



Biotech Daily

Monday September 9, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX EVEN, BIOTECH UP: IMUGENE UP 14%; OPTISCAN DOWN 11%**
- * **FEDERAL \$15m FOR REPRODUCTIVE CANCER TRIALS**
- * **UNIVERSAL BIOSENSORS, SIEMENS XPRECIA COAGULATION DEAL**
- * **PHARMAUST STARTS MONEPANTEL DOG CANCER TRIAL**
- * **IMAGION MAGSENSE 'MRI CONTRAST AGENT POTENTIAL'**
- * **INVITROCUE BOARD FIGHT**
- * **RESPIRI SETTLES 14m DIRECTOR OPTIONS LEGAL ACTION**
- * **RACE CAPITAL RAISING EGM**
- * **CARDIEX 'MATERIAL CONTRACT' TRADING HALT**
- * **ALTHEA: RECORD MARIJUANA SCRIPTS IN AUGUST**
- * **JENCAY TAKES PROFIT TO BELOW 5% IN BLUECHIIP**

MARKET REPORT

The Australian stock market edged up 0.01 percent on Monday September 9, 2019, with the ASX200 up 0.7 points to 6,648.0 points. Twenty of the Biotech Daily Top 40 stocks were up, 11 fell, six traded unchanged and three were untraded. All three Big Caps fell.

Imugene was the best, up 0.3 cents or 13.6 percent to 2.5 cents, with 35.3 million shares traded. Oncosil climbed 10.1 percent; Resonance was up 9.5 percent; Paradigm improved 7.7 percent; Polynovo was up 6.5 percent; Kazia and Universal Biosensors were up more than five percent; Genetic Signatures and Prescient rose more than four percent; Opthea and Neuren were up more than three percent; Orthocell and Volpara rose more than two percent; Avita, Cynata, Nanosonics, Next Science, Pro Medicus and Telix were up one percent or more; with Starpharma up 0.45 percent.

Friday's 12.5 percent best, Optiscan, led the falls, down 0.5 cents or 11.1 percent to four cents, with 263,125 shares traded. Actinogen lost 6.25 percent; Dimerix, Immutep and LBT fell more than four percent; Impedimed was down 3.45 percent; Medical Developments and Osprey shed more than two percent; Antisense and CSL were down more than one percent; with Cochlear, Clinuvel, Ellex and Resmed down by less than one percent.

FEDERAL GOVERNMENT

The Federal Government says it will invest up to \$15 million in clinical trials to improve treatments and discover cures for reproductive and gynaecological cancers.

A media release from Federal Health Minister Greg Hunt said that an estimated 6,454 Australian women would be diagnosed with a gynaecological cancer such as ovarian, cervical and fallopian cancer this year.

The media release said this round of funding would also call for trials into testicular cancer, the second most common cancer in young men, aged 18 to 39 years.

Mr Hunt said that the funding came from the Medical Research Future Fund's Rare Cancers, Rare Diseases and Unmet Need (RCRDUN) clinical trials program.

"The ... program has a focus on under-researched health priorities and conditions where there are limited effective treatment options and a breakthrough is needed," Mr Hunt said.

The media release said that the grant round would open on October 14, 2019 and close on February 14, 2020 with more information available at: www.grants.gov.au.

UNIVERSAL BIOSENSORS

Universal Biosensors says it will pay Siemens \$US12.5 million (\$A18,231,136) to relinquish certain rights to the Xprexia Stride coagulation test, strips and products.

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 Xprexia strips over 42 months and provide manufacturing assistance to reduce manufacturing costs.

The company said it would pay Siemens \$US11 million (\$A16,043,400) within five days of September 18, 2019 for Siemens relinquished exclusive hospital rights, non-exclusive access to Siemens' customer base including 120 hospitals and distributors, 2,500 existing Xprexia Stride analyzers, marketing material, access to intellectual property rights, manufacturing assistance, and no further legal action with Siemens.

Universal Biosensors director Saleshe Balak told Biotech Daily that the remaining balance would be paid on the condition of Siemens delivering on milestones.

The company said it had a guaranteed minimum order of strips from Siemens, and Siemens would pre-pay \$US4 million (\$A5,833,800) of the revenue by October 31, 2019.

Mr Balak told Biotech Daily that the minimum order amount could not be disclosed.

Universal Biosensors said it would provide Siemens with a \$US5 million (\$A7,292,250) "cash backed performance guarantee" as a commitment to the supply order.

Mr Balak said the deal would give the company more "certainty and control" over its products, as it would no longer have research and development obligations to Siemens, and they expand product sales following Siemens' relinquished hospital exclusivity rights.

Universal Biosensors was up one cent or 5.1 percent to 20.5 cents.

PHARMAUST

Pharmaust says it has begun its multi-site, efficacy trial of monepantel tablets for an undisclosed number of dogs with B-cell lymphoma.

Pharmaust said it hoped the trial would verify the earlier short-term clinical study with the "poorly palatable liquid formulation" of monepantel (BD: Jun 27, Sep 20, 2017).

Pharmaust chief scientific officer Dr Richard Mollard said the company was "excited to restart the canine trials formally testing the anti-cancer activity of monepantel in dogs with treatment naïve lymphoma".

Pharmaust was up two cents or 16 percent to 14.5 cents with 1.85 million shares traded.

IMAGION BIOSYSTEMS

Imagion says that the anti-HER2 nanoparticles used in its Magsense breast cancer staging test may be used as a contrasting agent for magnetic resonance imaging. Imagion said the new data was presented as a poster at the 2019 World Molecular Imaging meeting in Montreal.

The company said the “Magsense nanoparticles may be equally effective as a multi-modal molecular imaging agent”, generating detectable signals in both super magnetic relaxometry and magnetic resonance imaging (MRI).

Imagion said that with MRIs, contrast agents were used to enhance the image and improve resolution, but current contrast imaging technology was “general purpose”, creating contrast at tissue boundaries but not providing functional imaging utility.

Imagion chief executive officer Bob Proulx said that the study gave “further evidence and insight into the effectiveness of our nanoparticles and their ability to specifically bind to targeted tissue, where they then act as a magnetic tag or beacon and a non-invasive imaging tool”.

“While development of our proprietary magnetic relaxometry technology has been our focus to date, this new preliminary work shows the potential for our Magsense nanoparticles to work with MRI and could open up a new commercial pathway as a contrast agent that can be used to improve the effectiveness of MRI in the detection and monitoring of HER2 breast cancer,” Mr Proulx said.

“Our toxicology studies have already demonstrated that our nanoparticles should be safe for use in humans and we remain focused on the completion of our first-in-human studies and the well-defined shortest path to commercialization,” Mr Proulx said.

Imagion was up 0.4 cents or 9.8 percent to 4.5 cents with 1.3 million shares traded.

INVITROCUE

Invitrocue says it has received notices for the proposed removal of executive chairman Dr Steven Fang and the removal of directors Prof Hanry Yu and Kit Wei Lui.

Invitrocue said on August 9, 2019 it received a notice of intention from directors Prof Yu, Mr Lui, and Ee Ting Ng to remove Dr Steven (Boon Sing) Fang as a director.

In a substantial shareholder notice, Prof Yu, Mr Lui and Equinex Investments said they held 53,397,410 shares or 9.86 percent in Invitrocue after combining their holdings, “by reason of the joint calling of a general meeting ... to remove Dr Boon Sing Fang as a director of the company”.

In May, Biotech Daily reported that Dr Fang held 22.03 percent of the company (BD: May 31, 2019).

In an explanatory memorandum to the Prof Yu, Mr Lui and Equinex substantial shareholder notice, the group said the reasons to remove Dr Fang were “a lack of strategic direction and decline in business of the company”.

In its Appendix 4C for the year to June 30, 2019, Invitrocue said customer receipts for the year to June 30, 2019 amounted to \$515,000.

The company’s 2018 Appendix 4E said that revenue for the year to June 30, 2018 revenue had declined by 20 percent to \$592,618.

Invitrocue said on August 15, 2019 it received a notice of intention from Dr Fang and directors Gary Pace and Andreas Lindner for the resolution to remove Prof Yu and Mr Lui as directors.

Dr Fang did not provide reasons for his group’s call to remove directors.

Invitrocue said “the directors [were] having on going dialogues”.

Invitrocue was in a suspension at six cents.

RESPIRI (FORMERLY KARMELSONIX, ISONEA)

Respiri says it will issue 14 million options to former chairman Leon L'Huillier and director John Ribot-de-Bresac following a legal dispute over the validity of the options.

Respiri said that on May 30, 2018, Mr L'Huillier and Mr Ribot-de-Bresac resigned as directors and the board "passed resolutions that the options vested immediately and therefore the options did not expire".

"Notwithstanding, the company on July 6, 2018 released an announcement to the ASX stating that the options had expired," Respiri said today.

In 2014, the company, then Isonea, said it had appointed Mr L'Huillier as chairman, with Bruce Mathieson and Mr Ribot-de-Bresac as directors (BD: Feb 5, 2014).

Last year, Mr Mathieson, the poker machine entrepreneur and Respiri's single largest shareholder thanked Mr L'Huillier and Mr Ribot "for their enormous contribution in rebuilding the business and the product offering" (BD: May 31, 2018).

Today, Respiri said Mr L'Huillier was issued 12,000,000 options in two equal tranches and Mr Ribot-de-Bresac was issued 2,000,000 options in one tranche.

The company said that tranche one was exercisable at three cents a share if the company's ASX market closing price was at or above 10 cents a share for 10 days within a 20-day trading period between October 1, 2018 and December 31, 2019, with the options expiring on December 31, 2023.

Respiri said that the second tranche of shares was exercisable at three cents a share if the company's ASX market closing price was at or above 15 cents a share for 10 days within a 20-day trading period between January 1, 2019 and December 31, 2020, with the options expiring on December 31, 2024.

The company said that the exercise conditions in respect of the first tranche of eight million options were satisfied in May 2019 and were exercisable immediately, but the second tranche requirements had not yet been satisfied.

Respiri fell half a cent or 5.4 percent to 8.7 cents.

RACE ONCOLOGY

Race will vote to issue 5,681,816 shares and 2,840,907 options to directors who participated in August's \$1.45 million capital raising at 6.6 cents (BD: Aug 20, 2019).

Race said that chairman Dr William Garner applied for 1,515,151 shares and 757,575 options, with director Dr John Cullity applying for 3,787,878 shares and 1,893,939 options and director Chris Ntoumenopoulos applying for 378,787 shares and 189,393 options, pending shareholder approval.

The company said it proposed to ratify the 8,500,000 shares with 4,250,000 options issued to investor Dr Daniel Tillett in the capital raising.

Race said shareholders would also vote on a placement, and to ratify the prior issue of shares and options.

The meeting will be held at the Vintage Room, Royal Automobile Club of Australia, 89 Macquarie Street, Sydney on October 9, 2019, at 10am (AEDT).

Race fell 1.5 cents or 13.0 percent to 10 cents.

CARDIEX

Cardiex has requested a trading halt "pending an announcement regarding a multi-year development agreement that would be a material contract".

Trading will resume on September 11, 2019 or on an earlier announcement.

Cardiex last traded at 2.4 cents.

ALTHEA GROUP HOLDINGS

Althea says it has prescribed its medical marijuana product to a record 392 new patients in August, bringing the total number of patients prescribed to 1,925.

Althea said that 296 Australian healthcare professionals had prescribed its products.

Althea was up three cents or 3.9 percent to 80 cents with 1.3 million shares traded.

BLUECHIIP

The Sydney-based Jencay says it has ceased its substantial holding in Bluechiip.

Jencay said that between June 5 and September 4, 2019, it bought 248,727 shares for \$19,567 or 7.87 cents a share and sold 373,109 shares for \$63,067 or 16.9 cents a share.

In June, Jencay said it became a substantial shareholder in Bluechiip with 26,429,453 shares or 5.01 percent (BD: Jun 5, 2019).

Biotech Daily calculates that Jencay retained 26,305,071 shares, or 4.99 percent of the company.

Bluechiip fell one cent or 5.9 percent to 16 cents with 1.85 million shares traded.