



Biotech Daily

Thursday February 27, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ACTINOGEN UP 8%; NEUREN DOWN 11%**
- * **EX-CEO MARIO GATTINO, RESPIRI IN COURT ON PAY**
- * **ZELIRA, EMERALD ENROL MARIJUANA OPIOID REDUCTION TRIAL**
- * **TBG: ZHANG YE LABS APPROVED CORONAVIRUS TESTING LAB**
- * **PALLA REVENUE UP 18% TO \$54.8m, LOSS UP 32% TO \$7.6m**
- * **MESOBLAST H1 REVENUE UP 43% TO \$29.4m, LOSS DOWN 32% TO \$46m**
- * **ELIXINOL REVENUE DOWN 16% TO \$27.2m, LOSS UP TO \$83.3m**
- * **MEDADVISOR H1 REVENUE UP 14% TO \$4.4m, LOSS UP 18% TO \$5.3m**
- * **MEDIBIO ILUMEN TO ASSESS STANTEC MENTAL HEALTH**
- * **LITTLE GREEN APPOINTS DEMECAN DISTRIBUTOR**
- * **ANTISENSE APPOINTS DR GIL PRICE US CONSULTANT**

MARKET REPORT

The Australian stock market fell 0.75 percent on Thursday February 27, 2020, with the ASX200 down 50.2 points to 6657.9 points. Eleven of the Biotech Daily Top 40 stocks were up, 21 fell, seven traded unchanged and one was untraded.

Actinogen was the best, up 0.2 cents or 7.7 percent to 2.8 cents, with 2.1 million shares traded. Compumedics climbed 6.6 percent; Antisense was up 4.9 percent; Nanosonics, Oncosil and Telix were up more than three percent; CSL and Polynovo rose more than two percent; Cynata and Kazia improved more than one percent; with Mesoblast, Resmed and Starpharma up by less than one percent.

Neuren led the falls, down 27 cents or 11.3 percent to \$2.12 with 290,317 shares traded. Uscom lost 8.2 percent; Clinuvel and Immutep fell more than seven percent; Orthocell and Proteomics were down more than six percent; Cyclopharm and Opthea shed more than five percent; Impedimed, Paradigm and Prescient fell four percent or more; Dimerix, LBT and Imugene were down more than three percent; Avita and Universal Biosensors shed more than two percent; Cochlear, Ellex, Medical Developments and Volpara were down by one percent or more; with Genetic Signatures and Pro Medicus down by less than one percent.

RESPIRI

Former Respire chief executive officer Mario Gattino says he is taking the company to court for breaching his employment contract.

Respire says it will “vigorously” defend the matter.

Mr Gattino told Biotech Daily that he was owed 20,000,000 bonus options exercisable at three cents each and \$225,000 in unpaid bonuses, along with damages and penalties. At today’s closing price of 7.0 cents the options would be worth \$800,000 to Mr Gattino. Court documents, lodged at the Federal Court on February 21, 2020, named former directors Ross Blair-Holt and Prof Bruce Thompson as co-respondents with Respire to the matter.

In an announcement to the ASX today, Respire said that “a claim for wrongful termination, including additional compensation, has been made against the company by the previous chief executive officer and managing-director Mario Gattino”.

“Details of the claim made by Mr Gattino have also been published in today’s Australian Financial Review,” the company said.

“The company refutes [sic] the amounts stated in the claim and published in the newspaper article,” Respire said.

“The company will be vigorously defending this claim and will be lodging its formal defence accordingly,” the company said.

“The directors do not consider this matter material for the company,” Respire said.

In its Appendix 4D half-year accounts Respire claimed to have “revenue” of \$2,156,423 but in its detailed information said it had “non-operating revenue” of \$1,116 and “other income”, namely its Federal Research and Development Tax Incentive, of \$2,155,307, with cash and cash equivalents at December 31, 2019 of \$1,091,381.

In its Appendix 4C for the three months to December 31, 2019, Respire said it expected a total cash outflow of \$1,211,00 for the three months to March 31, 2020.

According to the Commonwealth Courts portal, the matter of Mario Gattino versus Respire and Others has a ‘First Case Management Hearing’ set for March 17, 2020.

Respire fell 0.8 cents or 10.3 percent to seven cents.

ZELIRA THERAPEUTICS, EMERALD CLINICS

Zelira says it has enrolled eight patients its phase I dose escalation trial of whole marijuana plant extract for opioid reduction in non-cancer chronic pain patients.

Zelira said it was working with the recently ASX-listed Perth-based Emerald Clinics on the trial, undertaken by the Melbourne-based St Vincent’s Hospital, to evaluate “the safety and tolerability of whole plant extract following single and repeated doses with escalation in patients for chronic non-cancer pain patients on long-term opioid analgesia”.

The company said secondary outcomes included pharmaco-kinetics and effects on pain, mood, sleep and opioid use.

Emerald said it would provide its clinical and data platforms through a clinical trial research agreement with Zelira to accelerate completion of the trial.

Zelira said no serious adverse events had been reported to date and it expected dosing to be completed by April 2020, with a final report by mid-2020.

Zelira managing-director Dr Richard Hopkins said that full enrolment was “a major milestone for the trial”.

Emerald fell 0.75 cents or 6.25 percent to 11.25 cents.

Zelira fell 0.2 cents or 4.1 percent to 4.7 cents with 1.1 million shares traded.

TBG DIAGNOSTICS

TBG says that TBG Biotechnology Xiamen subsidiary Zhangsha Zhang Ye Medical Laboratory Corp has been approved as a 2019-vCoV coronavirus testing lab.

TBG said that following the approval by the Province of Hunan Health Competent Authority “current considerable samples from all over Hunan Province” including hospitals and corporate clients whose employees needed to be screened would be sent to Zhang Ye for analysis.

The company said it held 46.65 percent of TBG Xiamen, which held 100 percent of Zhang Ye.

TBG was untraded at 2.6 cents.

PALLA PHARMA

Palla Pharma says revenue for the year to December 31, 2019 was up 17.8 percent to \$54,843,483 with net loss after tax up 32.0 percent to \$7,639,443.

Palla said revenue included \$54,685,394 from contracts with customers from narcotic raw material (opium) and poppy seed in Australia and active pharmaceutical ingredient and finished dosage formulation in Norway, as well as \$158,089 from other income including rental income.

The company said diluted loss per share was up 1.6 percent to 8.66 cents, net tangible assets per share was constant at 43 cents and it had cash and cash equivalents of \$2,109,087 at December 31, 2019 compared to \$1,904,583 at December 31, 2018.

Palla fell three cents or 3.6 percent to 80 cents.

MESOBLAST

Mesoblast says revenue for the six months to December 31, 2019 was up 42.5 percent to \$US19,254,000 (\$A29,415,625.82) with net loss after tax down 31.8 percent to \$US30,067,000 (\$A45,935,370.39).

Mesoblast said commercialization revenue was up 72.8 percent to \$US3,841,000 from sales of Temcell in Japan by licensee JCR Pharmaceuticals, milestone revenue was up 36.4 percent to \$US15,000,000 from an upfront payment by Grünenthal for its MPC-06-ID European and Latin American strategic partnership, and interest revenue was up 45.4 percent to \$US413,000.

The company said diluted loss per share was down 35.9 percent to 5.82 US cents, net tangible assets was up 6,390 percent to negative 6.49 US cents and it had cash and cash equivalents of \$US81,348,000 at December 31, 2019 compared to \$US77,022,000 at December 31, 2018.

Mesoblast was up two cents or 0.8 percent to \$2.44 with 2.2 million shares traded.

ELIXINOL GLOBAL

Elixinol says revenue for the year to December 31, 2019 was down 16.2 percent to \$27,183,000 with net loss after tax up 9,591.0 percent to \$83,343,000.

Elixinol said revenue was from sales of its marijuana and hemp food additives, with \$24,915,000 from the Americas, down 23.1 percent, and \$2,268,000 from Europe.

The company said diluted loss per share was up 7,877.2 percent to 63.02 cents, net tangible assets was up 14.8 percent to 52.99 cents, and it had cash and cash equivalents of \$20,244,000 at December 31, 2019 compared to \$42,922,000 at December 31, 2018.

Elixinol fell one cent or 2.3 percent to 42 cents with 1.1 million shares traded.

MEDADVISOR

Medadvisor says revenue for the six months to December 31, 2019 was up 14.4 percent to \$4,442,788 with net loss after tax up 18.2 percent to \$5,326,537.

Medadvisor said it derived revenue from pharmacies from software as a service fees and transaction fees for the license of its Plusone pharmacy prescription reminder software, from pharmaceutical companies from pay per patient fees for the delivery of health programs and from patients who accessed its Medadvisor application, text message service and email services or general practitioner-related services.

The company said diluted loss per share was constant at 2.4 cents, net tangible assets per share was up 85.9 percent to 6.47 cents and it had cash and cash equivalents of \$16,257,519 at December 31, 2019 compared to \$7,376,445 at December 31, 2018.

Medadvisor climbed 5.5 cents or 13.9 percent to 45 cents.

MEDIBIO

Medibio says it will provide its mental health application Illumen to 1,500 employees of Stantec Australia in Australia and New Zealand through a 12-month contract.

Medibio said Illumen assessed the impact of mental health programs in the workplace, including early screening for symptoms of depression, anxiety and stress.

Medibio was unchanged at 0.8 cents.

LITTLE GREEN PHARMA

Little Green says it has a three-year agreement with Berlin's Demecan to distribute its cannabis oils and dried cannabis flower.

Little Green said Demecan or Deutsche Medizinalcannabis GmbH was not required to buy a minimum volume but would be able to purchase up to 1,000 kilograms of cultivated dried cannabis flower or 48,000 units of cannabis oil a year, with the first shipment this year.

Little Green said that Germany was "the largest medicinal cannabis market in the European Union with an estimated 240,000 prescriptions to the end of 2019".

Little Green was up half a cent or 1.2 percent to 41 cents.

ANTISENSE THERAPEUTICS

Antisense says it has appointed US-based internal medicine clinical physician Dr Gil Price as a consultant medical director.

Antisense said that Dr Price would engage with Duchenne muscular dystrophy key opinion leaders and advocacy groups.

The company said Dr Price was currently a board member of Rexahn Pharmaceuticals and was previously a director of Sarepta Therapeutics, which developed the first approved drug for Duchenne muscular dystrophy.

Antisense said Dr Price held a Bachelor of Science from the Rio Grande, Ohio-based University of Rio Grande and a Doctor of Medicine from the Santiago, Chile-based Santiago University.

Antisense was up 0.3 cents or 4.9 percent to 6.4 cents with 1.2 million shares traded.