata was up 3.5 cents or two percent to \$1.825.

ANTISENSE THERAPEUTICS

Antisense says five of the nine patients in its phase II trial of ATL1102 for Duchenne muscular dystrophy have completed the 24-week dosing phase.

Antisense said the remaining four patients were still being treated and no serious events had been reported to date.

The company said the six-month, open label dosing trial of ATL1102 in patients between 10 and 18 years of age was being conducted at Melbourne’s Royal Children’s Hospital.

Antisense chief executive officer Mark Diamond said the company was “pleased to have more than half of patients in the trial having completed dosing with no [serious adverse effects] reported to date and to be on-track for completion of the treatment phase of the trial” but the end of the 2019.

Antisense was up 0.3 cents or 7.3 percent to 4.4 cents.

MGC (MEDICAL GRADE CANNABIS) PHARMACEUTICALS

MGC claims cannabinoid preparations “can successfully inhibit tumor viability and also cause the significant fraction of glioblastoma cells to die”, in vitro.

In a media release, MGC said the research, conducted in collaboration with Slovenia’s National Institute of Biology and University Medical Centre Ljubljana, “highlighted the positive impact of using specific cannabinoid formulations in the treatment of glioblastoma, the most aggressive and so far, therapeutically resistant primary brain tumor”.

MGC claimed the study was “the first research to test the effects of cannabinoid compound formulations on cancerous cells using tissues taken directly from a patient”.

A review of the literature published in the Bosnian Journal of Basic Medical Sciences in February 2019, titled ‘Cannabinoids in cancer treatment: Therapeutic potential and legislation’ said “in recent years, cannabinoids have been extensively studied for their potential anticancer effects and symptom management in cancer patients”.

The Journal article published a table titled ‘Table 2: Anti-tumor activity of selected plant-derived cannabinoids in different cancer cell lines’ assessed cannabidiol on a range of human cancer cell lines’.

The article is at <https://bit.ly/2SAQSmq>.

MGC said “cannabinoid formulations are shown to be able to target glioblastoma stem cells that are considered to be the roots of the disease and the critical target in oncology therapy”.

The company said that “a diagnostic platform for glioblastoma tumors has been developed to predict the response of the tumor to selective cannabinoid preparations, based on their subtype, which is defined by the genetic fingerprint of the tumor”.

MGC said its research team investigated whether the response depended “on the variety of cannabinoid receptors expressed on the glioblastoma cells surface or not, and if so, which out of five most common receptors found in cancer cells, might be of key relevance”.

The company said the research “could potentially lead to a relatively simple diagnostic prediction process for cannabinoids therapeutic potentials”.

MGC managing-director Roby Zomer said “this research is a major breakthrough for the treatment of tumors with cannabinoid-based formulations and has wider implications on different cancer treatments.”

“The full research report successfully shows that compounded cannabinoid formulations can have a positive effect on the treatment of glioblastoma, reducing the growth of a tumor cell and killing the cancerous stem cells,” Mr Zomer said.

“We are now creating a cannabinoid compound matrix which we can utilize to target a wider range of cancers and significantly advance our [research and development] capabilities,” Mr Zomer said. “This research, conducted in collaboration with the National Institute of Biology and University Medical Centre Ljubljana, highlights the success of this partnership strategy.”

MGC was up 0.3 cents or 5.7 percent to 5.6 cents with 13.4 million shares traded.

COMPUMEDICS

Compumedics 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 7.5 cents or 9.2 percent from 81.5 cents yesterday July 23 to 89 cents today and noted a “significant increase” in the volume of securities traded.

Compumedics fell two cents or 2.45 percent to 79.5 cents.

[ALTHEA GROUP](#)

Althea says it has requested a voluntary suspension following its July 22, 2019 acquisition and capital raising trading halt (BD: Jul 22, 2019).

Althea said it expected the suspension to last until July 25, 2019 or on an earlier announcement.

Althea last traded at \$1.195.

[SOMNOMED](#)

Australian Ethical Investment says it has increased its substantial shareholding in Somnomed from 5,435,538 shares (8.65%) to 6,579,750 shares (10.48%).

The Sydney-based Australian Ethical said that it bought 1,144,212 shares between March 12 and July 19, 2019, with a single largest purchase of 769,815 shares for \$1,195,838 or \$1.55 a share on July 19, 2019.

Somnomed was up 11 cents or 6.3 percent to \$1.85.

[MEDIBIO](#)

The Hong Kong-based FIL Limited says its 40,485,128 share-holding in Medibio has been diluted from 16.27 percent to 14.27 percent.

Earlier this month, Medibio said it expected to raise \$4 million in a placement and share plan at one cent a share (BD: Jul 10, 2019).

Medibio fell 0.1 cents or 5.6 percent to 1.7 cents with 3.4 million shares traded.

[OVENTUS MEDICAL](#)

Oventus has requested a trading halt pending an announcement "in relation to a capital raising".

Trading will resume on July 26, 2019 or on an earlier announcement.

Oventus last traded at 46.5 cents.