



Biotech Daily

Thursday October 10, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: POLYNOVO UP 12%; CLINUVEL DOWN 15%**
- * **RECCE 'STRONGLY SUPPORTED' PLACEMENT RAISES \$6.8m**
- * **DIMERIX RECEPTOR-HIT DISCOVERS DMX-700 FOR COPD**
- * **IMMUTEP RECEIVES \$2.55m FRENCH R&D TAX INCENTIVE**
- * **DR KAMALA THRIEMER, PROF DANIEL THOMAS WIN \$1.25m CSL GRANTS**
- * **CELLMID REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **EMVISION PLEADS SCHULTZ TO ASX 13% QUERY**
- * **MEDLAB, ANC EXPAND FOOD ADDITIVE BUSINESS TO US**
- * **BOD 67% DIRECTORS FEE HIKE, 2.75m DIRECTORS OPTIONS AGM**
- * **M&G (PRUDENTIAL) DILUTED TO 13% OF MESOBLAST**

MARKET REPORT

The Australian stock market edged up 0.01 percent on Thursday October 10, 2019, with the ASX200 up 0.4 points to 6,547.1 points. Fourteen of the Biotech Daily Top 40 stocks were up, 16 fell, nine traded unchanged and one was untraded.

Polynovo was the best, up 27 cents or 11.9 percent to \$2.54 with 7.6 million shares traded.

Telix climbed 5.3 percent; Avita and Immutep improved four percent or more; Neuren was up 3.9 percent; Kazia, Osprey and Universal Biosensors rose more than two percent; Proteomics was up 1.4 percent; with CSL, Cyclopharm, Genetic Signatures, Medical Developments, Nanosonics, Opthea and Resmed up by less than one percent.

Yesterdays' 60.2 percent best, Clinuvel, led the falls, down \$6.64 or 14.8 percent to \$38.36, with 1.8 million shares traded.

Orthocell retreated 13.7 percent; Next Science, Optiscan, Patrys and Pro Medicus fell more than four percent; Compumedics and Prescient were down more than three percent; Cynata and Mesoblast shed more than two percent; Amplia, Antisense, Paradigm and Volpara were down more than one percent; with Cochlear, Ellex and Starpharma down by less than one percent.

RECCE PHARMACEUTICALS

Recce says it has raised \$6,768,444 in a “strongly supported” placement to institutional, professional and sophisticated investors at 26 cents a share.

Recce said the price was at a 17.5 percent discount from 31.5 cents at the close on October 7, 2019 and a 20 percent discount to the 15-day volume weighted average price of 32.5 cents on October 7.

On Tuesday, Biotech Daily reported that a deal sheet from Shaw and Partners said that the company hoped to raise \$4 million (BD: Oct 8, 2019).

Today, Recce said executive director James Graham would take \$50,000 in shares, subject to shareholder approval.

The company said the funds would be used for its Recce-327 antibiotic, to complete confirmatory late-stage pre-clinical trials, for Australian Therapeutic Goods Administration special access scheme activities, as well as its phase I human clinical study to determine safety and dosing of the antibiotic, support regulatory submissions and for general corporate purposes.

Recce said the placement was conducted by Shaw and Partners.

Recce chairman Dr John Prendergast said the company was “delighted by the strong support from existing holders and welcome our new shareholders”.

“Demand significantly exceeded the capital raised with our business now well-funded to progress the company’s clinical programs and global commercialization strategy,” Dr Prendergast said.

Recce fell two cents or 6.35 percent to 29.5 cents with 1.2 million shares traded.

DIMERIX

Dimerix says it has discovered DMX-700 as a potential drug pipeline opportunity for chronic obstructive pulmonary disease (COPD) using its Receptor-HIT assay.

Dimerix said the chronic obstructive pulmonary disease opportunity was discovered using its receptor-heteromer investigation technology or Receptor-HIT assay, with DMX-700 “one of a number of potential candidates under assessment”.

The company said the DMX-700 for chronic obstructive pulmonary disease discovery was “built on ... understanding the complex pharmacology of chemokine G-protein-coupled receptor (GPCR) targets ... [and could] utilise its current core competencies and capabilities for a development program”.

Dimerix said it had lodged a patent application for the DMX-700 program which would provide coverage until 2040, when granted.

The company said that for the next 12 months it would conduct proof-of-concept studies and expected to begin clinical trials “in less than two years”.

Dimerix was unchanged at 11.5 cents with 1.8 million shares traded.

IMMUTEP

Immutep says it has received EUR1,568,399 (\$A2,546,929) from the French Government for its Crédit d’Impôt Recherche (CIR) or research tax credit scheme.

Immutep said the CIR was a 30 percent reimbursement tax incentive for French companies conducting research and development in Europe and it qualified through work by subsidiary Immutep SAS at its Châtenay-Malabry laboratory.

Immutep said the funds would be used to support ongoing and planned global clinical development of eftilagimod alpha, or IMP321, and for preclinical development of IMP761.

Immutep was up 0.1 cents or four percent to 2.6 cents with 10.3 million shares traded.

CSL

CSL says that Dr Kamala Thriemer and Prof Daniel Thomas have each won \$1.25 million fellowships for their work on vivax malaria and personalized cancer treatments.

CSL said the Darwin-based Menzies School of Health Research's Dr Kamala Thriemer won her Centenary Fellowship for work on vivax malaria in the Asia Pacific region.

The company said that Prof Thomas's Centenary Fellowship would "facilitate his return from Stanford University, California to the South Australian Health and Medical Research Institute and the University of Adelaide".

CSL said that Dr Thriemer led large clinical trials in malaria-affected countries to tackle vivax malaria, which infected 14 million people every year.

The company said the parasite hid in the liver, emerging months later and Dr Thriemer's studies showed that as few as one in 10 patients completed the long course of treatment.

CSL said Dr Thriemer would use her \$1.25 million Fellowship to develop and optimize treatment programs against vivax malaria in South East Asia and the Horn of Africa, and she was "confident that vivax malaria can be controlled" using currently available drugs.

The company said that Prof Thomas had developed "new ways to identify a cancer's weakness and target it with personalized treatment" and later this year he would start treating patients with blood cancer, including acute myeloid leukaemia.

CSL chief scientific officer Prof Andrew Cuthbertson said that Dr Thriemer and Dr Thomas both worked "in fields of global significance [adding to Australia's] reputation for strong research with significant translational potential and global application".

"The CSL Centenary Fellowships aim to provide funding stability for leading Australian researchers through high-value, long-term support," Prof Cuthbertson said.

CSL said the Fellowships marked its 2016 Centenary, with two, five-year, \$1.25 million fellowships each year for mid-career Australian medical researchers.

For more information go to: www.cslfellowships.com.au.

CSL was up 95 cents or 0.4 percent to \$239.81 cents with 519,128 shares traded.

CELLMID

Cellmid has requested a trading halt "pending the release of an ASX announcement regarding a proposed capital raising".

Trading will resume on October 14, 2019 or on an earlier announcement.

Cellmid last traded at 22.5 cents.

EMVISION MEDICAL DEVICES

Emvision 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 12.9 percent from 73.5 cents to 83 cents yesterday, October 9, 2019, and noted a "significant increase" in the trading volume.

Emvision was up five cents or 6.25 percent to 85 cents.

MEDLAB CLINICAL

Medlab says it has a commercial agreement with American Nutritional Corp (ANC) to expand its food additive business into the US, with a US launch in December.

Medlab said ANC would distribute and manufacture its food additives in the US through healthcare practitioners, pharmacies and health food stores.

Medlab was up one cent or 2.3 percent to 44.5 cents.

BOD AUSTRALIA

Bod says it will vote to increase non-executive directors' remuneration pool 66.7 percent to \$500,000 a year and issue 2,750,000 options to five directors.

Bod said the annual general meeting would vote to increase the non-executive director remuneration cap from the present \$300,000 to \$500,000 a year.

The company said the meeting would vote to issue 750,000 options to proposed director Mark Masterson, with 500,000 options each to directors George Livery, Simon O'Loughlin, Akash Bedi and Patrice Malard.

Bod said the options would be exercisable at 140 percent of the 10-day volume-weighted average price to the date of issue, and within three years.

The company said the meeting would vote to ratify the prior issue of 10,408,500 shares and 4,456,365 shares to New H2 Limited at 37 cents a share.

Bod said it would vote to adopt the remuneration report, approve an additional 10 percent placement capacity and to re-elect directors Mr O'Loughlin, Mr Bedi and Ms Malard and to elect Mr Masterson as a director.

The meeting will be held at Level 1, 377 New South Head Road, Double Bay, Sydney 2028 on November 11, 2019 at 10:30am (AEDT).

Bod was unchanged at 42.5 cents.

MESOBLAST

Prudential PLC with subsidiary M&G Investment say their substantial shareholding in Mesoblast has been diluted with 70,636,115 shares from 14.15 percent to 13.15 percent.

On Tuesday, the London-based Prudential said that it increased its holding from 65,636,115 shares (13.15%) to 70,636,115 shares (14.15%) (BD: Oct 8, 2019).

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 5.5 cents or 2.9 percent to \$1.865 with 1.5 million shares traded.