



# Biotech Daily

Thursday April 2, 2020

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: RESONANCE UP 18%; ALTERITY DOWN 11%**
- \* **CSIRO BEGINS TESTING COVID-19 VACCINES**
- \* **IMPEDIMED RIGHTS FOR \$25m**
- \* **GENETIC TECHNOLOGIES \$3m US PLACEMENT**
- \* **ORTHOCELL: 'ORTHO-ATI PATIENT SYMPTOM-FREE AT 12 MONTHS'**
- \* **BARD 1, GRIFFITH UNI WORK ON CANCER DIAGNOSTICS**
- \* **RHYTHM COLORECTAL CANCER TEST 'KEY BIOMARKER' VALIDATED**
- \* **NEUREN: ISRAEL PATENT FOR TROFINETIDE**
- \* **AVITA: 9 RECELL BURNS ABSTRACTS PUBLISHED**
- \* **IDT COMPLETES MARIJUANA OIL STABILITY TESTING**
- \* **CELLMID REQUESTS CAPITAL RAISING TRADING HALT**
- \* **PARADIGM REQUESTS 'US FDA UPDATE' TRADING HALT**
- \* **AUSTRALIAN ETHICAL REDUCES TO 13.5% OF ANTISENSE**
- \* **MEDADVISOR DIRECTOR JOSH SWINNERTON REDUCES TO 6%**
- \* **TDM TAKES 23% OF SOMNOMED**
- \* **VISIONEERING: 'COVID-19 CUTS STAFF, DELAYS LAUNCHES'**
- \* **MGC 6TH MARIJUANA COVID-19 J-V SUSPENSION EXTENSION**

## MARKET REPORT

The Australian stock market fell 1.98 percent on Thursday April 2, 2020, with the ASX200 down 104.3 points to 5,154.3 points. Fourteen of the Biotech Daily Top 40 stocks were up, 21 fell, two traded unchanged and three were untraded.

Resonance was the best, up two cents or 18.2 percent to 13 cents, with 876,739 shares traded. Orthocell climbed 11.1 percent; Uscom was up 10.2 percent; Patrys and Volpara were up more than seven percent; Cyclopharm was up five percent; both LBT and Pharmaxis were up 4.8 percent; Telix and Universal Biosensors improved more than three percent; Pro Medicus rose 2.3 percent; Compumedics and Starpharma were up more than one percent; with Clinuvel and CSL up by less than one percent.

Alterity (Prana) led the falls, down 0.2 cents or 11.1 percent to 1.6 cents, with 33,894 shares traded. Avita and Immutep lost more than 10 percent; Polynovo retreated 6.9 percent; Actinogen, Antisense, Imugene and Optiscan fell more than four percent; Medical Developments, Mesoblast, Nanosonics, Neuren, Next Science, Oncosil and Prescient were down more than three percent; Cochlear, Cynata and Opthea shed more than two percent; with Amplia, Ellex and Kazia down by more than one percent.

## COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

The CSIRO says it has begun the first stage of testing potential vaccines for Covid-19. The Organisation said that testing was expected to take three months and was underway at its high-containment biosecurity facility, the Australian Animal Health Laboratory, in Geelong.

The CSIRO said that last year, to prepare for disease outbreaks, it partnered with the Coalition for Epidemic Preparedness Innovations, a group that aimed to derail epidemics by speeding up the development of vaccines.

The Organisation said that in January, CEPI engaged it to start working on the severe acute respiratory syndrome coronavirus-2 (Sars-Cov-2), which caused the Covid-19 disease.

The CSIRO said that in consultation with the World Health Organisation, CEPI had identified vaccine candidates from England's University of Oxford (UK) and the Plymouth Meeting, Pennsylvania-based Inovio Pharmaceuticals Inc to begin the first pre-clinical trials at CSIRO, with further candidates likely to follow.

CSIRO chief executive Dr Larry Marshall said that "beginning vaccine candidate testing at CSIRO is a critical milestone in the fight against Covid-19, made possible by collaboration both within Australia and across the globe".

The Organisation said it was testing the vaccine candidates for efficacy, but also evaluating the best way to give the vaccine for better protection, including an intra-muscular injection and innovative approaches like a nasal spray.

The CSIRO said that Australian Animal Health Laboratory director Prof Trevor Drew was leading its Covid-19 virus and vaccine work.

"We have been studying SARS CoV-2 since January and getting ready to test the first vaccine candidates as soon as they are available," Prof Drew said.

"We are carefully balancing operating at speed with the critical need for safety in response to this global public health emergency," Prof Drew said.

## IMPEDIMED

Impedimed says it hopes to raise up to \$24.9 million through a partly-underwritten, non-renounceable, 13-for-10 entitlement offer at 3.75 cents a share.

Impedimed said the issue price was a 23.7 percent discount to the 10-day volume weighted average price (VWAP) and a 54.5 percent discount to the 30-day VWAP.

The company said participants would receive one free unquoted option for every new share subscribed for and the retail component would have an April 6, 2020 record date, opening on April 9 and closing on April 22, 2020.

Impedimed said the \$10 million institutional component of the entitlement offer would be underwritten for \$8.0 million and the retail component would not be underwritten.

The company said the funds would be used to commercialize its heart failure application and lymphoedema application in the US, to develop and commercialize its renal failure application, for data and software enhancements, clinical trials and for general working capital.

Impedimed said that it expected to announce the results of the institutional offer would be announced tomorrow April 3, 2020.

The company said that the retail rights offer had a record day of April 6, would open on April 9 and close on April 22, 2020.

Impedimed said Canaccord Genuity Australia and Wilsons Corporate Finance would be joint lead managers to the placement and Morgans Financial would be co-manager.

Impedimed was in a trading halt and last traded at four cents.

## GENETIC TECHNOLOGIES

Genetic Technologies says it hopes to raise \$US1.8 million (\$A2,966,015) in a placement at \$US1.75 per American depositary share (ADS).

Genetic Technologies said that it had agreements with several unnamed US institutional investors for the raising.

Genetic Technologies said the purchase price was to be equivalent to 0.48 Australian cents a share, with each ADS representing 600 ordinary shares.

The company said the funds would be used to support the introduction and distribution of its new products in the US, for general product research and development, including for its polygenic risk tests with TGen in the US, to implement its consumer-initiated testing platform and for working capital.

Genetic Technologies said HC Wainwright & Co would be the placement agent.

Genetic Technologies fell 0.1 cents or 16.7 percent to 0.5 cents with 3.4 million shares traded.

## ORTHOCELL

Orthocell says a single case study has shown that its Ortho-ATI injection therapy for degenerate tendons improved pain, function, sleep, and is symptom free at 12 months.

Orthocell said the case study, published in the International Journal of Case Reports, assessed the effectiveness of Ortho-ATI on a 77-year-old male patient with chronic degenerative rotator cuff tendinopathy.

The company said that at six weeks, pain and function was improved, at eight months, the patient was sleeping normally and at 12 months, the patient was completely symptom free, had a complete range of movement and showed a structural improvement in the tendon.

Orthocell said the publication was important for validating its Ortho-ATI technology for the repair of degenerate tendons.

Orthocell managing director Paul Anderson said “the positive case study support the ongoing validation of Ortho-ATI as a minimally invasive cell therapy to treat tendons that have failed to respond to conservative treatments and adds to the growing body of published data that supports Ortho-ATI for the treatment of degenerative tendons”.

Orthocell was up three cents or 11.1 percent to 30 cents with 1.5 million shares traded.

## BARD1 LIFE SCIENCES

Bard1 says it will work with Brisbane’s Griffith University to develop its ovarian, breast and lung cancer diagnostic technology.

Bard1 said the agreement would be delivered through the Griffith University Mucosal Immunology Research Group, which had “expertise in immunoassay development for the detection of infection and quantitation of inflammatory and immune responses”.

Bard1 chief executive officer Dr Learne Hinch said the agreement would help “build additional local expertise and research capacity in readiness for our relocation to the East Coast and transfer of our development activities to Australia”.

“It provides the company with local access to additional expertise in immunoassay development and performance, biostatistical analysis and critical biospecimens for future clinical validation studies as we advance our diagnostic programs towards commercialization,” Dr Hinch said.

Bard1 was up 0.1 cents or 4.8 percent to 2.2 cents with 5.5 million shares traded.

## [RHYTHM BIOSCIENCES](#)

Rhythm says “a key lead biomarker” has been validated, stabilized and proven to be reproduceable for its Colostat colorectal cancer blood test.

Rhythm said it had shown that the biomarker, the majority contributor of the algorithm to generate a colorectal cancer risk score, could differentiate between cancerous and healthy blood samples.

Rhythm chief executive officer Glenn Gilbert said that “having progressed from previously being optimized, to now being successfully validated, stabilized and reproduceable marks a critical milestone for the company”.

“Further, we are focusing on the development and optimization of the adjunct biomarkers that will support not only the key lead biomarker but add to the overall Colostat test kit for colorectal cancer determination,” Mr Gilbert said.

Rhythm was up 4.1 cents or 74.55 percent to 9.6 cents with 4.7 million shares traded.

## [NEUREN PHARMACEUTICALS](#)

Neuren says the Israel Patent Office has granted it a patent for trofinetide for Rett syndrome, Fragile X syndrome and autism.

Neuren said the patent, entitled ‘Treatment of autism spectrum disorders using glycyL-l-2-methylprolyl-l-glutamic acid’, would protect its intellectual property until 2032, with potential for a further extension of up to five years.

The company said that patents derived from the same international patent application had been granted in the US, Europe, Japan and Australia, with applications under examination in Brazil and Canada.

Neuren fell four cents or 3.9 percent to 99.5 cents.

## [AVITA MEDICAL](#)

Avita says nine burns treatment abstracts due to be presented at the cancelled 52nd annual American Burn Association meeting, have been published online in the Journal of Burn Care and Research.

Avita provided links to the abstracts.

Avita fell 5.5 cents or 10.7 percent to 46 cents with 23.2 million shares traded.

## [IDT AUSTRALIA](#)

IDT says it has completed manufacturing and first stability testing for its marijuana oil and dried flower products.

Last December, Cann Group and IDT said the first commercial medical marijuana product had been produced at Cann Group’s Melbourne Southern cultivation facility and packed by IDT in 10 milligram bottles under current good manufacturing practice (GMP) conditions and it would undergo stability testing before expected first sales in April 2020 (BD: Dec 19, 2019).

Today, IDT chief executive officer Dr David Sparling said the company had “extracted medicinal cannabis resin under GMP conditions, packaged GMP medicinal cannabis flower-in-bottle and formulated and packaged GMP medicinal cannabis oil-in-bottle”.

IDT fell 1.5 cents or 13.0 percent to 10 cents.

### CELLMID

Cellmid has requested a trading halt “pending the release of an announcement regarding a capital raising”.

On Monday, Cellmid climbed 213.1 percent to 31 cents, on news it would distribute Guangzhou Wondfo Biotech’s antibody diagnostic test for Covid-19 (BD: Mar 30, 2020). Trading will resume on April 6, 2020 or on an earlier announcement. Cellmid last traded at 27 cents.

### PARADIGM BIOPHARMACEUTICALS

Paradigm has requested a trading halt relating to a US Food and Drug Administration update.

Paradigm said its regulatory consultants were reviewing the update. Trading will resume on April 6, 2020 or on an earlier announcement. Paradigm last traded at \$1.69.

### ANTISENSE THERAPEUTICS

Australian Ethical Investment says it has reduced its substantial shareholding in Antisense from 66,929,488 shares (14.57%) to 66,188,722 shares (13.54%).

The Sydney-based Australian Ethical said that on January 3, 2020 it bought 2,841,000 shares for \$227,280 or 8.0 cents a share and between February 19 and March 30, 2020, it sold 3,581,766 shares for \$193,205 or 5.4 cents a share.

Antisense fell 0.2 cents or 4.4 percent to 4.3 cents with 1.1 million shares traded.

### MEDADVISOR

In an announcement at 6:21pm (AEDT) last night, Medadvisor said that it welcomed “new and existing key Australian financial institutional shareholders”.

Medadvisor did not name any of the shareholders but said that co-founder and director Josh Swinnerton sold 10,000,000 shares, about four percent of his holding “in an off-market transaction”.

The company included a change of director’s interest statement and a substantial shareholder notice from Wavey Industries, signed by director Mr Swinnerton, which said Wavey had reduced its substantial shareholding from 25,008,943 shares (10.2%) to 15,008,943 shares (6.1%), selling 10,000,000 shares for \$3,300,000 or 33 cents a share.

At 7:40pm, Medadvisor issued a clarification saying that sale was “an on-market transaction and not an off-market transaction”.

According to Commsec Iress Viewpoint data, Medadvisor had a single “special sale” via the Chi-X market platform of 10,000,000 shares before the market opened at 9.54am.

Medadvisor fell half a cent or 1.2 percent to 40 cents.

### SOMNOMED

Sydney’s TDM Growth Partners says it has increased its substantial shareholding in Somnomed from 12,422,014 shares (19.97%) to 17,065,333 shares (22.79%).

TDM said that on April 1, 2020 it acquired 4,643,319 shares through Somnomed’s \$9,680,000 institutional component of its one-for-3.24 non-renounceable entitlement offer at 80 cents a share, with the shortfall placed to TDM (BD: Mar 25, 26, 2020).

Somnomed was up one cent or 0.96 percent to \$1.05.

## [VISIONEERING TECHNOLOGIES](#)

Visioneering says it has reduced its workforce by 22 of its 42 total employees to allow its current cash to fund operations until October 2020, due to the Covid-19 outbreak.

Visioneering said it had retained 11 of its 30 sales and marketing staff and would delay launches of new products, clinical projects and reduce cash salaries.

The company said that sales and shipments of its Naturalvue contact lenses to US eye care professionals were so far not affected, up 20 percent to \$US1,620,000 (\$A2,663,160) for the three months to March 31, 2020.

Visioneering chief executive officer Dr Stephen Snowdy said the company was “sad to have taken this step and will support those affected by the reduction in force the best we can”.

“However, the reduction in force leaves Visioneering better situated to weather the uncertainties related to the current capital markets and global economies, while preserving the core from which we will regrow after the pandemic,” Dr Snowdy said.

Visioneering fell 0.1 cents or 7.7 percent to 1.2 cents.

## [MGC PHARMACEUTICALS](#)

MGC has requested a sixth extension to its voluntary suspension following the trading halt requested on March 19, 2020 for a Covid-19-related joint venture.

On March 19, MGC requested a trading halt pending an announcement on “a material agreement regarding a strategic joint venture with a Swiss company in relation to Covid-19” (BD: Mar 19, 2020).

Last week, the company requested its first voluntary suspension, followed by almost daily extensions to the suspension (BD: Mar 23, 24, 25, 26, 27, 31, 2020).

Today, MGC said it expected the suspension to last until April 3, 2020.

MGC last traded at 1.7 cents.