



Biotech Daily

Monday September 23, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: IMMUTEP, PARADIGM UP 14%; ACTINOGEN DOWN 12.5%**
- * **OSTEOPORE IPO UP 263% TO 72.5c FOR 3D BONE REPLACEMENT**
- * **VICTORIA: '\$2b DRUGS TOP VALUE MANUFACTURED EXPORTS'**
- * **IMMUTEP EARNS \$7m GLAXOSMITHKLINE LAG-3 MILESTONE**
- * **RHINOMED PLACEMENT RAISES \$6m**
- * **OPTISCAN: CONFOCAL MICROSCOPE FOR 2nd ORAL CANCER TRIAL**
- * **SIENNA RECEIVES \$405k FEDERAL R&D TAX INCENTIVE**
- * **GENETIC TECHNOLOGIES, TGEN RISK TESTS AGREEMENT**
- * **UNIVERSAL BIOSENSORS FINALIZES SIEMENS XPRECIA DEAL**
- * **IQ3 TELLS ASX AWARE QUERY: 'IT GLITCH STOPPED ANNOUNCEMENT'**
- * **PROBIOTEC AGM: CEO WESLEY STRINGER \$4.9m LOAN FOR OPTIONS**
- * **ACRUX RESOLUTION CALLS TO APPOINT NORMAN GRAY DIRECTOR**
- * **ASX SUSPENDS OVENTUS ON PRICE QUERY**
- * **MERCHANT GROUP REDUCES TO 6.6% OF RHYTHM**
- * **JIM CRAIG, BELLWETHER REDUCE TO 5.6% OF BLUECHIIP**
- * **CLINUVEL APPOINTS SUSAN SMITH DIRECTOR**
- * **MARK MASTERSON REPLACES BOD CHAIRMAN GEORGE LIVERY**

MARKET REPORT

The Australian stock market was up 0.28 percent on Monday September 23, with the ASX200 up 18.9 points to 6,749.7 points. Eighteen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and one was untraded.

Immutep was the best, up 0.3 cents or 13.6 percent to 2.5 cents, with 19.1 million shares traded, followed by Paradigm up 13.5 percent to \$2.60, with 1.8 million shares traded. Optiscan climbed 12.5 percent; Antisense was up 9.6 percent; Kazia climbed 8.9 percent; Cyclopharm, Next Science and Resonance were up more than three percent; Cynata, Mesoblast, Osprey and Resmed rose two percent or more; Dimerix, Orthocell, Prescient, Pro Medicus and Volpara were up more than one percent; with CSL, Ellex and Opthea up by less than one percent.

Actinogen led the falls, down 0.1 cents or 12.5 percent to 0.7 cents, with 700,000 shares traded. Alterity lost 6.7 percent; LBT, Neuren, Oncosil and Patrys fell more than four percent; Clinuvel, Compumedics, Medical Developments and Starpharma shed more than two percent; Avita, Nanosonics and Proteomics were down more than one percent; with Cochlear, Genetic Signatures and Telix down by less than one percent.

OSTEOPORE

Osteopore opened on the ASX at 63 cents a share, a 215 percent premium to its 20 cents a share initial public offer price, closing up 52.5 cents or 262.5 percent to 72.5 cents. In media releases and its prospectus, the Singapore and Perth, Western Australia Osteopore said it combined three-dimensional printing with bio-resorbable materials for bone regeneration.

The company said that it raised \$5,250,000 in the offer which closed early “with strong institutional, high net worth and sophisticated investor demand”.

Osteopore said that it had of 101,230,502 shares on issue, along with 9,700,000 management and lead manager options exercisable at 25 cents each by June 30, 2022. The company said its US Food and Drug Administration and Conformité Européenne (CE) mark approved 3-D printed bioresorbable implants were used with surgical procedures to facilitate the natural stages of bone healing.

Osteopore said its materials had been used in more than 20,000 surgical procedures with no post-surgery complication rates traditionally associated with long-term bone implants. The company said it had revenue of about \$990,000 for the 12-months to December 31, 2018, and expected revenue growth through increased penetration and expansion of products for new therapeutic and surgical areas.

Osteopore said the offer would assist the further commercialization of its Osteoplug, Osteomesh and Osteostrip US and European-approved products, as well as “developing new growth opportunities leveraging its expertise in regenerative medicine and medical polymers”.

The company said it intended to expand its sales and marketing infrastructure across Australia, Asia, the US and Europe.

Osteopore said that Osteoplug was a 3-D printed bioresorbable implant used for healing burr holes created during neurosurgery and its “fully interconnected porous matrix architecture allows it to be quickly saturated with marrow, blood and nutrients that encourage bone regrowth and remodelling, and its unique shape allows easy implantation without screws”.

The company said that long-term clinical trials showed significant bone regeneration of the burr hole as the Osteoplug was slowly resorbed by the body and replaced with natural healthy bone.

Osteopore said that Osteomesh was a flexible 3-D printed bioresorbable implant that was “easy to cut to shape” for craniofacial surgery to repair various types of fractures, such as repairing orbital floor fracture and could be used to fill surgical defects.

The company said that Osteostrip was “a durable, biodegradable method of filling the void following a craniotomy, the surgical removal of bone from the skull to expose the brain, and provided “rapid and homogenous vascularization after the procedure and ultimately results in high structural integrity and long-term integration with the surrounding bone”.

Osteopore said Osteostrip was “naturally osteoconductive and bioresorbable” and promoted bone formation through its “3-D printed biomimetic micro architecture” to fill the void between the cranial flap and the cranium without the need for screws or adhesives.

Osteopore said its chairman was Resmed chief financial officer Brett Sandercock, with Geoff Pocock an executive director and Prof Teoh Swee Hin and Stuart Carmichael as non-executive directors, its chief executive officer was Goh Khoon Seng, chief technology officer was Dr Lim Jing, with Deborah Ho the company secretary.

Osteopore said that Alto Capital was the lead manager to the initial public offer and Ventnor Capital was its corporate advisor.

Osteopore closed up 52.5 cents or 262.5 percent to 72.5 cents with 6.3 million shares traded.

VICTORIA GOVERNMENT

The Victoria Government says pharmaceutical exports, earned \$2.2 billion in 2018 “making it the state’s highest-value manufactured export product”.

A media release from Victoria Minister for Jobs, Innovation and Trade Martin Pakula said that the state’s medical technologies and pharmaceutical sector was “booming, with new data released today showing that support from the Andrews Labor Government has fuelled exceptional export growth”.

The media release quoted a report by Melbourne’s ACIL Allen Consulting showing that from 1999 to 2017, “Government support for the sector has generated \$39.6 billion in additional revenue and delivered more than a three-fold economic benefit on investment”. Mr Pakula’s media release said that trade data showed that Victoria’s pharmaceutical exports increased 255 percent over the past four years, “earning \$2.2 billion in 2018 and making it the state’s highest-value manufactured export product”.

The media release said that Mr Pakula visited the Medicines Manufacturing Innovation Centre at Monash University, which was “a prime example of how the Labor Government is working with industry and research organizations to boost the sector”.

The Government said that the Centre was established in 2017, as a joint initiative between the Government and the Monash Institute of Pharmaceutical Sciences to help organizations, including pharmaceutical and food additive companies develop new products, increase their export opportunities and create jobs.

The media release said there were more than 22 Victorian pharmaceutical manufacturers producing products for international markets using Victoria’s advanced manufacturing capabilities and the \$2.2 billion in pharmaceutical exports in 2018 compared to \$873 million in 2014.

IMMUTEP (FORMERLY PRIMA BIOMED)

Immutep says Glaxosmithkline will pay a GBP4 million (\$A7.4 million) milestone from for dosing the first patient in a phase II trial of GSK2831781 for ulcerative colitis.

In 2014, the then Prima, said it had acquired Immutep for its cancer immuno-therapies based on its lymphocyte activation gene 3 (LAG-3) technology (BD: Oct 2, Dec 17, 2014).

In 2015, the company it received an undisclosed “single digit million dollar” milestone payment from Glaxosmithkline for the first patient dosed in its phase I, first-in-human trial of GSK2831781 for the autoimmune disease plaque psoriasis (BD: Jan 27, 2015).

Today, Immutep said that GSK2831781 was a depleting anti-LAG-3 antibody technology derived from its IMP731 antibody.

The company said that both IMP731 and GSK2831781 were designed to specifically deplete potentially pathogenic, recently activated LAG-3 expressing T-cells which were enriched at the disease site in T-cell driven immuno-inflammatory disorders, while sparing other T-cells which might be necessary for other functions.

Immutep said it would be eligible for up to GBP64 million (\$A118.2million) in developmental milestone payments as well as single-digit tiered royalties if GSK2831781 was commercialized.

Immutep said that Glaxosmithkline was responsible for all costs associated with the clinical development and commercialization of GSK2831781.

Immutep chief executive officer Marc Voigt said that Glaxosmithkline’s phase II clinical trial for ulcerative colitis further validated “LAG-3 as a potential target for therapeutics in autoimmune diseases”.

Immutep was up 0.3 cents or 13.6 percent to 2.5 cents with 19.2 million shares traded.

RHINOMED

Rhinomed says it has raised \$6 million in a placement to new and existing investors at 22 cents a share.

Rhinomed said that funds raised in the capital raising would be used to accelerate sales growth in current products, launch new products and drive store growth.

The company said the placement price was a 6.6 percent discount to the 5-day volume-weighted average price to the September 18 closing price.

Rhinomed said that Bell Potter Securities was the lead manager to the placement.

Rhinomed was up 7.5 cents or 31.25 percent to 31.5 cents.

OPTISCAN IMAGING

Optiscan says its confocal microscope will be used in a trial for the early diagnosis of cancerous changes in oral mucosa.

In August, Optiscan said its confocal laser endo-microscope had been approved for an oral cancer trial at New York's Sloan Kettering Cancer Centre (BD: Aug 21, 2019).

Today, the company said this second trial would be led by the University of Melbourne's Dental School with collaborators including the Royal Melbourne Hospital, Sloan Kettering, Melbourne's Peter MacCallum Cancer Centre and Perth's Australian Centre for Oral Oncology Research & Education.

Optiscan said the Melbourne Dental School was seeking ethics approval for the trial which was "intended to diagnose cancerous change in oral skin growth at the earliest possible stage, identifying new areas of abnormality or changes in previous oral lesions".

The company said the trial would develop diagnostic tools including confocal laser scanning microscopy using an Optiscan system to supplement the current practice of clinical oral examination and histopathological diagnosis.

Optiscan said the trial collaborators aimed to "connect clinical, imaging and molecular findings in the development of oral squamous cell carcinoma in oral mucosal conditions with malignant potential" such as leukoplakia and oral lichenoid lesions.

Optiscan executive chairman Darren Lurie said that "having two clinical trials in oral cancer screening with such internationally renowned hospitals is strong validation of the opportunity for Optiscan to change current practices in oral cancer screening".

"We expect the trial will provide strong support in our evolving plans for Optiscan's clinical system and in the regulatory approvals for use in oral cancer screening and surgical tumor margin detection," Mr Lurie said.

Optiscan was up half a cent or 12.5 percent to 4.5 cents with 1.8 million shares traded.

SIENNA CANCER DIAGNOSTICS

Sienna says it has received \$404,955 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

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

The company said the funds would be used for the development and commercialization of its in-vitro diagnostic tests.

Sienna was untraded at 3.9 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says it has a three-year collaboration with the Translational Genomics Research Institute to study the clinical utility of its genetic risk tests. In April, Genetic Technologies said it had a memorandum of understanding with the Phoenix, Arizona-based Institute, or TGen, to develop polygenic risk tests for the US market and undertake fundraising to support the development (BD: Apr 8, 2019). Today, the company said the agreement terms were confidential but the collaboration would focus on the utility of its Genetype breast and colorectal cancer risk tests, aiming to show the value of the tests for clinicians when assessing individual risk profiles. Genetic Technologies said that both companies would cooperate in the design and conduct of clinical utility studies for a range of polygenic, or multiple gene, risk tests for common diseases to be developed and made available in the US market, and both parties would identify appropriate clinical partners to participate in the studies. Genetic Technologies said it hoped the studies would “provide strong clinical evidence to support the use of ... polygenic risk tests as an important routine tool in predicting individual disease risk”. Genetic Technologies chief scientific officer Dr Richard Allman said “the clinical utility studies we envisage are intended to translate our Genetype tests into daily clinical use”. Genetic Technologies fell 0.05 cents or 9.1 percent to 0.5 cents with 13.7 million shares traded.

UNIVERSAL BIOSENSORS

Universal Biosensors says it has finalized its deal with Siemens to pay \$US12.5 million (\$A18.2 million) for its Xprecia Stride coagulation test, strips and products. Earlier this month, Universal Biosensors said that in return for relinquishing exclusivity rights to the hospital market and rights to products in development, the Munich-based Siemens Healthcare would guarantee a minimum purchase of the Xprecia strips over 42 months, with a pre-payment of \$US4 million (\$A5,833,800) of the revenue by October 31, 2019, as well as manufacturing assistance, non-exclusive access to Siemens' customer base, 2,500 existing Xprecia Stride analyzers, marketing material, access to intellectual property rights, and no further legal action with Siemens. (BD: Sep 9, 2019). Universal Biosensors was unchanged at 20 cents.

IQ3CORP

IQ3 has told an ASX that an information technology issued prevented the posting to the ASX of its cancer drug platform acquisition from the University of Texas. In an 'aware' query, the ASX asked IQ3 why it had not released the announcement titled 'IQ3 acquires interest in a new anticancer drug platform from University of Texas' until 3:52pm AEST on September 17, 2019, when the media release for the announcement was published at 10:03am AEST on the same day. The company told the ASX that it had first become first aware of the close of the deal on September 16, 2019. IQ3 said the intention had been to release the information to the market before the press release, but “due to [an information technology] overhaul ... the market announcement to the ASX occurred on 3.52pm on the same day as soon as the error was detected”. The company said it had “put processes into place to ensure that market announcements occur prior to press releases where they are viewed to be price sensitive”. IQ3 was untraded at 29 cents.

PROBIOTEC

Probiotec's annual general meeting will vote to grant chief executive officer Wesley Stringer a \$4,860,000 loan to exercise 4,600,000 options.

Probiotec said Mr Stringer was issued 1,000,000 options exercisable at 72 cents a share on November 23, 2017 and 4,600,000 options exercisable at \$1.15 a share on January 23, 2018.

The company said the loan to Mr Stringer would be interest free, but must be paid back before the sale of the shares.

Probiotec said the meeting would vote to adopt the remuneration report, re-elect director George Lan, approve the executive option plan, and approve a \$30,670,000 "financial assistance" from the Commonwealth Bank of Australia to acquire Australian Blister Sealing Pty Ltd (BD: Jul 1, Aug 1, 2019).

The meeting will be held at Arnold Bloch Leibler, Level 21, 333 Collins Street, Melbourne on October 24, 2019, at 11am (AEDT).

Probiotec was up 10.5 cents or 5.9 percent to \$1.895.

ACRUX

Acrux says it has received notice of a resolution to appoint Norman Gray a director "with immediate effect".

Acrux said it received the "notice of a resolution proposed at the company's annual general meeting to be held on Thursday November 28, 2019".

The company said the was issued under Section 249N(1) of the Corporations Act by members of the company with at least five percent of the votes.

Acrux said it "respects the right of shareholders to requisition resolutions" and the notice of annual general meeting would be published in October, including the board's recommendation on each resolution.

The company provided no further information.

Acrux fell half a cent or 2.7 percent to 18 cents.

OVENTUS MEDICAL

The ASX says that Oventus securities "will be suspended from quotation immediately under Listing Rule 17.3, following [the] ASX raising a price query".

The ASX said the securities would "remain suspended until a sufficient response to ASX's price query letter has been received".

Listing Rule 17.3 refers to a "suspension not at entity's request".

Oventus last traded up 17 cents or 28.3 percent to 77 cents with 2.1 million shares traded.

RHYTHM BIOSCIENCES

Merchant Funds Management says it has reduced its substantial shareholding in Rhythm from 8,160,000 shares (8.10%) to 6,600,000 shares (6.55%).

The Perth-based Merchant said it sold shares between July 22 and September 19, 2019 with the single largest sale 701,273 shares for \$129,307 or 18.4 cents a share.

Rhythm fell half a cent or 2.7 percent to 18 cents.

[BLUECHIIP](#)

Melbourne's Bellwether Super and director Jim Craig say they have decreased their shareholding in Bluechiip from 32,500,000 shares (6.6%) to 29,500,000 shares (5.6%). Mr Craig said the shares were held by Equitas Nominees Pty Ltd and it sold the shares between July 25 and September 19, 2019, with the single largest sale on August 8, 2019 of 1,000,000 shares for \$105,000 or 10.5 cents a share. Bluechiip was up one cent or 5.9 percent to 18 cents.

[CLINUVEL PHARMACEUTICALS](#)

Clinuvel says it has appointed Susan Smith as a non-executive director to the board, effective from today.

Clinuvel said Ms Smith was the chief executive officer of the London-based Independent Doctors Federation, the non-executive chair of London's Women's Health specialist medical practice and a non-executive director of Elite Medicine.

The company Ms Smith said was previously the chief executive officer of London's Princess Grace Hospital and the Portland Hospital for Women and Children.

Clinuvel said that Ms Smith's expertise was in the "implementation of operational strategies within complex and acute care environments, and in the interaction with healthcare authorities and UK regulators".

Clinuvel fell 54 cents or 2.1 percent to \$25.00 with 261,059 shares traded.

[BOD AUSTRALIA](#)

Bod says it has appointed Mark Masterson to replace non-executive chairman George Livery, who will continue as a non-executive director.

Bod said Mr Masterson had experience in the pharmaceutical and healthcare sectors, having worked for Johnson & Johnson, Abbott Laboratories, I-Med as chief executive officer and as chairman of Sydney's Capsifi, as well as chairman of Medicines Australia. The company said Mr Masterson held a Bachelor of Commerce from the Grahamstown, South Africa-based Rhodes University.

Bod was unchanged at 47 cents.