



Biotech Daily

Wednesday November 27, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PRESCIENT UP 33%; KAZIA DOWN 20%**
- * **FEDERAL POLICE, ASIC RAID REGAL FUNDS ON INVESTMENTS**
- * **CYCLOPHARM VANDA GOULD 'GUILTY'; DISQUALIFIED AS DIRECTOR**
- * **PRESCIENT: '3rd PTX-200 AML COMPLETE RESPONSE, TRIAL EXPANDS'**
- * **INVION: 'PHOTOSOFT REDUCES TUMOR SIZE 50% IN MICE'**
- * **RECCE'S RECCE-327 'REDUCES MRSA IN RATS'**
- * **NEW PHASE ORDERS \$300k OF IMAGION NANOPARTICLES**
- * **SHAREROOT NAME CHANGE TO OPYL, 100-TO-1 CONSOLIDATION**
- * **NOXOPHARM'S NYRADA HOPES FOR \$8.5m IPO**
- * **CYNATA 32% OPPOSE EMPLOYEE OPTION PLAN**
- * **MESOBLAST 17% OPPOSE REMUNERATION REPORT**
- * **CREDIT SUISSE TAKES 5% OF OPTHEA**
- * **PROTEOMICS CEO DR RICHARD LIPSCOMBE DILUTED TO 20.7%**
- * **FORMER PROTEOMICS DIRECTOR JOHN DUNLOP DILUTED TO 6%**
- * **DAVID SIETSMA INCREASES, DILUTED TO 10% OF PHYLOGICA**
- * **ACTINOGEN CEO DR BILL KETELBEY REPAYS \$360k SHARE LOAN**
- * **BENITEC QUILTS AUSTRALIA FOR THE US**
- * **G MEDICAL REQUESTS 'FUNDING FACILITY' TRADING HALT**
- * **OSTEOPORE TO RELEASE 6.3m ESCROW SHARES**
- * **SUDA APPOINTS DR MICHAEL BAKER CEO, STARTING ON \$250k**
- * **SIMAVITA APPOINTS DR JOHN MCBAIN DIRECTOR**

MARKET REPORT

The Australian stock market was up 0.93 percent on Wednesday November 27, 2019, with the ASX200 up 63.1 points to 6,850.6 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 22 fell, two traded unchanged and two were untraded. All three Big Caps were up.

Prescient was the best, up 2.5 cents or 33.3 percent to 10 cents with 157.6 million shares traded. Resonance climbed 11.8 percent; Patrys was up 10 percent; Universal Biosensors and Volpara were up more than five percent; Opthea improved 4.1 percent; Ellex and Medical Developments were up more than three percent; Actinogen, Impedimed, LBT and Pro Medicus rose more than two percent; Cyclopharm and Resmed were up more than one percent; with Avita, Cochlear and CSL up by less than one percent.

Kazia led the falls, down 14.5 cents or 19.6 percent to 59.5 cents with 829,515 shares traded. Imugene lost 12 percent; Alterity fell 10.7 percent; Compumedics shed 8.8 percent; Genetic Signatures and Proteomics fell five percent or more; Clinuvel, Dimerix and Starpharma were down three percent or more; Oncosil, Osprey, Pharmaxis, Polynovo and Telix shed two percent or more; Antisense and Neuren were down more than one percent; with Cynata, Mesoblast, Nanosonics, Next Science, Orthocell and Paradigm down by less than one percent.

THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Regal Funds says the Australian Federal Police raided its offices yesterday in relation to trading on behalf of the Australian Securities and Investments Commission.

An ASIC spokesperson confirmed to Biotech Daily that the raid was conducted on its request.

In an announcement to the ASX, Regal said ASIC was “conducting a preliminary investigation by way of a search warrant, in relation to its trading in certain securities”. Regal said it had notified Equity Trustees as the responsible entity of its ASX listed entity Regal Investment Fund and trading was suspended “in order to ensure an informed market”.

The Regal announcement said that “as an active participant in Australian equity markets, Regal is subject to scrutiny from regulatory bodies from time to time”.

“Regal's responsibility to its clients is paramount and it takes its obligations to comply with all laws and regulations very seriously ... [and] is cooperating fully with the investigation”. Regal provided no detail on the nature of the raid other than it related to “trading in certain securities”.

Regal currently is, or previously has been, a substantial shareholder in at least 12 biotechnology companies including: Adherium, Airxanders, Avita, IDT, Impedimed, Medibio, Medadvisor, Oncosil, Opthea, Prescient, Suda and Visioneering.

Biotech Daily has been told that Regal owns shares in Polynovo and has publicly described itself as “short” in Polynovo, indicating that it believes that the company is over-valued and that it can make money when, or if, Polynovo's share price falls.

Yesterday, Avita was up 3.5 cents or 6.1 percent to 61 cents with 64.05 million shares traded, while Polynovo was up seven cents or 3.9 percent to \$1.87 with 24.8 million shares traded, both significantly above normal trading levels.

CYCLOPHARM

Former Cyclopharm chair Vanda Gould has been found guilty of attempting to pervert the course of justice, and has been disqualified as a director.

A spokesperson for Sydney's Downing Centre District Court told Biotech Daily that Mr Gould was found guilty of one Commonwealth charge of attempting to obstruct or pervert the course of justice and was refused bail.

The District Court said that Mr Gould was listed to appear for a hearing related to sentencing on December 3, 2019.

The Court said that in a matter before Judge Stephen Norrish at the Downing Centre District Court on August 14, 2018, Mr Gould was found not guilty by direction on a charge of giving "false testimony in a judicial proceeding".

Today, Cyclopharm told the ASX that following the guilty finding, Mr Gould had been disqualified as a director.

In 2014, Cyclopharm said that the Commonwealth Director of Prosecutions had withdrawn charges relating to tax and money laundering offences against Mr Gould and he had been reinstated as chairman (BD: Oct 17, 23, 2013; May 15, 2014).

According to his Appendix 3Z final director's interest statement, Mr Gould indirectly held 12,260,726 shares in Cyclopharm or 17.8 percent.

The Appendix 3Z said that 9,176,470 shares were held by Chemical Trustee Limited and Mr Gould did not believe he had the requisite control to constitute relevant interests in the company but as an advisor he declared the interest, leaving an indirect interest of 3,084,255 Cyclopharm shares or 4.5 percent of the company.

Cyclopharm climbed two cents or 1.8 percent to \$1.15.

PRESCIENT THERAPEUTICS

Prescient says it will expand its 15-patient phase Ib trial of PTX-200 for relapsed or refractory acute myeloid leukaemia following a third complete response.

Prescient said the study, led by Prof Jeffrey Lancet at the Florida-based H Lee Moffitt Cancer Centre and including the Kansas University Medical Centre and Yale Cancer Centre, administered 25 to 35 milligrams per square metre square (mg/m²) of PTX-200 with 200 to 400mg/m² of the chemotherapy agent cytarabine to the three patients.

The company said it found overlapping drug interactions between PTX-200 and cytarabine, which were not present in a previous phase Ib trial of PTX-200 for acute myeloid leukaemia as a single agent.

Prescient said most patients tolerated planned dose levels, transaminase was elevated in three patients, of which only one was dose limiting, and it would consult with study investigators to change the dosing schedule to minimize overlapping drug interactions.

Prescient said the amendment would go through US Food and Drug Administration and ethics committee reviews and it would be able to restart enrolment in early 2020.

Prescient chief medical officer Dr Terrence Chew said "the three complete responses observed are very encouraging in a hard to treat patient population".

"Through this protocol amendment, we aim to get more patients through more cycles of therapy, with the hope of expanding upon these responses," Dr Chew said.

"Our investigators are very supportive of these amendments, as they are encouraged by these results in a patient population that is very difficult to treat and who currently have few treatment options," Dr Chew said.

Prescient was up 2.5 cents or 33.3 percent to 10 cents with 157.6 million shares traded.

INVION

Invion says that its Photosoft technology reduced tumor size to less than half its original size in a pre-clinical trial of mice with ovarian cancer.

Invion said the study, undertaken by Melbourne's Hudson Institute of Medical Research, analyzed the immediate and medium-term effects of Photosoft on tumors.

The company said it found that Photosoft caused the immediate and specific death of tumor tissue and showed no adverse effects in the surrounding healthy tissue.

Invion said tumor size was reduced to less than half of the original size over a three-week period, accompanied by an influx of immune cells and indicating an anti-tumor response.

The company said the findings were significant because current cancer treatments, including chemotherapy, could kill healthy cells and suppress the ability to fight infection.

Hudson Institute ovarian cancer research head Dr Andrew Stevens said the results suggest that Photosoft might be effective to achieve targeted tumor destruction.

Invion said the study was the first scientific demonstration of Photosoft in a clinically relevant model and supported the Hudson Institute's original findings that Photosoft could rapidly kill cancer cells in-vitro.

The company said it was developing an optimized version of Photosoft, IVX-PDT, which would be better suited to large-scale good manufacturing practice manufacturing and would meet clinical and regulatory requirements.

Last month, Invion said it would begin a phase Ib human trial of IVX-PDT for skin cancer and said the Peter MacCallum Cancer Institute would commence studies with IVX-PDT for ano-genital cancer in 2020 (BD: Sep 30, Oct 31, 2019).

Today, the company said the data supported IVX-PDT for a range of solid cancers.

Invion was up 0.9 cents or 112.5 percent to 1.7 cents with 230.0 million shares traded.

RECCE PHARMACEUTICALS

Recce says Recce-327 reduces bacterial load and enhances wound closure in rat model of methicillin-resistant staphylococcus aureus (MRSA) with burn infections.

Recce said it administered either saline once daily, 30 milligrams (mg) of Soframycin twice daily or 19.15mg/millilitre (ml) of synthetic antibiotic Recce-327 once daily, over three days and found that Recce-327 performed better than both controls and showed a statistically significant reduction in bacterial load in the infected wound.

Recce said bacterial load for the saline group showed a reduction from 5.69 to 5.41 at day four, Soframycin showed a reduction from 5.84 to 4.87 and Recce-327 showed a reduction from 5.80 to 4.59.

The company said that saline showed wound contraction of 0.86 percent, Soframycin showed healing of 2.48 percent and Recce-327 treatment showed healing of 2.56 percent.

Recce said a human clinical irritation test, which compared 1ml of water with 1ml of Recce-327, showed no observable irritation after a 24-hour application.

The company said the data would be used to support a human study submission.

Recce was up one cent or 3.85 percent to 27 cents with 1.2 million shares traded.

IMAGION BIOSYSTEMS

Imagion says the Petah Tikvah, Israel-based New Phase has ordered \$300,000 worth of its nanoparticles for 2020.

In April, Imagion said it would supply iron oxide nanoparticles for New Phase's hyperthermia treatment nanoparticle matrix for cancerous tumors (BD: Apr 11, 2019).

Imagion fell 0.1 cents or 5.3 percent to 1.8 cents with 2.6 million shares traded.

SHAREROOT

Shareroot says it has changed its name to Opyl with an ASX code of OPL, and it will conduct a 100-to-one consolidation.

Shareroot said that all annual general meeting resolutions passed easily and it would reduce the number of shares on offer from 2,959,065,499 shares to 29,590,655 shares.

The company said the record date for the consolidation would be December 2 and it expected normal trading to resume on December 10, 2019.

Shareroot was unchanged at 0.1 cents with 6.2 million shares traded.

NOXOPHARM

Noxopharm says subsidiary Nyrada hopes to raise up to \$8.5 million at 20 cents a share to list on the ASX and develop drugs for cholesterol, pain and as a neuroprotectant.

Noxopharm said the public offering would not be underwritten, it would open on December 4, close on December 16 and it hoped to begin trading on the ASX on December 23, 2019, under the code NYR.

Noxopharm said Alto Capital would be lead manager and CPS Capital Group would be co-lead manager to the placement.

Noxopharm was unchanged at 32.5 cents.

CYNATA THERAPEUTICS

Cynata says all resolutions passed at its annual general meeting, with 32.4 percent dissent against the renewal of its employee option acquisition plan.

Cynata said it faced 15,831,328 votes (32.4%) against the employee option plan, with 32,992,378 votes (67.6%) in favor.

The company said the requisitioned resolution to amend the constitution was defeated with 40,749,604 votes (79.2%) against and 10,671,035 votes (20.8%) in favor.

According to Cynata's most recent Appendix 3B, the company had 103,018,153 shares on issue, meaning the 15,831,328 votes against the employee option plan amounted to 15.4 percent, sufficient to requisition extraordinary general meetings.

Cynata fell half a cent or 0.4 percent to \$1.15.

MESOBLAST

Mesoblast says all resolutions at its annual general meeting passed, with 17.28 percent opposed to the adoption of its remuneration report.

Mesoblast said 34,782,677 votes (17.28%) opposed the remuneration report, with 166,495,247 votes (82.72%) in favor.

The company said that 28.4 million votes (14.7%) opposed the issue of options to chairman Joseph Swedish and directors Dr Eric Rose and William Burns, with 164.9 million votes (85.3%) in favor, with all other resolutions passed easily.

According to Mesoblast's most recent Appendix 3B announcement, the company had 536,679,434 shares on issue, meaning the vote against the remuneration report of 34,782,677 votes amounted to 6.5 percent of the company, sufficient to requisition extraordinary general meetings.

Mesoblast fell half a cent or 0.3 percent to \$1.835 with 1.2 million shares traded.

[OPTHEA](#)

Credit Suisse Holdings says it has become a substantial shareholder in Opthea with 12,555,456 shares or 5.02 percent of the company.

Last month, Credit Suisse said it became a substantial shareholder in Opthea with 13,243,243 shares or 5.49 percent and ceased its substantial holding on October 30, 2019 (BD: Oct 24, Oct 30, 2019).

Today, the Sydney-based Credit Suisse said that between August 7 and November 21, 2019 it bought and sold shares, with the single largest purchase of 6,000,000 shares on November 21 for \$16,620,000 or \$2.77 a share.

Opthea was up 11 cents or 4.1 percent to \$2.82.

[PROTEOMICS INTERNATIONAL LABORATORIES](#)

Proteomics chief executive officer Dr Richard Lipscombe says his 19,011,204 shareholding has been diluted from 23.73 percent to 20.69 percent.

The Floreat, Western Australia-based Dr Lipscombe said that he was diluted on November 25, 2019 in the \$3.0 million "heavily oversubscribed" placement at 28 cents a share (BD: Nov 15, 2019).

Proteomics fell two cents or six percent to 31.5 cents.

[PROTEOMICS INTERNATIONAL LABORATORIES](#)

Former Proteomics director John Dunlop says his 5,804,188 shareholding has been diluted from 7.25 percent to 6.32 percent.

The Helena Valley, Western Australia-based Mr Dunlop said that he was diluted on November 25, 2019 in the \$3.0 million "heavily oversubscribed" placement at 28 cents a share (BD: Nov 15, 2019).

[PHYLOGICA \(TRADING AS PYC PHARMACEUTICALS\)](#)

The Melbourne-based David Sietsma says he has increased and been diluted in Phylogica from 233,643,380 shares (10.99%) to 291,950,000 shares (9.97%).

Last week, Phylogica said it had raised \$5,262,055 in a fully underwritten retail rights issue, with a \$7,270,134 shortfall, following a \$14.3 million institutional offer, for a total raised of \$26.8 million (BD: Nov 21, 2019).

Phylogica fell 0.1 cents or 1.6 percent to 6.1 cents with 2.1 million shares traded.

[ACTINOGEN MEDICAL](#)

Actinogen says chief executive officer Dr Bill Ketelbey has repaid a \$360,000 company loan to secure his 9.0 million class H and J long term incentive shares.

Actinogen said Dr Ketelbey transferred the shares from his name into the names of John William and Jane Ketelbey, as trustees of the Kaleidoscope Superannuation Fund.

Actinogen was up 0.1 cents or 2.2 percent to 4.6 cents with 4.3 million shares traded.

[BENITEC BIOPHARMA](#)

Benitec says it has a scheme implementation agreement to redomicile from Australia to the US early in 2020.

Benitec said re-domiciliation would “streamline and reduce overhead costs ... particularly in respect of compliance, audit and insurance costs” and would align its corporate and operations structure.

The company said the move would “provide access to a broader range of US investors” and improve its attractiveness as a potential target for opportunities, with potential licencing and joint venture partners.

Benitec said implementation of the schemes would also be subject to independent expert McGrathnicol concluding that the schemes were in the best interests of shareholders, along with court and other regulatory approvals.

The company said that a scheme booklet would be sent to shareholders and option holders in February or March 2020 and it would target an implementation date by April or May 2020.

Benitec fell 1.1 cents or 23.9 percent to 3.5 cents with 6.4 million shares traded.

[G MEDICAL INNOVATIONS HOLDINGS](#)

G Medical has requested a trading halt “pending an announcement in respect of a funding facility”.

Trading will resume on November 29, 2019 or on an earlier announcement.

G Medical last traded at 10 cents.

[OSTEOPORE](#)

Osteopore says that 6,317,294 shares will be released from escrow on December 11, 2019.

In September, Osteopore said it had 49,816,463 shares on issue, meaning that following the release of shares from escrow, it would have 56,133,757 shares available for trading. The company said a further 39,230,438 shares and 9,700,00 options, exercisable at 25 cents each, would be restricted for 24 months from the date of quotation, with 5,439,213 shares to be released on March 18 and 427,094 shares to be released on June 19, 2020. Osteopore fell 1.5 cents or 1.8 percent to 80 cents.

[SUDA PHARMACEUTICALS](#)

Suda says it has appointed Dr Michael Baker as chief executive officer, effective from January 2, 2020, on a base salary of \$250,000.

Suda said executive chairman Paul Hopper would continue as a non-executive chairman. The company said Dr Baker would be eligible for a bonus of up to 33 percent of his base salary and would be issued 2,800,000 unlisted four-year options, vesting in three tranches and exercisable at 145 percent, 155 percent and 165 percent of the 7-day volume-weighted average price.

The company said Dr Baker was previously an investment manager for Bioscience Managers and a project manager for Hexima.

Suda said Dr Baker held a Master of Business Administration from the University of Melbourne Business School, a Doctor of Philosophy, and was a research fellow at Germany’s University of Cologne.

Suda was up 0.3 cents or 4.3 percent to 7.3 cents.

SIMAVITA

Simavita says it has appointed Dr John McBain as a director.

Simavita said Dr McBain was currently a director of the Royal Women's Hospital Foundation and was previously the president of the Fertility Society of Australia, chairman of Melbourne IVF and head of reproductive services at the Women's Hospital.

The company said Dr McBain held a Bachelor of Medicine and Bachelor of Surgery from Glasgow University.

Simavita fell one cent or 18.5 percent to 4.4 cents with 18.0 million shares traded.