



Biotech Daily

Thursday December 5, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: CYNATA UP 13%; LBT DOWN 9%**
- * **CYNATA STEM CELLS EFFECTIVE FOR SEPSIS IN RATS**
- * **SUDA, ORDESA CO-DEVELOP UNNAMED OROMIST PRODUCT**
- * **OPTISCAN APPOINTS BIOTIMES 2nd CHINA DISTRIBUTOR**
- * **NEUROTECH, NEUROFEEDBACK PARTNER FOR MENTE AUTISM**
- * **SMART TOP, XIANHUI MENG TAKE 21% OF USCOM**
- * **CAPITAL GROUP CLIENTS CEASE SUBSTANTIAL IN MESOBLAST**
- * **GENETIC SIGNATURES 31% OPPOSE TRANCHE 1 SHARES**
- * **CRESO 1st SHIPMENT OF BURLEIGH HEADS CANNAQIX 50**
- * **POKIES BRUCE MATHIESON INCREASES, DILUTED TO 13% OF RESPIRI**
- * **RACE APPOINTS PROF BORJE ANDERSSON ADVISORY CHAIR**
- * **IMUGENE APPOINTS PROF REBECCA AUER ADVISOR**

MARKET REPORT

The Australian stock market rebounded 1.16 percent on Thursday December 5, 2019, with the ASX200 up 76.5 points to 6,683.0 points. Twenty-four of the Biotech Daily Top 40 stocks were up, 10 fell, four traded unchanged and two were untraded. All Big Caps rose.

Cynata was the best, up 13.5 cents or 13.2 percent to \$1.155, with 148,588 shares traded. Antisense climbed 11.25 percent; both Patrys and Prescient rose 10 percent; Actinogen was up seven percent; Clinuvel, Dimerix and Resonance improved four percent or more; Polynovo and Telix were up more than three percent; Medical Developments, Mesoblast, Optiscan, Osprey, Pharmaxis, Pro Medicus and Volpara rose more than two percent; Compumedics, Nanosonics, Opthea and Proteomics were up one percent or more; with Cochlear, CSL, Genetic Signatures, Kazia, Paradigm and Resmed up by less than one percent.

LBT led the falls, down 1.5 cents or 8.8 percent to 15.5 cents, with 531,833 shares traded. Imugene lost 7.7 percent; Alterity was down 6.1 percent; Neuren fell 3.75 percent; Immutep, Starpharma and Universal Biosensors shed more than two percent; with Cyclopharm, Next Science and Orthocell down by less than one percent.

CYNATA THERAPEUTICS

Cynata says its Cymerus mesenchymal stem cells are effective in a rat model of severe pneumonia-induced sepsis.

Last year, Cynata said it had a co-funded partnership with Dublin's Royal College of Surgeons in Ireland (RCSI) to study its mesenchymal stem cells (MSCs) in pre-clinical models of sepsis, led by RCSI chair of the department of anaesthesia and critical care Prof Gerard Curley, a consultant in intensive care medicine at Dublin's Beaumont Hospital (BD: Jul 2, 2018).

Today, the company said that the severe sepsis model study found that its Cymerus stem cells increased blood oxygen levels, increased lung compliance, or the ability of the lungs to stretch and expand, decreased alveolar neutrophil infiltration, which can lead to lung injury, decreased barrier permeability, which allowed harmful proteins into the lungs, and decreased inflammation.

Cynata said the benefits were statistically significant compared to a placebo control group and were also observed in a pre-clinical model of mild pneumonia-induced sepsis.

The company said its mesenchymal stem cells were shown to directly and indirectly enhance phagocytosis, the process in which white blood cells ingest and remove bacteria and other harmful agents.

Cynata said that sepsis was also known as blood poisoning and was a major medical challenge and the most common cause of death in hospital intensive care units, implicated in one in 20 deaths in the population as a whole and up to 50 percent of all hospital deaths Prof Curley said there was "a critical need for new therapies to treat sepsis, which is a devastating condition that can affect people at any stage of life without warning".

"These exciting results give us grounds for optimism that Cymerus MSCs could provide a new treatment option for these patients," Prof Curley said.

Cynata chief operating officer Dr Kilian Kelly said there was "an enormous unmet medical need associated with sepsis, which existing treatments are not capable of addressing".

"Prof Curley's results are highly encouraging, and we believe the data can support progression to a clinical trial in patients with sepsis," Dr Kelly said.

"These latest results build on our broad preclinical database across a range of commercial opportunities, including asthma, heart disease and diabetes complications, in addition to our very successful clinical trial in graft versus host disease," Dr Kelly said.

Cynata was up 13.5 cents or 13.2 percent to \$1.155.

SUDA PHARMACEUTICALS

Suda says it has a co-development deal with Ordesa Laboratories to develop an unnamed paediatric consumer product using its Oromist technology.

Suda said the Saint Boi de Llobregat, Spain-based Ordesa would fully fund a feasibility study and would pay the company an upfront option fee of \$US100,000 (\$A140,000) to use the Oromist technology's superiority of speed of onset of action and less drug being required.

The company said Ordesa may choose to expand the scope of the work or to exercise its option for a full development of the product, funded by Ordesa, on successful completion of the initial feasibility study.

Suda said intellectual property would be jointly owned but the trademark would be owned by Ordesa.

Suda fell 0.4 cents or 5.7 percent to 6.6 cents.

OPTISCAN IMAGING

Optiscan says it has appointed Biotimes Technology as a second China distributor for Shanghai and East China.

In October, Optiscan said it had appointed Guangzhou Yunxing Scientific Equipment as the distributor for China's southern and western regions (BD: Oct 16, 2019).

Today, the company said that the Hong Kong-based Biotimes has about 18 staff including 10 in its Shanghai office.

Optiscan said that East China included the major cities of Shanghai, Hangzhou, Nanjing Suzhou and Jinan.

Optiscan executive chairman Darren Lurie said that Biotimes had distributed the company's current and previous systems in China and was familiar with the Five2 Viewnivo system.

"It is able to immediately commence its sales and marketing efforts, reflected in the tender success last month," Mr Lurie said.

Optiscan was up 0.1 cents or 2.6 percent to four cents.

NEUROTECH INTERNATIONAL

Neurotech says it has a partnership with the Australian Neurofeedback Institute to access quantitative electroencephalogram services and expert analysis.

The Malta based Neurotech said the partnership would support clinicians using its Mente autism spectrum disorder product.

Neurotech was up half a cent or 35.7 percent to 1.9 cents with 19.3 million shares traded.

GENETIC SIGNATURES

Genetic Signatures extraordinary general meeting faced 31.15 percent opposition to the ratification of 15,589,040 tranche one shares from a recent placement.

Genetic Signatures said 19,608,544 votes (31.15%) were opposed to the tranche one shares, with 43,334,838 votes (68.85%) in favour.

The company said the 20,125,246 tranche two shares were approved overwhelmingly, with just 681,516 votes (1.03%) in opposition.

According to Genetic Signatures' most recent Appendix 3B, the company had 122,199,500 shares on issue, meaning the 19,608,544 votes against the tranche one shares amounted to 16.05 percent, sufficient to requisition extraordinary general meetings.

Genetic Signatures was up half a cent or 0.5 percent to \$1.06.

CRESO PHARMA

Creso says the first shipment of its Cannaqix 50 medical marijuana to the Gold Coast, Queensland-based Burleigh Heads Cannabis has arrived, and it has begun sales.

In April, Creso said it had an Australian import permit for the shipment to CDA Health subsidiary Burleigh Heads, which it expected by October 2019 (BD: Apr 30, 2019).

Today, the company said that Cannaqix 50, would be sold in Australia as a lozenge under the name Lozacan for chronic pain.

The company said Cannaqix 50 was produced by its Switzerland-based partner Domaco Dr Med Aufdermaur AG.

Creso was unchanged at 14 cents with 2.5 million shares traded.

USCOM

The British Virgin Islands-based Smart Top Overseas says it has increased its holding in Uscom from 26,323,649 shares (19.22%) to 30,823,649 shares (21.09%).

The substantial shareholder notice, signed by director Xianhui Meng, said that Smart Top bought 1,000,000 shares between August 28 and November 5, 2019 at “market price” failing to disclose the amount paid, as required under the Corporations Act 2001, and acquired 3,500,000 shares for \$350,000 or 10.0 cents a share in a share issue.

In September, Uscom said it would raise \$1,050,000 in a placement to management and major shareholders and would offer \$350,000 in shares to Mr Meng (BD: Sep 30, 2019). Uscom was untraded at 12.5 cents.

MESOBLAST

Capital Group Companies says their collective clients have reduced below the five percent substantial mark in Mesoblast.

The Los Angeles-based Capital Group said it does not own any shares in Mesoblast, but the shares were owned by clients of its subsidiaries.

Capital Group said that between October 22 and December 3, 2019 it sold 26,814,723 shares at an average of \$1.71 a share and 19,614 American depositary receipts (ADRs), equivalent to 98,070 shares, at an average of \$US6.15 (\$A8.99) an ADR.

In October Capital Group said it held 27,562,803 shares. (BD: Oct 23, 2019)

Mesoblast was up five cents or 2.8 percent to \$1.86 with 1.9 million shares traded.

RESPIRI

The Melbourne-based Investment Holdings says it has increased and been diluted in Respiri from 48,000,000 shares (17.40%) to 72,008,027 shares (12.88%).

Last month, Respiri said Investment Holdings and gambling machine operator Bruce Mathieson were increased and diluted from 71,999,999 shares (15.21%) to 72,008,027 shares (12.88%), according to two annual reports in 2018 and 2019 (BD: Nov 13, 2019).

Today, a substantial shareholder notice signed by Investment Holdings director and former Respiri chairman Ross Blair-Holt said Investment Holdings bought 23,999,999 shares in a rights issue on June 23, 2016 for \$720,000 or 3.0 cents a share.

The notice said that Blotwag Pty Ltd for the Blotwag Superannuation Fund, of which Mr Blair-Holt was a beneficiary, held 1,120,423 shares.

Respiri was unchanged at eight cents.

RACE ONCOLOGY

Race says it has appointed Prof Borje Andersson as chair of its clinical advisory board.

Race said that in lieu of cash payments, Prof Andersson would receive 840,000 options, exercisable at 18 cents each by December 5, 2024 and vesting monthly over 12 months.

The company said Prof Andersson was a professor of medicine at the Houston, Texas-based MD Anderson Cancer Centre's department of stem cell transplantation.

Race said Prof Andersson was an adjunct professor at the University of Houston College of Pharmacy, was previously a scientific and clinical consultant for the company and was the inventor of IV Busulfan for leukaemia transplant patients.

The company said Prof Andersson held a Bachelor of Medicine from Stockholm's Karolinska Institute Faculty of Medicine.

Race was up two cents or 13.3 percent to 17 cents.

IMUGENE

Imugene says it has appointed Prof Rebecca Auer to its scientific advisory board. Imugene said Prof Auer was currently an associate professor at the University of Ottawa's department of surgery, department of biochemistry, microbiology and immunology and faculty of medicine, was a clinical research chair in peri-operative cancer therapeutics for the University of Ottawa and was a surgical oncologist and scientist for the Ottawa Hospital and Ottawa Hospital Research Institute.

The company said Prof Auer was previously a chief fellow for New York's Memorial Sloan-Kettering Cancer Centre.

Imugene said Prof Auer was the chair of the Canadian Cancer Trials Group's rectal disease oncology group and member of the Canadian Society of Surgical Oncology. The company said Prof Auer held a Doctor of Medicine from the Kingston, Ontario-based Queen's University and a Master of Science from the University of Ottawa.

Imugene fell 0.3 cents or 7.7 percent to 3.6 cents with 59.9 million shares traded.