



Biotech Daily

Monday December 16, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: USCOM UP 9%; OSPREY DOWN 9%**
- * **TELIX UP-TO \$30m ATONCO AT-211 BLADDER CANCER LICENCE**
- * **POLYNOVO NOVOSORB FOR WHITE ISLAND BURNS VICTIMS**
- * **MEDLAB 'OVERSUBSCRIBED' PLACEMENT RAISES \$5m**
- * **STARPHARMA RECEIVES \$4.9m FEDERAL R&D TAX INCENTIVE**
- * **FDA APPROVES ORTHOCELL CELGRO ANIMAL STUDY**
- * **SIMAVITA BORROWS \$509k AGAINST FEDERAL R&D TAX INCENTIVE**
- * **ANTISENSE TAKES ATL1102 DMD RESULTS HALT TO SUSPENSION**
- * **PHARMAXIS REQUESTS BOEHRINGER INGELHEIM TRADING HALT**
- * **NUHEARA WALGREENS PARTNERSHIP**
- * **BOD, H&H LAUNCH CBD IN UK**
- * **ANTEO LITHIUM BATTERY ON TRACK FOR COMMERCIALIZATION**
- * **ASIA UNION INCREASES, DILUTED TO 27% OF GENETIC SIGNATURES**
- * **KARST PEAK, ADAM LEITZES DILUTED TO 13% IN GENETIC SIGNATURES**
- * **FIDELITY (FIL) TAKES 6.7% OF GENETIC SIGNATURES**
- * **DIRECTOR DONALD CHANNER TAKES 29% OF MEDIGARD**
- * **USCOM APPOINTS MAJOR SHAREHOLDER XIANHUI MENG DIRECTOR**
- * **PAUL MOLLOY REPLACES OVENTUS DIRECTOR NEIL ANDERSON**
- * **CANN GROUP LOSES DIRECTOR NEIL BELOT**

MARKET REPORT

The Australian stock market was up 1.63 percent on Monday December 16, 2019, with the ASX200 up 110.0 points to 6,849.7 points. Fifteen of the Biotech Daily Top 40 stocks were up, 12 fell, seven traded unchanged and six were untraded. All three Big Caps were up.

Uscom was the best, up one cent or 9.1 percent to 12 cents, with 76,971 shares traded. Cynata and Proteomics climbed more than five percent; Nanosonics was up 4.9 percent; Clinuvel, Opthea, Polynovo and Pro Medicus were up three percent or more; Cochlear, CSL, Next Science, Orthocell and Resmed rose more than two percent; Avita, Prescient, Starpharma and Volpara were up more than one percent; with Compumedics up 0.6 percent.

Osprey led the falls, down 0.3 cents or 9.1 percent to three cents, with 893,541 shares traded. Kazia lost 8.6 percent; Imugene and Oncosil were down more than six percent; Actinogen and Neuren shed more than five percent; Cyclopharm and Paradigm fell more than four percent; Telix lost 3.2 percent; Genetic Signatures and Medical Developments were down more than one percent; with Mesoblast down 0.5 percent.

TELIX PHARMACEUTICALS

Telix says it has an up-to \$30 million licencing agreement with Atonco for its molecularly targeted radiation intellectual property for non-muscle invasive bladder cancer.

Telix said the France-based Atonco SAS would licence components of the company's antibody portfolio with alpha-emitting radioisotope astatine-211 for therapy-resistant bladder cancer.

The company said astatine-211 (At-211) emitted alpha particles that delivered "highly localized anti-tumor radiation with minimal impact on surrounding tissues".

Telix said it would receive development milestone payments of up to \$30 million in addition to royalties on successful commercialization.

The company said it retained the right to re-acquire the program with successful clinical data.

Telix chief executive officer Dr Christian Behrenbruch said the collaboration with Atonco was "a new stage for Telix, being the first time that we have out-licenced our intellectual property to a third party".

"While we maintain a disciplined focus on our prostate, kidney and brain cancer programs, this collaboration demonstrates the attractiveness of our [intellectual property] to other companies and enables our assets to be developed for new cancer indications beyond Telix's core areas of focus, while still giving us the option to re-annex the program if promising clinical data warrants it," Dr Behrenbruch said.

Telix fell five cents or 3.2 percent to \$1.51 with 846,033 shares traded.

POLYNOVO

Polynovo says it has supplied its Novosorb biodegradable temporizing matrix to five hospitals for burn victims affected by the White Island, New Zealand volcanic eruption. Polynovo said that "surgical and trauma teams in many hospitals across New Zealand and Australia have put in heroic efforts and hours to support these patients, many still in a critical condition".

The company said it had supplied Novosorb to three New Zealand hospitals and two Australian hospitals and would "continue to work closely with the hospital teams".

Polynovo said that Novosorb provided "the best opportunity for dermal repair".

The company said that the surgical and nursing teams had "established clinical expertise in the use of Novosorb BTM ensuring the best clinical outcomes for these patients".

"We expect to supply more product in the coming weeks," Polynovo said.

Polynovo was up six cents or 3.1 percent to \$2.00 with 6.7 million shares traded.

MEDLAB CLINICAL

Medlab says it has raised \$5 million in a "oversubscribed" placement at 28 cents a share to institutional sophisticated investors.

Medlab said that Acova Capital and Morgans Corporate were the joint lead managers of the placement.

Medlab chief executive officer Sean Hall said the fund would be used to address "short-term goals as it prepares for phase III research of [the company's] Nanabis drug candidate program".

Medlab was unchanged at 32.5 cents.

STARPHARMA

Starpharma says it has received \$4,897,939 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

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

Starpharma was up two cents or 1.6 percent to \$1.295.

ORTHOCELL

Orthocell says the US Food and Drug Administration has approved its Celgro nerve regeneration animal study design, as part of its 510(k) submission.

In October, Orthocell says that Celgro in combination with microsurgery on 12 patients restored voluntary movement in 24 of 25 (96%) nerve repairs to previously paralyzed muscles (BD: Oct 9, 2019).

Today, the company said it had accelerated ethics applications to begin the study by April 2020.

Orthocell said the study, titled 'Evaluation of collagen nerve wraps used in peripheral nerve repair in a rat sciatic nerve injury model', was designed show safety and efficacy of Celgro in peripheral nerve repair.

The company said the study will involve the treatment of severed sciatic nerves in about 72 rats in three study groups, control, Celgro and comparator, with outcome measures recorded at four, eight and 20-weeks post treatment.

Orthocell said the key outcome measures would include Celgro performance in "facilitating high quality nerve regeneration and restorations of motor and sensory function".

The company said it aimed to complete the study and submit the 510(k) application by October 2020.

Orthocell was up one cent or 2.1 percent to 49 cents with 1.8 million shares traded.

SIMAVITA

Simavita says it has a \$508,800 loan secured against its Federal Research and Development Tax Incentive for the year to June 30, 2020.

Simavita said it had received the first instalment of \$212,000 and would receive monthly instalments of about \$42,400 "over the next seven months" subject to a routine six-monthly audit review.

The company did not disclose the name of the lender, nor the terms of the loan.

Simavita fell 0.1 cents or 4.2 percent to 2.3 cents with 1.9 million shares traded.

ANTISENSE THERAPEUTICS

Antisense has requested a voluntary suspension to follow the trading halt requested on December 12, pending an announcement relating to the preliminary results of [its] ATL1102 for Duchenne muscular dystrophy ... trial" (BD: Dec 12, 2019).

Last month, Antisense said it had completed dosing of its nine-patient, six-month, phase II trial of ATL1102 for Duchenne muscular dystrophy (BD: Nov 20, 2019).

Today, the company said it expected the suspension to last until December 17, 2019.

Antisense last traded at 8.2 cents.

PHARMAXIS

Pharmaxis has requested a trading halt regarding “the future development plans for the lead drug BI1467335”, which it sold to Boehringer Ingelheim in 2015.

In 2015, Pharmaxis said the Ingelheim, Germany-based Boehringer Ingelheim International GmbH would pay an upfront fee of \$39.2 million and up to \$750 million in additional milestone payments for BI1467335, formerly PXS4728A, for non-alcoholic steato hepatitis (BD: May 18, 2015).

Today, the company said it received advice from Boehringer concerning the development of BI1467335, which required “analysis by Pharmaxis senior management and directors”. Trading will resume on December 18, 2019 or on an earlier announcement.

Pharmaxis last traded up 0.45 cents or 4.6 percent to 10.25 cents.

NUHEARA

Nuheara says it has a retail partnership with the Deerfield, Illinois-based Walgreens pharmacy chain for its Iqbuds, Boost and Iqstream hearing products.

Nuheara said Walgreens had 9,277 shops in the US and an online sales platform with home delivery.

The company said its hearing products were available online and were “the only hearing related devices currently offered by Walgreens in the US, either online or in store”.

Nuheara said that Walgreens launched an email campaign this week featuring Nuheara products targeting more than 10 million of their 90 million members.

Nuheara chief executive officer Justin Miller said that “in 2020, with the implementation of new over-the-counter hearing aid regulations, together with our new products, we trust this will be the start of new era in US hearing retail”.

Nuheara was up 0.2 cents or 5.9 percent to 3.6 cents with 3.4 million shares traded.

BOD AUSTRALIA

Bod says it has launched CBII, its first cannabidiol oil-based products, in the UK with the Hong Kong-based Health & Happiness Group.

In July, Bod said Health & Happiness would pay \$1.5 million and invest \$5.5 million to commercialize Bod’s marijuana products (BD: Jul 19, 2019).

Today, the company said that “the CBII product suite includes a range of full spectrum [cannabidiol] oil products derived from European good manufacturing practice hemp extracts” in varying strengths of 100mg, 200mg and 500mg.

Bod said the product launch was “a major milestone in the commercialization of Bod’s cannabis product suite”.

Bod was unchanged at 33 cents.

ANTEOTECH (FORMERLY ANTEO DIAGNOSTICS)

Anteotech says its lithium ion battery program is on track for commercialization, with the development of a water-based “cross-linked binder”.

Anteotech said the cross-linked binder program would “enhance electrode coating cohesion and connectivity,” ensuring the long-term cycling stability and rate capability of electrodes used in lithium ion batteries.

The company said it planned to finalize commercialization plans and work with new collaborators in 2020.

Anteotech was unchanged at 1.5 cents with 1.5 million shares traded.

GENETIC SIGNATURES

Asia Union Investments says it has increased and been diluted in Genetic Signatures from 37,917,887 shares (31.69%) to 37,941,903 shares (26.66%).

The Sydney-based Asia Union said that on November 25, 2019, Christopher Abbott bought 24,016 shares for \$23,536 or 98 cents each under a share offer, and they were diluted following an increase in share capital.

Last month, Genetic Signatures said its "oversubscribed" share plan at 98 cents a share raised \$2.5 million, taking the total raised to \$37.5 million (BD: Nov 19, 2019).

Genetic Signatures fell one cent or one percent to 96 cents.

GENETIC SIGNATURES

Karst Peak Capital and Adam Leitzes say their 18,934,528 share-holding in Genetic Signatures has been diluted from 15.83 percent to 13.3 percent.

The Hong Kong-based Karst Peak said the dilution followed the placement (above).

GENETIC SIGNATURES

Fidelity International Limited says it has become a substantial shareholder in Genetic Signatures with 9,533,056 shares or 6.70 percent of the company.

The Hong Kong-based Fidelity said that between October 30 and December 11, 2019 it bought shares in 11 transactions with the single largest purchase on December 9 of 4,607,249 shares for \$4,515,104 or 98 cents a share.

MEDIGARD

Medigard director Donald Channer says he has increased his substantial holding in the company from 31,683,696 shares (25.29%) to 49,397,981 (28.64%).

The Gold Coast, Queensland-based Mr Channer said that on July 31, 2019 he bought 3,428,571 shares for \$60,000 or 1.75 cents a share, and on December 9, 2019 bought 7,142,857 shares for \$200,000 or 2.8 cents each.

Medigard was in a suspension and last traded at two cents.

USCOM

Uscom says it has appointed 21.09 percent major shareholder Xianhui Stephen Meng as a non-executive director.

Uscom said Mr Meng was an investor through Smart Top Overseas with 10 years' experience as a China government departmental head and 20 years' experience as an executive in the Chinese pharmaceutical sector, specializing in sales and distribution.

Uscom executive chairman Prof Rob Phillips said that the company had "invested invaluable infrastructure in China, and Mr Meng's board appointment is an incremental strategic step for Uscom as we scale up in preparation for our [Chinese National Medical Products Administration] approvals".

Uscom was up one cent or 9.1 percent to 12 cents.

OVENTUS MEDICAL

Oventus says it has appointed Paul Molloy as a director, replacing co-founder and chief technology officer Neil Anderson, who is retiring as a director and an executive.

Oventus said that former chief executive officer Mr Anderson would continue with the company as a consultant.

Oventus chairman Dr Mel Bridges said Mr Molloy had “25 years of medical device and life science industry expertise ... [and] experience in establishing and managing international operation”.

The company said Mr Molloy was chief executive officer of the Irvine, California-based medical device company Clearflow, a director at Augustine Medical and Inscope, and was previously chief executive officer at Vasonova.

Oventus chief executive officer Dr Chris Hart said that Oventus “would not have evolved into the company it is today without Neil as co-founder”.

“It was his vision and belief in the technology that was the catalyst for the formation of Oventus,” Dr Hart said.

“Neil led the ongoing product development that has resulted in the treatment platform that we have today,” Dr Hart said.

“I would like to personally thank Neil for his foresight and contribution,” Dr Hart said.

Oventus fell 4.5 cents or eight percent to 51.5 cents.

CANN GROUP

Cann says director Neil Belot has resigned from the board effective December 14, 2019, following his resignation from Aurora Cannabis, Cann’s largest shareholder.

Cann said Mr Belot had joined the board in February 2018.

The company said that Aurora would nominate a person to replace Mr Belot.

Cann said that the Australian Office of Drug Control needed to be notified of any proposed change of directors to assess their suitability.

Cann was up two cents or five percent to 42 cents with 1.3 million shares traded.