



Biotech Daily

Tuesday October 15, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN: IMMUTEP UP 20%; USCOM DOWN 8%**
- * **FEDERAL, MTP CONNECT 'UP TO \$1m' DEVICE GRANTS**
- * **REGENEUS RECEIVES \$1.5m FEDERAL R&D TAX INCENTIVE**
- * **ADMEDUS AMENDS LEMAITRE UPFRONT PAYMENT TO \$21.2m**
- * **INVEX EXENATIDE INTRACRANIAL HYPERTENSION TRIAL RECRUITED**
- * **FEDERAL \$50k FOR BOTANIX SYNTHETIC CBD ANALOGS**
- * **CYNATA INVESTORS REQUEST EMAIL ADDRESSES RESOLUTION**
- * **ALCIDION \$400k DIRECTORS FEE POOL LIMIT AGM**
- * **KAZIA AGM TO VOTE ON 1.2m CEO JAMES GARNER OPTIONS**
- * **CLARIFICATION: RHINOMED, ODD FELLOWS, PERENNIAL**
- * **DIRECTOR, CSO DR DANIEL TILLET DILUTED TO 8% OF RACE**
- * **EBOS DILUTED TO 10.8% IN MEDADVISOR**
- * **CLINUVEL TO LOSE 17-YEAR CHAIRMAN STAN MCLIESH**

MARKET REPORT

The Australian stock market was up 0.14 percent on Tuesday October 15, 2019, with the ASX200 up 9.4 points to 6,652.0 points. Sixteen of the Biotech Daily Top 40 stocks were up, 17 fell, six traded unchanged and one was untraded. All three Big Caps were up.

Immutep was the best on presentation of previous trial results, up 0.5 cents or 20 percent to three cents, with 78.4 million shares traded. Imugene climbed 10 percent; Antisense was up 8.1 percent; Resonance and Telix rose more than seven percent; Pharmaxis was up 5.3 percent; Kazia climbed four percent; Prescient was up 3.85 percent; Nanosonics and Next Science rose more than two percent; with Cochlear, CSL, Cynata, Volpara and Starpharma up more than one percent.

Uscom led the falls, down one cent or 8.3 percent to 11 cents, with 47,650 shares traded. Actinogen and Paradigm lost more than seven percent; Mesoblast was down 6.05 percent; Clinuvel fell 5.1 percent; Optiscan, Patrys and Proteomics were down more than four percent; Impedimed and Oncosil were down more than three percent; with Compumedics, Genetic Signatures and Osprey shedding two percent or more.

FEDERAL GOVERNMENT, MTP CONNECT

The Federal Government says that from today researchers and entrepreneurs can apply for grants of up to \$1 million for the development of medical devices.

Media releases from the Federal Health Minister Greg Hunt and MTP Connect said that the grants were the third round of funding from the Government's \$45 million Biomedtech Horizons initiative, operated by MTP Connect and funded from the \$20 billion Medical Research Future Fund.

Mr Hunt said the grants would go to developers of "digitally enabled medical devices in mobile health, health information technology, wearable devices telehealth and telemedicine and digitally-enabled personalized medicine, implantable digitally-enabled medical devices addressing unmet needs... [and] general medical devices in the areas of regenerative medicine, women's health, cardiovascular, orthopaedics, neuroscience, general surgery and oncology".

In a separate announcement, MTP Connect chief executive officer Dr Dan Grant said that funding would be available for companies with up to 200 employees, with preliminary data demonstrating technical proof-of-concept.

Dr Grant said that the first round of the Horizons program had issued \$10 million, of the \$45 million available in the Horizons program, to 11 projects in three-dimensional anatomical printing and precision medicine, and round two applicants had been shortlisted with funding announcements to be made before the end of the year.

Mr Hunt said that the grants would help increase Australia's biomedical and medical technology sector, generating jobs, and domestic and export income as the projects reached commercialization.

Dr Grant said the third round opened today, October 15, 2019 and would close on December 16, 2019.

Further details available at: <https://www.mtpconnect.org.au/biomedtechhorizons>.

REGENEUS

Regeneus says it has received \$1,491,498 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

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

Last year, the company said it had an up to \$2 million research and development tax incentive loan facility with Paddington Street Finance (BD: Jun 28, 2018).

Today, Regeneus said the rebate would enable the company to repay in full the \$1.3 million Paddington Street loan and associated interest.

Regeneus was up 0.1 cents or 1.3 percent to 7.6 cents.

ADMEDUS

Admedus says Lemaitre Vascular paid \$21.2 million upfront for the distribution rights for Cardiocel and Vascucel, not the \$22.8 million stated yesterday.

Yesterday, Admedus said the Burlington, Massachusetts-based Lemaitre would pay up to \$36.2 million for the distribution rights of the Adapt tissue products Cardiocel and Vascucel, including a \$22.8 million upfront payment (BD: Oct 14, 2019).

Today, Admedus said the \$22.8 million included "the proceeds to be paid by Lemaitre on delivery of stock ordered on completion of the transaction" and that the cash received upfront on the completion date was \$21.2 million.

Admedus was up 0.2 cents or 2.9 percent to seven cents with 4.7 million shares traded.

INVEX THERAPEUTICS

Invex says it has completed recruitment for its 16-patient, phase II trial of Exenatide for idiopathic intracranial hypertension “well ahead of schedule”.

Invex said that patients enrolled in the trial would be dosed with either placebo or Exenatide for 12 weeks and monitored for changes in intracranial pressure.

The company said it expected to results by July 2020 (BD: Jul 9, Sep 11,2019).

Invex fell two cents or 3.3 percent to 58 cents.

BOTANIX PHARMACEUTICALS, FEDERAL GOVERNMENT

Botanix says it has a \$50,000 Federal Government grant for its synthetic analogs of cannabidiol and research into the antimicrobial activity of cannabidiol.

Botanix said that the grant, through Ausindustry, for its medicinal chemistry program would be conducted in partnership with the University of Queensland.

The company said its medicinal chemistry program developed new drugs which had “the potential to improve the performance of cannabidiol and overcome some of the [bioavailability] challenges associated with this natural molecule”.

Botanix executive director Dr Michael Thurn said the grant would continue the company’s partnership with Dr Mark Blaskovich’s team at Brisbane’s University of Queensland and that their expertise would “help facilitate the rapid advancement of these new drugs into clinical trials”.

Botanix was unchanged at 24.5 cents with 5.55 million shares traded.

CYNATA THERAPEUTICS

Cynata says it has received a shareholder notice to amend the constitution to provide investor email addresses to requesting members.

Cynata said the request, under section 249N of the Corporations Act, made by 23 shareholders collectively holding more than five percent of the company, requested that a resolution to amend the constitution be put at the next general meeting.

The company said it was “considering the letter and notices and will take appropriate action in due course”.

The letter to Cynata, signed by Tarcoola Investment director Matthew McNamara said the group wanted the constitution to be amended so “that where the company receives a valid request from a member of the company ... that the company ... provide to the requesting member details of any email address that is held on the registry for each member”.

Cynata was up two cents or 1.4 percent to \$1.49.

ALCIDION

Alcidion says its annual general meeting will vote to set a \$400,000 limit on the non-executive director fee pool.

A spokesperson for Alcidion told Biotech Daily that “at the time of the [reverse takeover] there was no pool limit set” and the issue would be addressed at this meeting.

The company said shareholders would also vote to adopt the remuneration report, re-elect directors Simon Chamberlain and Prof Malcolm Pradhan, ratify the prior issue of shares, replace the company’s constitution and approve the 10 percent placement capacity.

The meeting will be held at William Buck, Level 20, 181 William Street, Melbourne on November 14, 2019 at 10:30am (AEDT).

Alcidion fell one cent or 4.1 percent to 23.5 cents with 14.8 million shares traded.

KAZIA THERAPEUTICS (FORMERLY NOVOGEN)

Kazia says shareholders will vote to issue chief executive officer James Garner 1,200,000 options under the employee share option plan at its annual general meeting.

Kazia said that if approved, half of the options would vest immediately, with the remainder vesting in equal tranches each January 4 until 2022, exercisable at 49.25 cents each.

The company said that Dr Garner was originally granted 7,500,000 options consolidated to 750,000 in 2017 and “while the majority of those options have now vested, their exercise price is significantly above the current market price, and hence the incentive element of this part of his remuneration has become ineffective”.

In 2015, the then Novogen said that the 7,500,000 options were exercisable at 45 percent to 90 percent premiums to the 30-day volume weighted average price to December 11, 2015 which was 12 cents, or a post-consolidation \$1.20 (BD: Dec 10, 2015).

The company said shareholders will also vote to adopt the remuneration report, re-elect director Steven Coffey, and approve an additional placement capacity.

The meeting will be held at Baker McKenzie, Level 46, 100 Barangaroo Avenue, Sydney on November 13, 2019 at 10am (AEDT).

Kazia was up two cents or four percent to 51.5 cents.

CLARIFICATION: RHINOMED

Last night, Biotech Daily correctly reported that IOOF Holdings had ceased its substantial shareholding in Rhinomed, but IOOF not disclose how many shares it had sold.

Last week, Biotech Daily correctly reported that the Melbourne-based IOOF, formerly the Independent Order of Odd Fellows, acquired 9,090,910 shares (5.373%) for \$2,636,364 or 29 cents a share and Perennial Value Management was the holder (BD: Oct 8, 2019).

In September, Rhinomed said it raised \$6 million in a placement at 22 cents a share to new institutional and existing investors (BD: Sep 23, 2019).

Last Friday, IOOF told the stock market that it was divesting its holding in Perennial and, after the market closed, it issued 20 ‘Ceasing Substantial’ notices, including one for Rhinomed (BD: Oct 14, 2019).

Last night after the market closed, the Sydney-based Perennial said it had become substantial in Rhinomed with 9,090,910 shares or 5.37 percent, and said it had “ceased to be an associate of IOOF Holdings on October 10, 2019”.

Today, Rhinomed chief executive officer Michael Johnson told Biotech Daily that Perennial participated in the placement and the shares were transferred from IOOF to Perennial.

No sub-editors were harmed in making this clarification.

Rhinomed fell 1.5 cents or 5.7 percent to 25 cents.

RACE ONCOLOGY

Race chief scientist officer and executive director Dr Daniel Tillett says his 8,758,421 share-holding has been diluted from 8.96 percent to 8.02 percent.

Last month, Race said its extraordinary general meeting proposed 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, and ratify the 8,500,000 shares with 4,250,000 options previously issued to investor and director Dr Tillett (BD: Aug 20, Sep 9, 2019).

On October 1, Race appointed Dr Tillett its chief scientist officer and last week, said the extraordinary general meeting had passed all resolutions at its meeting (BD: Oct 1, 2019).

Race fell one cent or 6.9 percent to 13.5 cents.

MEDADVISOR

Ebos Group says its 185,217,391 Medadvisor shares have been diluted by a placement from 14.10 percent to 10.78 percent.

Melbourne's Ebos said it was associated with the Hong Kong-based Zuellig Group and related bodies, as well as Sybos Holdings Pte Ltd.

Last week, Medadvisor said it raised \$17 million in an over-subscribed placement at five cents a share (BD: Oct 7, 2019).

Medadvisor fell 0.1 cents or 1.9 percent to 5.2 cents with 3.5 million shares traded.

CLINUVEL PHARMACEUTICALS

Clinuvel chair Stan McLiesh says he will retire, following US Food and Drug Administration approval of Scenesse for erythropoietic protoporphyria (BD: Oct 9, 2019).

Last year, Mr McLiesh said he would delay his retirement until Scenesse was approved by the FDA (BD: Oct 5, 2018).

Today, Mr McLiesh told Biotech Daily that he would retire at the company's annual general meeting, which was expected to be held later this year.

In the letter to shareholders, Mr McLiesh said he would use his remaining time with the company to hand over corporate knowledge to his replacement.

In his letter, Mr McLiesh described the development of afamelanotide (Scenesse) from 1995 to the listing of Epitan and its change of direction with the renaming to Clinuvel and appointment of chief executive officer Dr Philippe Wolgen, to the EU and FDA approvals.

Clinuvel fell \$1.84 or 5.1 percent to \$34.41 with 428,305 shares traded.