



# Biotech Daily

Monday October 21, 2019

*Daily news on ASX-listed biotechnology companies*

- \* **ASX FLAT, BIOTECH UP: ONCOSIL UP 21%; USCOM DOWN 8%**
- \* **LBT: WISPLINGHOFF BUYS FIRST EURO APAS INDEPENDENCE**
- \* **PALLA PHARMA RAISES \$20.6m, \$10.5m TO GO**
- \* **COGSTATE 'UNDERWRITTEN' \$4m 1-FOR-10 RIGHTS ISSUE**
- \* **IMUGENE PLANS 2 CF33 TRIALS FOR 2020**
- \* **CANN HAS ONE QUARTER CASH, 'LOAN COMING'**
- \* **WIPO PUBLISHES MICRO-X CARBON NANOTUBE PATENT**
- \* **MEDIBIO COMPLETES 1<sup>st</sup> COMPASS ILUMEN TEST**
- \* **CORRECTION: CELLMID**
- \* **ORTHOCELL 1m CFO, DIRECTOR OPTIONS AGM**
- \* **PHYLOGICA NAME CHANGE TO 'PYC THERAPEUTICS' AGM**
- \* **PURISYS TO SUPPLY BOTANIX SYNTHETIC CANNABIDIOL**
- \* **ELIXINOL REQUESTS 'JAPANESE SUBSIDIARY' TRADING HALT**
- \* **NOXOPHARM VEYONDA (NOX66): '80% NO CANCER PROGRESSION'**
- \* **9 DAYS TO AUSBIOTECH BIOTECH INVEST, CONFERENCE**
- \* **MAYNE LOSES 13-YEAR DIRECTOR RON BEST**
- \* **MATT MCNAMARA REPLACES ADHERIUM DIRECTOR PROF JOHN MILLS**

## MARKET REPORT

The Australian stock market edged up 0.04 percent on Monday October 21, 2019, with the ASX200 up 2.8 points to 6,652.5 points. Twenty-one of the Biotech Daily Top 40 stocks were up, 15 fell, two traded unchanged, and two were untraded.

Oncosil was the best on Friday's \$3.8 million R&D Tax Incentive, up two cents or 21.05 percent to 11.5 cents, with 8.1 million shares traded. LBT climbed 16 percent; Dimerix was up 9.5 percent; Resonance improved 7.1 percent; Antisense rose five percent; Paradigm climbed 4.9 percent; Immutep, Medical Developments and Prescient were up more than three percent; with Avita, Cochlear, Optiscan, Osprey and Pro Medicus rising by more than two percent.

Uscom led the falls, down one cent or 8.3 percent to 11 cents, with 3,000 shares traded. Mesoblast lost 6.25 percent; Cynata fell 5.2 percent; Imugene, Patrys and Pharmaxis fell more than four percent; Alterity, Impedimed and Neuren were down more than three percent; with Actinogen and Next Science shedding more than two percent.

## LBT INNOVATIONS

LBT says it has sold its first APAS Independence to the Cologne, Germany-based Wisplinghoff Laboratories, for an undisclosed price.

LBT chief executive officer Brent Barnes told Biotech Daily that the end-user pricing was US\$300,000 (\$A437,000) for the instrument and an annual license of US\$30,000 for the software, and when distributors were appointed they would expect a 25 percent to 30 percent margin, with the selling price to Wisplinghoff “broadly in line with these figures”. Speaking to investors and media in Melbourne, Mr Barnes introduced Wisplinghoff managing-director and microbiology laboratory director Dr Hilmar Wisplinghoff as “a key opinion leader” in Europe.

Dr Wisplinghoff said that his laboratory had been working with an automated plate assessment system (APAS) Independence for 18 months and would hold a host reference site event in November to demonstrate the system.

Mr Barnes said that the system had been approved by the US Food and Drug Administration and had Conformité Européenne (CE) mark approval.

Mr Barnes said that the APAS Independence was designed to remove the 85 percent to 95 percent of Agar plates that prove negative but were currently read by laboratory staff.

Mr Barnes said that the APAS Independence has a 98 percent specificity for urine and for methicillin-resistant Staphylococcus aureus (MRSA or ‘golden staph’) samples, meaning that two percent of negatives were false, or actually positive.

Mr Barnes said that LBT had an unnamed US distributor which could also distribute in Europe.

Dr Wisplinghoff described the staff-intensive work at his family’s laboratory and told the meeting that “artificial intelligence for microbiology is most important because we still need human intelligence for everything other than [plate] streaking”.

Dr Wisplinghoff said that “LBT proved to the FDA that APAS could read better than people”.

He said that the APAS Independence was able to verify that plates either had nothing growing, something to be investigated or something not to be investigated and by ruling out the negatives, it saved staff time.

“That step can be automated,” Dr Wisplinghoff said.

“It’s the first time at that level of complexity,” he said.

Dr Wisplinghoff said that he expected the APAS Independence to give his laboratory an edge over competitors as its throughput would be much faster.

He said that under his laboratories International Standards Organisation (ISO) approvals Wisplinghoff Laboratories could seek approvals for indications beyond MRSA and urine samples “in-house” rather than requiring further FDA or EU approvals.

Dr Wisplinghoff said that given the volume of work, his laboratory would require one machine for MRSA analyses and second for urine samples.

LBT said that the sale was through its Clever Culture Systems joint venture with the Switzerland based Hedditch AG.

LBT was up two cents or 16 percent to 14.5 cents with 8.96 million shares traded.

## PALLA PHARMA (FORMERLY TASMANIAN POPPY INDUSTRIES ENTERPRISES)

Palla Pharma says it has raised \$8.4 million in a placement and \$12.2 million in the “institutional component” of the two-for-five entitlement offer at 70 cents a share.

Last week Palla said it hoped to raise a total of \$31.1 million, with a retail rights offer to raise a further \$10.1 million (BD: Oct 17, 2019).

Palla was up 1.7 cents or two percent to 86 cents.

## COGSTATE

Cogstate says it hopes to raise \$4 million in a one-for-10 underwritten, accelerated, non-renounceable rights offer at 27 cents a share.

Cogstate said the rights offer price was a 10 percent discount to the closing price of the company's shares on October 18, 2019.

The company said the funds would be used for commercial opportunities, to develop and validate mobile applications, and for general working capital.

Cogstate said that the record date for the rights issue was October 23, with the offer opening on October 28 and closing on November 14, 2019.

The company said the underwriter was Taylor Collison with David Dolby Investments a sub-underwriter, which was related to the Dagmar Dolby Trust which owned 14.4 percent of its shares.

Cogstate was in a trading halt and last traded at 30 cents.

## IMUGENE

Imugene says it has detailed plans for two phase I trials of its CF33 oncolytic virus technology in 2020 to test a Checkvacc construct and a Vaxinia construct of the virus.

Imugene said it had released the information ahead of its extraordinary general meeting on November 18, 2019, to approve the acquisition of Vaxinia and CF33.

The company said that CF33 was developed in two different constructs; one version of the oncolytic virus was "armed" with an immune checkpoint inhibitor inserted in the virus known as Checkvacc; and the other an unarmed construct, known as Vaxinia.

Imugene said the first phase I trial would be an up-to 24 patient, open-label, dose-escalating, non-randomized, single-centre study of Checkvacc administered intra-tumorally in patients with metastatic triple negative breast cancer with injectable metastatic lesions to evaluate the safety and initial evidence of efficacy of the CF33-anti-programmed death-ligand-1 combination oncolytic virus.

The company said the second phase I trial would be an up-to 24 patient, mixed advanced solid tumors, open-label, dose-escalating, non-randomized, multi-center study of Vaxinia administered intra-tumorally or intravenously in patients with solid tumors including triple negative breast cancer, melanoma, and lung, bladder and gastrointestinal cancers.

Imugene said the second phase I study would be a US Food and Drug Administration investigational new drug trial, sponsored by Imugene, to evaluate the safety and initial evidence of efficacy of the CF33 Vaxinia oncolytic virus against solid tumors.

Imugene fell 0.1 cents or 4.8 percent to two cents with 8.6 million shares traded.

## CANN GROUP

Cann says it expects to spend \$20,325,000 in the three months to December 31, 2019, with cash and cash equivalents at September 30 of \$25,261,000.

Cann said it expected to spend \$14,250,000 on acquisitions of property, plants and equipment which a spokesperson told Biotech Daily was primarily for the construction of its Mildura marijuana facility.

In a cover note to its Appendix 4C, the company said that "the debt funding required for completion of the facility has progressed well and is expected to be confirmed this month".

Cann said it had receipts from customers from sales of marijuana-based medicines for the three months to September 30, 2019 of \$1,660,000 with a cash burn of \$3,547,000 for the period.

Cann fell seven cents or 5.1 percent to \$1.31.

## MICRO-X

Micro-X says the World Intellectual Property Organization has published a patent application covering its carbon nanotube emitter for its portable x-ray systems. Micro-X said the patent application, titled 'Large Scale Stable Field Emitter for High Current Applications', would provide intellectual property protection until April 4, 2039. Micro-X managing-director Peter Rowland told Biotech Daily that the patent was filed under the International Patent Cooperation Treaty in Australia and had been positively reviewed by Intellectual Property Australia.

Mr Rowland said that the patent was in the public domain following the World Intellectual Property Organization publication, and the company would begin registering the patent in chosen jurisdictions "in about a year".

Micro-X fell one cent or three percent to 32 cents.

## MEDIBIO

Medibio says it has completed the first test program of its Illumen heart rhythm software for mental health screening with the Chertsey, Surrey-based Compass Group Plc.

In July and August, Medibio said it had agreements with Compass for four test programs to provide Compass employees with its Illumen mobile and internet applications to screen for early symptoms of mental health issues including depression, anxiety and stress (BD: Jul 1, 19; Aug 30, 2019).

Today, the company said that Compass had been given the results and that "the anonymized aggregated data, delivered through unique dashboard reporting, has offered insights to better support and manage the mental well-being of their workforce".

Medibio said the program had a voluntary participation rate of 65.3 percent.

The company said it had two programs underway with Compass and a fourth to begin in January 2020.

Medibio was up 0.1 cents or 9.1 percent to 1.2 cents with 24.4 million shares traded.

## CORRECTION CELLMID

Friday's edition contained several errors in reporting the November 19, 2019 Cellmid annual general meeting.

The meeting will vote on the issue of 3,000,000 short and long term incentive options to chief executive officer Maria Halasz, exercisable at a 10 percent premium to the 30-day volume-weighted average price to the date of issue, and within five years.

Cellmid said the options would vest between 2020 and 2022, pending conditions including achieving profitability for the Évolis hair growth consumer health business, an increase in total shareholder return and remaining employed by Cellmid.

The company said investors would vote to approve the issue of 217,391 shares to director Dennis Eck in lieu of director's fees.

Cellmid said the meeting would also vote to approve Ms Halasz and Mr Eck participating in the October placement, the ratification of the prior issue of placement shares, the remuneration report and the re-election of director Bruce Gordon (BD: Oct 14, 2019).

The errors were made by the instantly dismissed Friday sub-editor who was pre-occupied incubating a new strain of rhinovirus, or possibly influenza. He has been re-instated pending treatment with chicken soup, bed rest and paracetamol.

Cellmid was up half a cent or 2.6 percent to 20 cents.

## ORTHOCELL

Orthocell says shareholders will vote to grant 1,000,000 options to chief financial officer Nicole Telford and director Prof Lars Lidgren.

Orthocell said Ms Telford was the wife of managing-director Paul Anderson.

The company said Ms Telford and Prof Lidgren would each receive 500,000 options exercisable at a 15 percent premium to the one-week volume weighted average price during the one-week period up to the grant date, within three years from grant.

Orthocell said that shareholders would vote to adopt the remuneration report, re-elect director Dr Stewart Washer, ratify the issue of 2,000,000 options to consultants and 13,982,719 placement shares and approve a 10 percent placement facility.

The meeting will be held at Building 191, Murdoch University, South Street, Murdoch, Western Australia on November 20, 2019 at 9.30am (AWST).

Orthocell was up half a cent or 1.1 percent to 45.5 cents.

## PHYLOGICA (TRADING AS PYC THERAPEUTICS)

Phylogica will ask shareholders at its annual general meeting to approve the change of name to PYC Therapeutics.

In August, Phylogica said it had “re-branded itself as PYC Therapeutics... [to] acknowledge the transition ...from drug discovery to drug development,” and had registered the business name with the Australian Securities and Investments Commission and had made a trademark application to IP Australia (BD: Aug 9, 2019).

Today, the company said shareholders would vote to adopt the remuneration report, elect as directors chief executive officer Dr Rohan Hockings and Alan Tribe, and approve the 10 percent placement capacity.

The meeting will be held in Seminar Room 612a, Level 6, at the Harry Perkins Institute of Medical Research, Queen Elizabeth II Medical Centre, 6 Verdun Street, Nedlands, Western Australia on November 21, 2019 at 10:15am (AWST).

Phylogica fell 0.1 cents or 1.5 percent to 6.5 cents with 1.3 million shares traded.

## BOTANIX PHARMACEUTICALS

Botanix says the Athens, Georgia-based Purisys will supply the company with pharmaceutical-grade synthetic cannabidiol under an eight-year agreement.

Botanix said the agreement would meet the company’s need “for immediate clinical and future commercial supplies of synthetic cannabidiol active pharmaceutical ingredient”.

The company said it had preferential pricing for its cannabidiol requirements, but did not disclose specific financial details.

Botanix said Purisys would provide “certain supply exclusivities to Botanix for its existing pipeline products in skin disease following [US Food and Drug Administration approval]”.

The company said it would purchase “a proportion of its commercial supply requirements from Purisys following launch of specified pipeline products”.

Botanix was up half a cent or 2.1 percent to 24 cents with 9.6 million shares traded.

## ELIXINOL GLOBAL

Elixinol has requested a trading halt “pending an announcement to the market in relation to the operations of its Japan subsidiary”.

Trading will resume on October 23, 2019 or on an earlier announcement.

Elixinol last traded down two cents or 0.9 percent to \$2.11.

## NOXOPHARM

Noxopharm says that eight of 10 reviewed patients in its phase I study of Veyonda (NOX66) for end-stage prostate cancer had no disease progression after six months. Noxopharm said that interim data from its 22-patient dose escalation, direct and abscopal response to radiotherapy (Darrt-1) trial assessed 11 patients who received either an escalating dose of 400mg, 800mg or 1200mg of Veyonda or a consistent dose of 1200mg of Veyonda.

The company said that the tumors of 10 patients were reviewed, with seven showing disease stability and one showing a partial response to the treatment.

Noxopharm said that six of 11 patients showed a “clinically significant” pain reduction.

The company said the remaining 11 patients of the 22-patient group would complete their six-month follow up in mid-November 2019.

Noxopharm was up two cents or 5.3 percent to 40 cents with 2.1 million shares traded.

## AUSBIOTECH

Ausbiotech says it will hold its Biotech Invest and Partnering 2019 and annual conferences in Melbourne from October 30 to November 1, 2019.

Ausbiotech said the conferences, supported by the Victorian Government, would be held at the Melbourne Convention and Exhibition Centre, with more than 1,000 “industry leaders, investors, researchers and regulatory representatives” expected to attend.

The industry organization said the conferences would “lift the profile of the Australian biotechnology industry, share new and ground-breaking knowledge, connect companies and create access to greater funding sources for companies to develop world-class science into therapies, diagnostics and medical devices”.

Ausbiotech said that about 100 speakers would discuss biotechnology trends and opportunities, policy updates and industry challenges.

The organization said that the conference would feature networking activities, a trade exhibition and a partnering platform to facilitate one-to-one meetings for collaboration and partnership opportunities with other attendees.

Ausbiotech said keynote speakers included science journalist Dr Elizabeth Finkel Texas Medical Centre Innovation Institute director Dr Tom Luby, the Murdoch Children’s Research Institute’s Prof Melissa Little, the University of Queensland’s Prof Maree Smith, Baylor College of Medicine’s Dr Shashikant Kulkarni and Quark Ventures chief executive officer Karimah Es Sabar.

For more information and to register, go to: <https://www.ausbiotechinvestment.com.au/> and <https://www.ausbiotechnc.org/>.

## MAYNE PHARMA

Mayne says that director Ron Best will retire at the company’s annual general meeting on November 22, 2019, after 13 years with the company.

Mayne chairman Roger Corbett said Mr Best had “provided insightful guidance, sound counsel and unwavering support to the company throughout the journey from a small biotech to a specialty pharmaceutical company with a broad portfolio of brands and generics and contract development and manufacturing services,” Mr Corbett said.

Mayne was unchanged at 58.5 cents with 3.9 million shares traded.

## ADHERIUM

Adherium says Matt McNamara will replace Prof John Mills as a director, with Prof Mills to resign after four years with the company.

Adherium chairman Thomas Lynch said that he thanked Prof Mills for his tenure and that he had “brought a medical and commercial view to the board, and has been fully involved in board business”.

The company said Mr McNamara had more than 25 years’ experience in the healthcare and medical sciences sectors, was the chief investment officer and director of Bioscience Managers, and had been an Adherium director from 2013 to 2015.

Adherium said Mr McNamara was previously the chief executive officer of Scicapital and had worked for Merck, Johnson and Johnson Medical and Ebioinformatics.

Adherium fell 0.2 cents or four percent to 4.8 cents.