



Biotech Daily

Thursday November 7, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN: IMUGENE UP 9%; RESONANCE DOWN 7%**
- * **EXPORT CORP \$85m OBJ BACKDOOR TO BE 'WELLFULLY'**
- * **ZELDA MARIJUANA INSOMNIA TRIAL FULLY ENROLLED**
- * **CANN, SYMBION MARIJUANA DEAL**
- * **MEDADVISOR, SIGMA PRESCRIPTION DEAL - \$1m PA REVENUE**
- * **LIVING CELL BOARD SPILL AGM: DR KELLY IN, LAURIE HUNTER OUT**
- * **PATRY'S RECEIVES \$672k R&D TAX INCENTIVE**
- * **HERAMED SOFTWARE TESTED ON 750 PREGNANCIES IN 15 HOSPITALS**
- * **TOTAL BRAIN TAKES CAPITAL RAISING TRADING HALT TO SUSPENSION**
- * **AUSTRALIAN ETHICAL TAKES PROFIT TO 17% OF ANTISENSE**
- * **ASIA UNION DECREASES TO 32% OF GENETIC SIGNATURES**
- * **KARST PEAK, ADAM LEITZES DILUTED TO 15% OF GENETIC SIGNATURES**
- * **CREDIT SUISSE TAKES 6.2% OF KAZIA**

MARKET REPORT

The Australian stock market was up 1.0 percent on Thursday November 7, 2019, with the ASX200 up 66.4 points to 6,726.6 points. Fifteen of the Biotech Daily Top 40 stocks were up, 15 fell, eight traded unchanged and two were untraded. All three Big Caps were up.

Imugene was the best, up 0.2 cents or 8.7 percent to 2.5 cents with 13.5 million shares traded. Telix climbed 7.9 percent; Amplia was up 6.25 percent; Actinogen and Pharmaxis were up more than five percent; Paradigm improved 4.3 percent; Cynata and Proteomics were up more than three percent; Clinuvel, Kazia, LBT, Oncosil, Optiscan, Osprey and Pro Medicus rose more than two percent; CSL and Resmed were up more than one percent; with Cochlear up 0.9 percent.

Resonance led the falls, down one cent or 7.4 percent to 12.5 cents, with 36,000 shares traded. Prescient lost 6.4 percent; Antisense fell 4.55 percent; Immutep was down 3.4 percent; Avita, Neuren, Orthocell and Volpara shed more than two percent; Genetic Signatures, Medical Developments, Mesoblast, Next Science and Opthea were down more than one percent; with Nanosonics and Polynovo down by less than one percent.

OBJ

OBJ says it will acquire Export Corp for Nutrition Systems, for \$85 million, hopes to raise up to \$50 million, hold a 20-to-one consolidation and change its name to Wellfully.

The company said that Nutrition Systems was “a highly profitable distributor and wholesaler of nutritional “wellness” products in Australia and New Zealand with a focus on the “highest quality sports nutrition products from the US”.

OBJ requested a suspension and the ASX said its securities would remain suspended until the ASX was “satisfied that all relevant information required under ‘Guidance Note 12: Change to Activities’ has been announced to the market”.

The ASX said the acquisition would require shareholder approval and OBJ had to re-comply with chapters 1 and 2 of the Listing Rules.

OBJ said it hoped to raise up to \$50 million at a post-consolidation 30 cents a share.

The company said that it would pay the Perth-based Export Corporation Pty Ltd \$28 million on purchase, with two \$5 million payments to be paid 12 and 24 months after, with an additional \$12 million payment to acquire a property in New South Wales from an entity associated with Export Corp.

OBJ said that it would pay the remaining \$35 million in post-consolidation shares, with \$10 million worth of shares to be issued 12 months after purchase at an issue price higher than the volume weighted average price for the period ending on the business day before the date of issue and 80 percent of the issue price of shares under the capital raising.

The company said \$10 million worth of shares would be issuable 24 months after purchase and that a final \$15 million worth of shares to be issuable 36 months after purchase, with both issue prices to be higher than the 30 day volume weighted average price of shares for the period ending on the business date before the date of issue and the floor price.

OBJ said Nutrition Systems chief executive officer Danny Pavlovich and vendor of Export Corp would seek shareholder approval for election to its board.

OBJ last traded at 1.5 cents.

ZELDA THERAPEUTICS

Zelda says its phase II trial of medical marijuana for insomnia is fully enrolled with 24 patients, with no adverse dosing effects reported so far.

Zelda said the randomized, double-blinded, placebo-controlled, cross-over trial was led by the University of Western Australia Centre for Sleep Science and would evaluate the safety and efficacy of a cannabinoid extract in patients with clinically diagnosed chronic insomnia.

The company said dosing was expected to be completed by December 2019, with preliminary results expected by February 2020.

Zelda chief executive officer Dr Richard Hopkins said the enrolment was “an important milestone for the trial”.

“Should the trial be successful, the company will move to immediately commercialize this formulation in all major global medicinal cannabis markets,” Dr Hopkins said.

“Zelda’s proposed merger with [the] US-based Ilera Therapeutics will expand our access to the world’s largest cannabis markets with approximately four million registered medicinal cannabis patients,” Dr Hopkins said.

“Zelda’s strategic partnership with European medicinal cannabis group Hapa Pharm BV also helps us access the world’s fastest growing markets outside the US,” Dr Hopkins said.

Zelda was unchanged at 6.8 cents.

CANN GROUP

Cann says it has a distribution deal with the Melbourne's Symbion Pty Ltd for its imported medical marijuana products, for approved special access scheme patients.

Cann said Symbion supplied healthcare services and products to more than 4,000 pharmacies and 1,300 hospitals in Australia.

The company said it expected to launch its first locally-sourced marijuana formulations, manufactured by Melbourne's IDT Australia, by April 2020.

Cann said it had received its first shipment of a high tetrahydrocannabinol (THC) oil formulation from its Canada partner Aurora Cannabis, with permits in place for the supply of five more products from Aurora.

Cann was unchanged at \$1.01 with 1.1 million shares traded.

MEDADVISOR

Medadvisor says it has a two-year deal with Sigma Healthcare to sell its prescription reminder service at an additional 200 pharmacies, for an expected \$1 million revenue.

Medadvisor said the Melbourne-based Sigma owned more than 600 pharmacies and already sold Medadvisor's technology at about 400 of its shops, with the technology available at about 60 percent of Australian pharmacies.

The company said the deal came with the option to extend it for an additional year.

Medadvisor was up 0.9 cents or 18.4 percent to 5.8 cents with 24.1 million shares traded.

LIVING CELL TECHNOLOGIES

Living Cell's says resolutions to spill the board have been partly successful, resulting in the loss of director of Laurie Hunter and the election of Dr Andrew Kelly.

In September, Living Cell said it had a board spill call from unnamed members who held about 5.26 percent of the company, to replace directors Robert Willcocks, Laurie Hunter and Dr Ken Taylor with Dr Andrew Kelly and Dr Roland Toder (BD: Sep 10, 2019).

Today, the company said Dr Kelly's appointment received 174,063,212 votes (60.63%) in favor, while Mr Hunter's removal received 143,210,165 votes (55.77%) in favor.

Living Cell said Dr Toder's appointment was defeated with 167,442,484 votes (58.3%) against, while the removal of Dr Taylor and Mr Willcocks were defeated with 180,990,245 votes (66.65%) and 146,399,611 votes (50.95%) against, respectively.

The company said all other resolutions were passed overwhelmingly, except the resolution for the re-election of Robert Willcocks, which passed with 156,380,906 votes or 54.7 percent in favor, compared to the 50.95 percent against his removal.

According to Living Cell's most recent Appendix 3B new share issue announcement, it had 571,441,081 shares on offer, meaning that the largest vote for the dissident resolution of 174,063,212 votes for Andrew Kelly amounted to 30.5 percent of the total shares on issue, sufficient to call extraordinary general meetings.

Living Cell was unchanged at 1.9 cents.

PATRYS

Patrys says it has received \$672,143 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Patrys said the incentive was for the year to June 30, 2019.

Patrys was unchanged at 1.9 cents with 1.3 million shares traded.

HERAMED

Heramed says its Herabeat and Heracare Pro software for foetal heartrate monitoring have been trialed on about 750 pregnant women in 15 Hapvida Saude hospitals.

In July, Heramed said the Fortazela, Brazil-based Hapvida Saude would integrate the software into its electronic medical record system during a four-month period, allowing for immediate data upload from Herabeat to Hapvida's records that would enable its medical team to view analytics in real time (BD: Jul 1, 2019).

Today, the company said it was in discussions for a scaled phase II trial and was negotiating a broader roll out of Herabeat and Heracare Pro with Hapvida.

Heramed was unchanged at 16 cents.

TOTAL BRAIN

Total Brain says it has requested a voluntary suspension to follow the November 5, 2019 trading halt "pending an announcement in relation to a capital raising" (BD: Nov 5, 2019).

The company said it expected the suspension to last until November 11, 2019 or on the release of an earlier announcement.

Total Brain last traded at 4.5 cents.

ANTISENSE THERAPEUTICS

Australian Ethical Investments says it has reduced its substantial shareholding in Antisense from 77,735,287 shares (18.50%) to 71,961,174 shares (17.12%).

The Sydney-based Australian Ethical said that between October 18 and November 5, 2019, it sold 5,774,113 shares for \$631,987 or 10.95 cents a share.

In March, Australian Ethical said it bought 16,000,000 shares in a placement at 3.3 cents a share (BD: Mar 13,18, 2019).

In 2018, Australian Ethical said it bought 46,599,422 shares at the time of an Antisense placement at 2.4 cents a share (BD: Apr 11, May 3,8, 2018).

Last month, Australian Ethical reduced its shareholding in Antisense, selling 6,098,046 shares for \$682,235 or 11.2 cents a share (BD: Oct 9, 2019).

Antisense fell half a cent or 4.55 percent to 10.5 cents with 1.8 million shares traded.

GENETIC SIGNATURES

The Sydney-based Asia Union Investments says it has decreased its holding in Genetic Signatures from 38,274,590 shares (36.83%) to 37,917,887 shares (31.69%).

The Asia Union substantial shareholder notice said that between October 2, 2018 and November 4, 2019, Asia Union and Christopher Abbott sold shares, with the single largest sale on December 18, 2018 of 60,000 shares for \$45,900 or 76.5 cents a share.

Asia Union and Mr Abbott were diluted in last week's capital raising which raised \$35 million in a placement at 98 cents a share (BD: Oct 28, 2019).

Genetic Signatures fell 1.5 cents or 1.5 percent to 97 cents.

GENETIC SIGNATURES

Karst Peak Capital and Adam Leitzes say their 18,934,528 share-holding in Genetic Signatures has been diluted from 18.20 percent to 15.83 percent.

The Hong Kong-based Karst Peak said the dilution was due to an increase in share capital.

KAZIA THERAPEUTICS

Credit Suisse Holdings says it has become a substantial shareholder in Kazia with 4,481,851 shares or 6.21 percent of the company.

The Sydney-based Credit Suisse said it bought the 4,481,850 shares on November 1, 2019 for \$1,792,740 or 40 cents a share.

Last week, Kazia said it raised \$4 million in a placement at 40 cents a share (BD: Oct 28, 2019)

Kazia was up one cent or 2.5 percent to 41.5 cents.