



Biotech Daily

Monday April 20, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ALTERITY UP 10%; ACTINOGEN DOWN 13%**
- * **BIOTECH DAILY EDITORIAL: COVID-19 SPRUIKERS, PLEASE STOP**
- * **TGA APPROVES OSTEOPORE BONE VOID FILLERS**
- * **SIENNA LICENCES SUB-B2M FOR CANCER FROM ADELAIDE UNI**
- * **RECCE-327 'SIGNIFICANT' ANTI-INFLUENZA ACTIVITY IN MICE**
- * **NEUROSCIENTIFIC: MITSUBISHI TO MANUFACTURE EMTINB**
- * **RHINOMED RECEIVES \$337k R&D TAX INCENTIVE**
- * **BARD1 RECEIVES \$464k R&D TAX INCENTIVE**
- * **RE-ANALYSIS BACKS IMPEDIMED BIS FOR LYMPHOEDEMA PREVENTION**
- * **CYNATA REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **AVITA REQUESTS 'RE-ORGANIZATION' TRADING HALT**
- * **ATOMO: KELLY 13%, WALKER 10%, PERENNIAL 6%, ELLERSTON 6%**
- * **CRAIG DARBY TAKES 12% OF EMERALD CLINICS**
- * **CRESO PAYS COHEN \$409k, TAKES \$1m LIND FACILITY**
- * **ABBY MACNISH REPLACES NEUROSCIENTIFIC CO SEC THOMAS SPENCER**

MARKET REPORT

The Australian stock market fell 2.45 percent on Monday April 20, 2020, with the ASX200 down 134.5 points to 5,353.0 points. Eleven of the Biotech Daily Top 40 stocks were up, 21 fell, six traded unchanged and two were untraded. All three Big Caps fell.

Alterity was the best, up 0.2 cents or 10 percent to 2.2 cents, with 474,700 shares traded. Universal Biosensors climbed 8.1 percent; Amplia and Patrys improved more than seven percent; Oncosil was up 4.55 percent; Dimerix, Ellex, Immutep and Optiscan were up more than three percent; Clinuvel rose 2.2 percent; with Neuren up 0.3 percent.

Actinogen led the falls, down 0.3 cents or 13.0 percent to two cents, with 1.3 million shares traded. Next Science lost 10.2 percent; Uscom fell 9.6 percent; Imugene retreated eight percent; Mesoblast, Proteomics and Starpharma lost more than six percent; Cyclopharm, Impedimed and Pharmaxis fell five percent or more; Cochlear and Resonance were down four percent or more; CSL, Paradigm and Polynovo were down three percent or more; Telix shed 2.05 percent; Avita, Kazia, Opthea and Pro Medicus were down one percent or more; with Genetic Signatures, Medical Developments, Nanosonics and Resmed down by less than one percent.

[BIOTECH DAILY EDITORIAL: COVID-19 SPRUIKERS, PLEASE STOP](#)

The nonsense claims about Australian biotech companies having a molecule or anti-microbial cure for Sars-Cov-2 must stop.

If the ASX and ASIC can't, or won't, call out the misinformation, we shall.

Six weeks ago, on March 12, we saw companies making announcements to calm investors that they were not affected by the Covid-19 coronavirus, others said they had tests, diagnostics and drugs in development or were able to be used in managing patients.

We said we would not publish 130 companies saying that the Covid-19 did not affect them, but we would report companies claiming they would benefit from the pandemic and leave readers to make up their own minds on whether the claims were valid.

Biotech Daily is concerned that although *our* readers may be able to evaluate a reasonable claim or course of action, the investing/gambling public is being misled by companies bringing our sector into disrepute.

One of the first claims that we published was that Cellmid was importing Chinese Covid-19 antibody tests. The claim stacked-up, but we have no idea why the company announced it in the way that they did, through social media ahead of informing investors through the ASX. We have previously published editorials about companies trying to drum up customers with a leaked "scoop exclusive" to a tame journalist at a less than reputable publication. It's a breach of the ASX rules.

But at least Cellmid was actually importing a real test.

Some of the other claims have been preposterous. Why the ASX allows them to be made beggars belief, but we believe the ASX does not have the expertise to differentiate, nor the staff to cope with, the large number of spurious claims.

Rubbing marijuana on Sars-Cov-2 is not likely to make it go away. Yes, many compounds will kill Sars-Cov-2 in a Petri dish. Vinegar, detergent, lemon juice and alcohol will kill most things in a Petri dish. Or as one senior cancer researcher told Biotech Daily: "Putting the lid back on will, too."

It is embarrassing and distressing to see patently nonsense claims being made about a virulent disease with such a high fatality rate.

The companies we are not naming in this editorial know who they are and they should be ashamed that they are using a global pandemic, which has infected millions and killed more than 150,000 people, to bolster their share price.

We are sorely tempted to name them here, but let this be a warning: from now on we will.

You are damaging the Australian life sciences industry.

David Langsam
Editor

OSTEOPORE

Osteopore says the Australian Therapeutic Goods Administration has approved its Osteomesh, Osteoplug and Osteoplug-C cranio-facial bone void filler products. Osteopore said the products were used for the regeneration of natural bone, had “broad application in neurological and craniofacial surgery” and were already approved in the US, European Union, Singapore and China.

The company said Osteomesh was able to treat orbital floor fractures, Osteoplug was used for neurosurgical burr holes and other cranial defects, and the Osteoplug-C combined the Osteoplug function in conjunction with cerebral shunt operations. Osteopore said the products had been registered on the Australian Register of Therapeutic Goods, and were pending approval for the Prosthesis Listing, which was expected in July 2020.

The company said it would continue ongoing discussions with potential distribution partners for the products.

Osteopore chief executive officer Goh Khoon Seng said the company was “delighted to have received TGA approval for Osteoplug and Osteomesh, and this has now opened up the Australian market to Osteopore”.

“Australia is a key market for the global expansion of our business, and we are excited to be able to continue to build our revenue streams in this market,” Mr Seng said.

Osteopore was up 14.5 cents or 30.85 percent to 61.5 cents.

SIENNA DIAGNOSTICS

Sienna says it has licenced the Sub-B2M protein from the University of Adelaide and will work with the University of Adelaide and Griffith University on cancer assays.

Sienna chief executive officer Carl Stubbings told Biotech Daily that Sub-B2m was “the B subunit of Subtilase cytotoxin (SubB) produced by Shiga toxigenic [Escherichia coli and] it specifically targets and binds to Neu5gc, which are tumor biomarkers”.

The company said that SubB2M bound to “a unique sugar molecule only present in human cancers and can detect its presence in the serum of caacer patients”.

Sienna said that trials conducted using patient samples from the Melbourne-based Victorian Cancer Biobank showed that Sub-B2M could detect mid-to-late-stage cancers with 100 percent sensitivity and specificity; and could detect early-stage cancers with more than 95 percent specificity and 100 percent sensitivity.

The company said that Sub-B2M could be used to detect cancer when combined with blood sampling, immunoassays, circulating tumor cell assays and positron emission tomography (PET) imaging, and was complimentary to its blood sample preparation technology, Sien-Net.

The company said it would collaborate with the University of Adelaide and Griffith University’s Institute for Glycomics to collect the data needed to commercialize cancer screening and diagnostic assays based on Sub-B2M.

Sienna said the first stage of the collaboration would take 12 to 18 months to complete and would focus on developing a high throughput enzyme-linked immunosorbent assay (Elisa)-based blood test for cancer screening and monitoring for hospital pathology laboratories.

The company said it would concurrently develop Sub-B2M for other applications, including a circulating tumor cell capture assay and a re-agent for PET imaging.

Mr Stubbings said the technology “could radically improve how cancer is detected and diagnosed”.

Sienna was up 0.6 cents or 12.0 percent to 5.6 cents with 2.2 million shares traded.

RECCE PHARMACEUTICALS

Recce says its Recce-327 has shown “significant” anti-viral activity against the influenza A virus, in mice, compared to approved anti-viral drug, ribavirin.

Recce said that data showed a “significant dose-dependent decrease in the viral growth rate and viral load” in the lungs of mice infected with onfluenza A, a respiratory lung infection, following treatment with Recce-327 compared to the vehicle control group and the group treated with ribavirin.

The company said that four groups of 12 mice with influenza A were dosed for five days, with the two Recce-327 groups receiving doses twice daily and the ribavirin group given its optimal dose once a day.

Recce said that as dosage increased from 500mg/kg to 1,000mg/kg in the Recce-327 group, the viral count fell below the limit of quantitation on day-4 and day-6 post-infection, a 100 percent decrease at day-6 from day-1, compared to the ribavirin 7.07 percent decrease at day-6 from day-1 post infection.

The company said that the groups treated with Recce-327 “fared better in almost all circumstances than those who received the ribavirin treatment ... or vehicle control group”.

Recce regulatory affairs director Michele Dilizia said the data reinforced Recce-327’s “universal mechanism of action, seen against bacterial cells and further now, viral particles”.

“The universal mechanism of action sees continued potency against mutating bacterial cells, and it is exciting to see the potential here as well, against viral particles, which are also notorious for their mutation,” Ms Dilizia said.

Recce chairman Dr John Prendergast said that “the increasing potential to be effective against not only a board range of superbug bacteria, but viral pathogens as well, reinforces the company’s expanding infection disease capabilities and global positioning”. Recce was up 5.5 cents or 16.9 percent to 38 cents with 2.7 million shares traded.

NEUROSCIENTIFIC

Neuroscientific says it has appointed Tokyo’s Mitsubishi Corp to manufacture its Emtinb peptide for Alzheimer’s disease.

Neuroscientific said it had a manufacturing service agreement with Mitsubishi in which Mitsubishi’s Peptistar Inc would provide feasibility and analytical services for the large-scale manufacturing of Emtinb.

The company said it planned to use Emtinb in clinical programs scheduled to begin by the end of 2020.

Neuroscientific chief executive officer Matt Liddelow said that Mitsubishi and Peptistar would “add significant peptide manufacturing expertise to [Neuroscientific]’s clinical development programs and we hope this agreement will be the first step towards a long-term manufacturing partnership with Mitsubishi and Peptistar”.

Neuroscientific was up half a cent or 2.8 percent to 18.5 cents.

RHINOMED

Rhinomed says it has received \$336,733 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Rhinomed said the rebated related to expenditure for the year to June 30, 2019.

Rhinomed fell 0.6 cents or 7.4 percent to 7.5 cents.

[BARD1 LIFE SCIENCES](#)

Bard1 says it has received \$464,101 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Bard1 said the rebated related to expenditure for the year to June 30, 2019.

Bard1 was up 0.2 cents or 8.3 percent to 2.6 cents with 2.0 million shares traded.

[IMPEDIMED](#)

Impedimed says that further data and reanalysis of its Prevent trial supports the use of its Sozo bioimpedance spectroscopy technology in lymphoedema prevention.

Co-author of the re-analysis of the bioimpedance spectroscopy (BIS) trial data Prof John Boyages said that with the BIS technology “we can now detect lymphoedema when the arm still looks normal and introduce therapy perhaps up to 12 months earlier than can be detected by clinical examination”.

Impedimed said the re-analysis used the reach, effectiveness, adoption, implementation and maintenance (Re-Aim) framework to assess the sustainability of evidence-based interventions and confirm they could be implemented across a range of care settings.

Impedimed managing-director Richard Carreon said the study would “add to the growing body of evidence supporting the use of Sozo in an early intervention model of care”.

Impedimed fell 0.2 cents or five percent to 3.8 cents with 5.1 million shares traded.

[CYNATA THERAPEUTICS](#)

Cynata has requested a trading halt pending an announcement in relation to a proposed capital raising involving a placement and share purchase plan.

Trading will resume on April 22, 2020 or on an earlier announcement.

Cynata last traded at 83.5 cents.

[AVITA MEDICAL](#)

Avita has requested a trading halt “pending an announcement by the company of a proposed re-organization”.

Trading will resume on April 22, 2020 or on an earlier announcement.

Before the halt, Avita fell 0.5 cents or one percent to 49.5 cents with 1.8 million shares traded.

[ATOMO DIAGNOSTICS](#)

Atomo chief executive officer John Kelly says that with Dalraida Holdings Pty Ltd he has become a substantial shareholder with 73,530,248 shares (13.11%).

Last week, Atomo opened on the ASX following its initial public offer raising \$30 million at 20 cents a share (BD: Apr 16, 2020).

Today, the Sydney-based Mr Kelly said he was a director of Dalraida.

Atomo was up 4.5 cents or 8.65 percent to 56.5 cents with 37.3 million shares traded.

[ATOMO DIAGNOSTICS](#)

The Sydney-based Walker Group Holdings says it has become a substantial shareholder in Atomo with 58,285,720 shares (10.39%).

The Walker Group provided no details of their share acquisitions.

ATOMO DIAGNOSTICS

Perennial Value Management says it has become a substantial shareholder of Atomo with 35,937,500 shares or 6.41 percent of the company.

Sydney's Perennial said it bought the shares between March 27 and April 6, 2020 with the single largest purchase on April 6 of 17,829,254 shares for \$3,565,851 or 20 cents a share.

ATOMO DIAGNOSTICS

Ellerston Capital, also known as Primary Person, says it has become a substantial shareholder in Atomo with 34,375,000 shares or 6.13 percent of the company.

Sydney's Ellerston said it bought shares between April 3 and 9, 2020 with the single largest purchase on April 9 of 25,000,000 shares for \$5,000,000 or 20 cents a share.

EMERALD CLINICS

Craig Darby says he has increased his substantial shareholding in Emerald Clinics from 19,600,000 shares (10.66%) to 21,825,000 shares (11.87%).

The Perth-based Mr Darby said he bought shares between March 10 and 27, 2020 with the single largest purchase 2,000,000 shares for \$80,000 or four cents a share.

Emerald chairman Dr Stewart Washer told Biotech that Mr Darby was his brother-in-law and was "very supportive" of companies in which he was involved.

Dr Washer's sister, Elaine Darby, was the inaugural managing-director of Auscann. Emerald was up 1.1 cents or 15.9 percent to eight cents.

CRESO PHARMA

Creso says it will pay \$US260,000 (\$A409,225) to Asah Cohen and Cohen Propagation Nurseries in relation to their Israeli joint venture for medical marijuana.

In 2018, Creso said that through subsidiary Creso Pharma Switzerland, it would own 74 percent of the joint venture to grow marijuana for medical purposes (BD: May 16, 2018).

Last month, the company said the joint venture agreement had been terminated following a disagreement on the Cohen Group's responsibilities and entitlements, and the Cohen Group intended "to seek damages in respect of alleged breaches by Creso GmbH of its obligations under the ... agreement" (BD: Mar 3, 2020).

Today, Creso said that while the company denied the allegations, it had agreed to pay the Cohen Group "in order to procure the settlement of the dispute in a timely manner".

The company said it would pay the Cohen Group an initial payment of \$US60,000 within seven days from the judgement of the settlement and \$US60,000 within 30 days of the initial payment, and the remaining \$US140,000 in five equal monthly payments.

The company said that it would issue 5,310,954 shares to a nominee of other parties involved in the settlement, following shareholder approval, and if shareholders did not approve the arrangement it would pay \$US200,000 in cash to the nominee.

The company said that Creso GmbH would transfer all Israel joint venture shares to the Cohen Group with 30 days of the settlement judgement.

Creso said that if it does not meet the settlement payment obligations and if the breach is not remedied within 30 days, it will be required to pay \$US150,000 "as liquidated damages for the breach".

Creso fell 0.3 cents or 3.7 percent to 7.9 cents with 1.5 million shares traded.

CRESO PHARMA

Creso says it has a \$1,000,000 convertible securities agreement with Lind Global Macro Fund LP and has drawn down \$500,000 from L1 Capital Global.

Creso said that it would issue New York's Lind Global a debt security worth \$1,111,111 at a subscription price of \$1,000,000 as an unconvertible debt until shareholders approve the debt to be replaced by a convertible security and pay Lind a \$77,777 commitment fee.

The company said it would issue Lind 21,000,000 collateral shares, with 6,000,000 shares issued on or before May 15, 2020, and 15,000,000 shares subject to shareholder approval.

Creso said that subject to shareholder approval, it would issue Lind 10,752,688 options exercisable at 13.86 cents each within three years.

The company said that Sydney's Everblu Capital Pty Ltd was the lead management of the debt raising and would be paid a cash fee \$66,667 and, following shareholder approval, would be issued 833,333 shares and 833,333 options exercisable at 20 cents within three years.

Creso director Adam Blumenthal is the chairman of Everblu.

Creso said the Lind funds would be used for "liabilities and outstanding obligations" and general working capital.

In February, the company said it had a convertible note agreement with L1 Capital for up to \$17,482,500, and could request an initial \$1,750,000 advance (BD: Feb 5, 2020).

Last week, Creso said it would issue L1 Capital 10,812,526 additional collateral shares to top up the outstanding balance of collateral shares (BD: Apr 14, 2020).

Today, Creso said it had drawn down a further \$500,000 from L1 Capital and would pay lead manager Everblu Capital a cash fee \$33,334 and 111,112 shares, pending shareholder approval.

The company said that following the decline in its share price, it would issue 15,000,000 additional collateral shares to Suburban Holdings Pty Ltd, 15,000,000 additional collateral shares to L1 Capital and 2,000,000 additional collateral shares to Chifley Portfolios Pty Ltd.

Creso said the additional collateral shares would be paid for with \$87,500 of the funds from Lind.

NEUROSCIENTIFIC

Neuroscientific says it has appointed Abby Macnish as company secretary, replacing Thomas Spencer, effective from today.

Neuroscientific said Ms Macnish had more than 15 years' experience in investments and equity markets.

The company said that Ms Macnish held a Bachelor of Commerce and Bachelor of Science from the University of Western Australia.