Biotech Daily

Thursday April 9, 2020

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: MESOBLAST UP 36%; PROTEOMICS DOWN 5%**

*** CSL, SAB PARTNER FOR COVID-19; PLASMA, FINANCE UPDATE**

*** MESOBLAST TRIALS REMESTEMCEL-L FOR COVID-19 ARDS**

*** BARD1 TO ACQUIRE SIENNA**

*** KAZIA RAISES $7.2m, SHARE PLAN FOR MORE**

*** PLATINUM TAKES 12.6% OF KAZIA**

*** RECCE PHASE I SAFETY TRIAL OF RECCE-327 ANTIBIOTIC**

*** EYE CO: COVID-19 PUTS FLUDROCORTISONE STUDY ON HOLD**

*** MEDIBIO COMPLETES 4th COMPASS ILUMEN PILOT STUDY**

*** NEUROTECH REQUESTS 'ASX PRICE QUERY' TRADING HALT**

*** ESENSE-LAB EXTENDS EVERBLU $50k NOTES LOAN SUSPENSION**

*** CRYOSITE DIRECTOR ANDREW KROGER TAKES 40.2%**

*** GENETIC TECHNOLOGIES CHAIR DR MUCHNICKI, MJGD, JCM BELOW 5%**

*** PROBIOTEC CHAIR GEOFF PEARCE RETIRES**

MARKET REPORT

The Australian stock market climbed 3.46 percent on Thursday April 9, 2020, with the ASX200 up 180.4 points to 5,387.3 points. Twenty-six of the Biotech Daily Top 40 stocks were up, eight fell, five traded unchanged and one was untraded.

Mesoblast was the best, up 66.5 cents or 36.2 percent to $2.50, with 17.2 million shares traded. Neuren climbed 25.2 percent; Amplia was up 14.3 percent; Imugene improved 12.5 percent; Antisense was up 11.1 percent; Cyclopharm, Next Science, Opthea and Volpara were up more than eight percent; Avita and Medical Developments rose seven percent or more; Genetic Signatures and Orthocell climbed more than six percent; Alterity, Compumedics, CSL, Pharmaxis, Prescient, Universal Biosensors and Uscom were up more than five percent; Ellex, LBT, Pro Medicus and Resonance improved more than four percent; Cochlear and Starpharma were up three percent or more; Nanosonics rose 2.3 percent; with Polynovo up one percent.

Proteomics led the falls, down 1.5 cents or 5.2 percent to 27.5 cents, with 251,509 shares traded. Cynata fell 4.2 percent; Dimerix, Immutep, Oncosil and Telix lost more than three percent; Paradigm shed 2.15 percent; Kazia was down 1.1 percent; with Resmed down by 0.5 percent.

CSL

CSL says it has partnered with the Sioux Falls, South Dakota-based SAB Biotherapeutics to combat Covid-19 using drug candidate SAB-185.

CSL said SAB-185 was generated from SAB's Diversitab platform and produced large volumes of human polyclonal antibodies that specifically targeted severe acute respiratory syndrome coronavirus 2 (Sars-Cov-2), the virus that caused Covid-19.

The company said the partnership joined CSL Behring's protein science capabilities with SAB's novel immunotherapy platform "capable of rapidly developing and producing natural, highly-targeted, high-potency, fully human polyclonal antibodies without the need for blood plasma donations from recovered patients".

CSL said it had provided seed funding to offset some initial development costs and SAB had already secured $US7.2 million in funding through an interagency agreement with the US Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defence.

In a separate announcement, CSL said that despite difficulties collecting plasma blood donations due to the Covid-19 outbreak, it would not change its financial forecasts, profit guidance was reaffirmed and it was still on-track for revenue.

The company said to mitigate plasma collection difficulties, US Food and Drug Administration initiatives were in place to release plasma earlier in the cycle, it expected new plasma donors following the economic downturn and there was the potential to accelerate plasma collection following the Covid-19 crisis.

CSL said its Wuhan, China collection facility operations had recommenced and additional efforts had been made to continue to import supply of albumin.

CSL was up $17.06 or 5.5 percent to $329.00 with 1.3 million shares traded.

MESOBLAST

Mesoblast says it will begin a 240-patient, phase II/III trial of its mesenchymal stem cell product remestemcel-L for Covid-19-related acute respiratory distress syndrome (Ards).

Mesoblast said the trial would be a randomized, placebo-controlled, multi-centred collaboration with the Cardiothoracic Surgical Trials Network, established by the US National Institutes of Health's National Heart, Lung and Blood Institute.

Mount Sinai professor of health policy Prof Annetine Geljjns said "we are committed to evaluating whether Mesoblast's mesenchymal stem cell product candidate for Ards has the potential to make an impact on this unprecedented health crisis".

On Monday, Mesoblast said that the US Food and Drug Administration had cleared remestemcel-L for use in acute respiratory distress syndrome caused by coronavirus infection (BD: Apr 6, 2020).

Mesoblast said at that time that remestemcel-L was being developed for inflammatory conditions and was believed to counteract the inflammatory processes implicated in these diseases by down-regulating the production of pro-inflammatory cytokines, increasing production of anti-inflammatory cytokines and enabling recruitment of naturally occurring anti-inflammatory cells to involved tissues.

Today, Mesoblast chief medical officer Dr Fred Grossman said that remestemcel-L had shown safety, efficacy and significant survival benefit in acute graft versus host disease (GvHD) where inflammation was at the core, similar to Ards from Covid-19.

"The mechanism of action of remestemcel-L demonstrated in acute GVHD supports the evaluation of remestemcel-L to safely tame a similar cytokine storm in the lungs that leads to the high mortality in patients with Covid-19," Dr Grossman said.

Mesoblast was up 66.5 cents or 36.2 percent to $2.50 with 17.2 million shares traded.

BARD1 LIFE SCIENCES, SIENNA CANCER DIAGNOSTICS

Sienna and Bard1 say they have a merger agreement for Bard1 to acquire Sienna through a scheme of arrangement to combine their cancer diagnostic tests.
Sienna and Bard1 said Sienna shareholders would be offered 13 new shares in Bard1 for every five shares in Sienna, valued at 6.0 cents a share, a 119 percent premium to Sienna's one-month volume weighted average price (VWAP) of 2.7 cents a share and a 68 percent premium to its three-month VWAP of 3.6 cents a share.
The companies said the merger was subject to conditions and approvals, with reciprocal break fees of $250,000.
Sienna said it recommended that shareholders voted in favor of the merger.
Sienna and Bard1 said they expected to release an explanatory booklet in June 2020, vote at a shareholder meeting and expected to implement the merger in mid-2020.
The companies said the combined company would build a pipeline of tests including for pancreatic, ovarian, breast and bladder cancers.
Bard1 said Kidder Williams would be its financial advisor and Minter Ellison would be its legal advisor.
The Perth-based Merchant Funds Management said it became substantial in Bard1 in June 2019 with 95,440,211 shares or 7.68 percent and increased to 155,266,958 shares or 11.36 percent last year (BD: Jun 20, 2019).
Bard1 was up 0.1 cents or four percent to 2.6 cents with 30.6 million shares traded.
Sienna was up 2.9 cents or 107.4 percent to 5.6 cents with 14.8 million shares traded.

KAZIA THERAPEUTICS

Kazia says it has raised $7.2 million through a placement at 40 cents a share and has launched a share purchase plan at the same price.
On Tuesday, Kazia said an interim analysis of nine patients from its ongoing 30-patient, phase II study of paxalisib or GDC-0084 for glioblastoma showed a median overall survival of 17.7 months compared to 12.7 months associated with the existing standard of care temozolomide (BD: Apr 7, 2020).
Today, the company said the placement price was a 2.6 percent discount to the five-day volume weighted average price (VWAP) and an 8.4 percent discount to the 15-day VWAP.
Kazia said shareholders would be able to acquire up to $30,000 of shares at the same price through a share plan, subject to a $3,000 minimum, and all directors intended to participate.
The company said the share plan record date was April 7, 2020, it would open on April 20 and close on May 1, 2020.
Kazia said the funds would allow the company to deliver three to four additional value inflection points through 2020.
Kazia fell half a cent or 1.1 percent to 44 cents.

KAZIA THERAPEUTICS

Platinum Investment Management says it has increased its substantial holding in Kazia from 6,578,348 shares (9.12%) to 9,078,948 shares (12.58%).
The Sydney-based Platinum said it bought 2,500,000 shares for $1,000,000.
Earlier today, Kazia said it raised $7.2 million through a placement at 40 cents (see above).

RECCE PHARMACEUTICALS

Recce says clinical research organisation Parexel will conduct a first-in-human, 40-patient phase I trial of its Recce-327 antibiotic.
Recce said the randomized, double blind, placebo-controlled, single-ascending dose study would assess safety, tolerability, pharmaco-kinetic and pharmaco-dynamic properties of Recce-327 and was expected to dose the first patients by the end of 2020 and complete the study within 12 months
The company said Recce-327 would be administered by intravenous infusion at an independent Australian clinical trial facility.
Recce said that an unnamed “physician at a leading teaching … hospital” had self-dosed one millilitre of undiluted Recce-327 via buccal administration and “showed no observed adverse effect levels”.
The company said it would conduct a further analysis on blood samples to determine concentration levels in the blood.
Recce fell 5.5 cents or 15.1 percent to 31 cents.

EYE CO PTY LTD

Eye Co says further recruitment of its phase Ib safety study of fludrocortisone acetate for dry age-related macular degeneration is on hold due to the Covid-19 outbreak.
Eye Co said the trial was put on hold to meet Government-imposed restrictions and for the safety of patients and staff at study site Sydney Retina.
The company said the first part of the study had been completed and showed that fludrocortisone did not result in increased intraocular pressure in the human eye and no other side effects were observed.
Eye Co said the drug safety monitoring board had provided clearance for the company to proceed to the second phase of the study for a higher dose.
Eye Co is a private company.

MEDIBIO

Medibio says it has completed its fourth and final pilot study of its Ilumen mental health assessment platform with the Chertsey, England-based Compass Group.
Medibio said the pilot studies were in four divisions, including financial services, offshore and remote work and defence in the UK, and offshore and remote work in Australia, with participation rates ranging from 60 to 71 percent of the targeted workforce.
The company said it had presented the results to Compass management but did not provide the results to the ASX.
Medibio said the results were “well received and provided Compass with unique insights into employee wellbeing”, identified hours of lost productivity and an estimate of related costs, and de-identified data on a number of key mental health metrics, could be filtered by location, department and demographics.
The company said Ilumen was able to identify Compass employees at high risk and send a confidential, personalized email recommending they see a doctor, contact their employee assistance program or access other assistance.
Medibio was up 0.05 cents or 7.1 percent to 0.75 cents with 8.8 million shares traded.

NEUROTECH INTERNATIONAL

Neurotech has requested a trading halt “pending a response to a price query issued by [the] ASX today”.
Trading will resume on April 14, 2020 or on an earlier announcement.
Neurotech’s share price increased 140 percent from five cents at the close of trading on April 6, 2020 to 12 cents at the time of the halt with more than six million shared traded.

ESENSE-LAB

Esense-Lab has requested an extension to its voluntary suspension following the trading halt for a $50,000 working capital loan from Everblu Capital Pty Ltd.
Last week, Esense-Lab said it had a $50,000 loan from Everblu Capital, repayable at 0.4 cents per Chess depository interest (CDI), with one free attaching option per two CDIs exercisable at 1.0 cent each, expiring 18 months from issue (BD: Apr 3, 2020).
On Tuesday, the company requested a voluntary suspension to its trading halt, which it expected to last until April 9, 2020 (BD: Apr 7, 2020).
Today, Esense-Lab said it expected the suspension to last until April 14, 2020.
Esense-Lab last traded at 0.7 cents.

CRYOSITE

Cryosite director Andrew John Kroger says he has increased his substantial shareholding in the company from 18,765,166 shares (40.05%) to 18,840,190 shares (40.21%).
The London-based Mr Kroger said that on April 6, 2020 he acquired 75,024 shares on market at 7.4 cents a share.
Cryosite was untraded at 7.4 cents.

GENETIC TECHNOLOGIES

Genetic Technologies executive chair Dr Jerzy Muchnicki, MJGD Nominees and JGM Investment Group say they have ceased to be substantial in the company.
In October, Dr Muchnicki, MJGD and JCM said they had become substantial in Genetic Technologies with 221,352,553 shares or 5.45 percent (BD: Oct 31, 2019).
Today, the Melbourne-based Dr Muchnicki, MJGD and JCM said that they were diluted on April 2, 2020 following a $US1.8 million ($A2,966,015) placement at $US1.75 per American depositary share (ADS) (BD: Apr 2, 6, 2020).
Genetic Technologies was up 0.1 cents or 25 percent to 0.5 cents with 6.1 million shares traded.

PROBIOTEC

Probiotec says chairman Geoff Pearce will retire effective from June 30, 2020 due to “the additional workload arising from the current and unprecedented business landscape”.
Probiotec said Mr Pearce joined the board in November 2016 and it had started a search for a new director.
Probiotec fell 1.5 cents or 0.8 percent to $1.885.