



Biotech Daily

Wednesday May 27, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: CYCLOPHARM UP 10%; ALTERITY DOWN 10%**
- * **CYNATA 'PLEASED' BY \$11m BIDS FOR \$2m PLAN; TOTAL \$8.4m**
- * **GENETIC TECHNOLOGIES RAISES \$12m**
- * **CSL ROLLS OUT ADDITIONAL INFLUENZA VACCINE SUPPLIES**
- * **CYCLOPHARM: FDA APPROVAL TO FILE NDA FOR TECHNEGAS**
- * **NEUREN LOSES CHAIR DR RICHARD TREAGUS TO BTC HEALTH**
- * **SUDA: 'SPRAY INCREASES ANAGRELIDE BIOAVAILABILITY'**
- * **RECCE PLEADS SCHULTZ TO ASX 54% PRICE QUERY**
- * **RESPIRI: 65% REFUSE DIRECTOR TERMINATION BENEFITS**
- * **MEDIBIO, PARTNERS FOR HEALTH SETTLE LEGAL ACTION**
- * **GI DYNAMICS: ASX CONSENT TO DELIST**
- * **ACRUX REQUESTS 'LICENCE' TRADING HALT**
- * **CRESO REQUESTS 'CAPITAL RAISING' TRADING HALT**
- * **M&G REDUCES TO 12% OF MESOBLAST**

MARKET REPORT

The Australian stock market slipped 0.09 percent on Wednesday May 27, 2020, with the ASX200 down five points to 5,775.0 points. Eleven of the Biotech Daily Top 40 stocks were up, 24 fell and five traded unchanged. All three Big Caps fell.

Cyclopharm was the best, up 14.5 cents or 10.2 percent to \$1.565, with 52,913 shares traded. Immutep improved 9.4 percent; Actinogen climbed 5.6 percent; Neuren was up 4.5 percent; Cynata and Imugene were up more than three percent; both Optiscan and Uscom rose 2.3 percent; with Dimerix, Mesoblast and Paradigm up less than one percent.

Alterity led the falls, down 0.2 cents or 10 percent to 1.8 cents, with 3.4 million shares traded. Amplia lost 7.1 percent; CSL and Osprey were down more than six percent; Pro Medicus was down 5.9 percent; Impedimed and Opthea fell four percent or more; Nanosonics, Polynovo and Resmed were down more than three percent; Avita, Cochlear, Prescient, Proteomics, Resonance, Telix, Universal Biosensors and Volpara shed more than two percent; Clinuvel, Compumedics, Ellex, Kazia, Next Science, Orthocell and Pharmaxis were down one percent or more; with Starpharma and Medical Developments down by less than one percent.

CYNATA THERAPEUTICS

Cynata says its \$2.0 million share plan at 60 cents a share has acceptances for \$10.66 million and it has increased the plan to \$4.8 million, with the total raised \$8.35 million. In April, Cynata raised \$3.55 million in a placement at 60 cents a share a 23.3 percent discount to the 15-day volume weighted average price to the April 17, 2020 closing price (BD: April 22, 2020).

Today, Cynata chief executive officer Dr Ross Macdonald told Biotech Daily that he was “pleased” by the result.

“Obviously, we are delighted at the support for the stock,” Dr Macdonald said.

The company said that the applications would be scaled back on a pro-rata basis with applicants receiving about 44.8 percent of their applications.

Cynata said the funds would be used to accelerate product development and for working capital.

In April, the company said HC Wainwright was the lead manager to the placement in the US and Vesparum Capital was an independent capital markets advisor.

Cynata was up 2.5 cents or 3.7 percent to 69.5 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says it expects to raise \$US8 million (\$A12.05 million) through the issue of 4,000,000 American depositary shares at \$US2.00 an ADS.

Genetic Technologies said that each American depositary share (ADS) was equivalent to 600 Australia shares, making the issue equivalent to 2,400,000,000 shares at 0.5 cents a share.

The company said the funds would be used to support the introduction and distribution of new products in the US, to implement its consumer-initiated testing platform, to prepare for potential Covid-19 testing if required by government agencies and for working capital.

Genetic Technologies said it would pay HC Wainwright & Co a cash placement fee of \$US600,000 or 7.5 percent of the aggregate purchase price for ADSs sold as the sole placement agent.

Genetic Technologies fell 0.1 cents or 14.3 percent to 0.6 cents with 35.7 million shares traded.

CSL

CSL says it expects to distribute about 1,000,000 doses of its influenza vaccinations over the next three weeks. ahead of the peak influenza months.

CSL said it was manufacturing extra supplies of the vaccine and was on-track for a record number of vaccinations this year, and would supply a total of nine million vaccinations in Australia in 2020.

The company said that there was “extremely strong early demand for influenza vaccines this year, and Seqirus went back into manufacture to supply additional doses so that as many Australians as possible can access flu vaccines in 2020”.

CSL executive director of commercial operations Danielle Dowell said there was “extremely strong demand for 'flu vaccines this year”.

“It’s fantastic to see so many Australians listening to expert advice on the importance of 'flu vaccination programs,” Ms Dowell said.

CSL fell \$19.63 or 6.4 percent to \$288.00 with 2.1 million shares traded.

CYCLOPHARM

Cyclopharm says it has approval to file a US Food and Drug Administration new drug application for its Technegas lung ventilation imaging agent for pulmonary embolism. Cyclopharm said that following a 10-month review period, it expected approval by July 2021.

Cyclopharm managing director and chief executive officer James McBrayer said the company was “absolutely thrilled with the progress we are making in completing the steps to gain approval to market Technegas in the US”.

“This approval to file follows our successful lodgement in March and a full \$US2.9 million fee waiver designation in April,” Mr McBrayer said.

“Today’s notification confirms that we are on track for Technegas to be approved early next year,” Mr McBrayer said.

Cyclopharm was up 14.5 cents or 10.2 percent to \$1.565.

NEUREN PHARMACEUTICALS

Neuren says executive chairman Dr Richard Treagus will resign after seven years “to focus on his other business interests”, replaced by Jon Pilcher and Patrick Davies.

Neuren said that chief financial officer Mr Pilcher would be appointed chief executive officer and director Mr Davies would be appointed non-executive chairman.

The company said Mr Pilcher had been chief financial officer since 2013 and Mr Davies had been a non-executive director since July 2018.

Dr Treagus is the executive chair of BTC Health and told Biotech Daily that since the acquisition of the surgical supplies business from Admedus and the closing and re-opening of elective surgery due to the Covid-19 pandemic BTC Health was requiring more of his time (BD: May 31, 2019; Mar 26, May 19, 2020).

Neuren was up 7.5 cents or 4.5 percent to \$1.755.

SUDA PHARMACEUTICALS

Suda says preliminary results a study of five dogs shows that one of three mouth spray formulations increased the bioavailability of anagrelide while reducing cardiac impact. Suda said the study, conducted by the Harrogate, England-based Covance Inc, compared three mouth spray formulations against the current commercial capsule for the cardiovascular side-effects of cancer.

The company said that the formulation reduced exposure to a cardio-stimulatory metabolite, and it would continue to optimize the formulation to meet requirements as a pharmaceutical grade oral spray product before further pre-clinical testing.

Suda was unchanged at 4.3 cents.

RECCE PHARMACEUTICALS

Recce has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company’s share price rose 54.2 percent from 53.5 cents on May 20 to 82.5 cents today, May 27, and noted a “significant increase” in the trading volume.

Recce closed up 1.5 cents or 1.97 percent to 77.5 cents with 2.2 million shares traded.

RESPIRI

Respiri says more than 65 percent general meeting votes refused termination benefits to previous directors and more than 30 percent opposed director options.

Respiri said the two resolutions for termination benefits to former chairman Leon L'Huillier and former director John Ribot-de-Bresac were not carried, with 179,692,881 votes (66.96%) opposed to Mr L'Huillier's pay out and 88,681,607 votes (33.04%) in favour.

The company said that 179,648,391 votes (68.98%) opposed the benefits to Mr Ribot-de-Bresac with 80,778,835 votes (31.02%) in favor.

Respiri said that 82,500,479 votes (31.62%) were opposed to the issue of 47,500,000 options to chairman Nicholas Smedley and 60,000,000 options to chief executive officer Marjan Mikel, with 178,435,313 votes (68.38%) in favor, while 82,500,479 votes (30.50%) opposed the issue of 25,000,000 options to director Dr Thomas Duthy, with 188,028,101 votes (69.50%) in favor, but both resolutions were carried.

The company said that 10 resolutions to ratify the prior issue of shares, issue shares to Mr Smedley, Mr Mikel and Dr Duthy, issue options to senior management and change its constitution were all carried, with about four percent opposed.

According to Respiri's most recent Appendix 2A application for quotation of securities, it had 643,400,235 shares on issue, meaning that the vote against Mr L'Huillier's termination benefits amounted to 27.9 percent of Respiri, while the votes opposing director options amounted to 12.8 percent, both sufficient to requisition extraordinary general meetings. Respiri fell 0.1 cents or 1.4 percent to seven cents with 2.0 million shares traded.

MEDIBIO

Medibio says it has "a final and full settlement" with Partnerships for Health Intelligence director Prof Paul Porter over a 2017 joint venture.

In 2017, Medibio said it had a joint venture with Perth's Partnerships' director Prof Paul Porter to develop diagnostic products for paediatric mental disorders (BD: Apr 10, 2017).

In 2019, Medibio said Partnerships had claimed it had "wrongfully terminated" the joint venture agreement and it received a writ from the Supreme Court of Western Australia for unspecified damages (BD: Jun 17, 2019).

Today, Medibio said that both parties "released each other in full from all claims in relation to the dispute" without any admission of liability, but it would issue Prof Porter 15,000,000 shares at 1.0 cents a share, escrowed for six months, and 7,500,000 options exercisable at three cents a share within two years.

The company said consent orders would be filed with the Supreme Court to dismiss the proceedings and it had agreed to continue discussions to re-visit work with Prof Porter. Medibio was up 0.1 cents or 14.3 percent to 0.8 cents with 7.85 million shares traded.

GI DYNAMICS

GI Dynamics says it has consent to delist from the ASX, subject to shareholder approval.

Earlier this month, GI Dynamics said it was considering delisting from the ASX and applied to the ASX for in-principle advice (BD: May 4, 2020).

Today, the company said the ASX had set out delisting conditions, including a special resolution and the notice of meeting must include a timetable of key dates and a statement that shareholders need to sell shares before removal if they wish.

GI Dynamics said it proposed to suspend trading on July 8 and delist on July 9, 2020.

The special meeting will be held virtually on June 8, 2020 at 8am (AEST).

GI Dynamics was unchanged at 0.2 cents with 4.2 million shares traded.

ACRUX

AcruX has requested a trading halt “pending an announcement to be made regarding a licencing agreement for its generic products”.

Trading will resume on May 29, 2020 or on an earlier announcement.

AcruX last traded at 13.5 cents.

CRESO PHARMA

Creso has requested a trading halt “until the completion and announcement of the ... capital raising”.

Trading will resume on June 2, 2020 or on an earlier announcement.

Creso last traded at 6.8 cents.

MESOBLAST

M&G Investment Funds says it has reduced its substantial shareholding in Mesoblast from 70,636,115 shares (13.15%) to 70,068,935 shares (12.05%).

The London-based M&G said that it bought and sold shares between March 6 and May 25, 2020, with the single largest purchase 1,187,500 shares for \$3,800,000 or \$3.20 a share and the single largest sale 1,254,985 shares for \$4,602,529 or \$3.67 a share.

Mesoblast was up seven cents or 1.9 percent to \$3.84 with 5.5 million shares traded.