



Biotech Daily

Thursday May 28, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PARADIGM UP 12%; MESOBLAST DOWN 4%**
- * **FEDERAL \$9.5m FOR ENDOMETRIOSIS**
- * **MESOBLAST YTD REVENUE UP 113% TO \$48m, LOSS DOWN 34% TO \$68m**
- * **IMUGENE: MIMOTOPE VACCINE IDENTIFIES PD1 CANCER ANTIBODIES**
- * **CSL LEASES SWISS FACILITY TO THERMO FISHER**
- * **OSPREY: DYEVERT REDUCES CONTRAST-INDUCED KIDNEY INJURY**
- * **CRYOSITE PLEADS SCHULTZ TO ASX 57% QUERY; ASX MISSES 57%**
- * **PALLA TELLS AGM: \$1.3b EU CODEINE MARKET**
- * **G MEDICAL CLARIFIES NEWS ARTICLE: NOT ASX DELISTING**
- * **STEMCELL, TEMASEK SEAGRAPE FARMING DEAL**
- * **ESENSE, SEALARIA J-V FOR TERPENE, RED ALGAE SANITIZER**
- * **INVEX: FORREST, TATTARANG 11%; JK, TISIA 6%; MCAULIFFE BELOW 5%**
- * **MARK LICCIARDO REPLACES PALLA CO SEC JAIME PINTO**
- * **SITUATIONS VACANT: MEDICAL DEVELOPMENTS - INTERNATIONAL BDM**

MARKET REPORT

The Australian stock market was up 1.32 percent on Thursday May 28, 2020, with the ASX200 up 76.1 points to 5,851.1 points. Twenty of the Biotech Daily Top 40 stocks were up, 14 fell and six traded unchanged.

Paradigm was the best, up 31 cents or 11.6 percent to \$2.99, with 4.5 million shares traded. Both Amplia and Patrys climbed 7.7 percent; LBT and Osprey were up more than six percent; Alterity and Immutep improved more than five percent; Avita, Orthocell and Uscom were up more than four percent; Imugene was up three percent; Cochlear, Ellex, Genetic Signatures, Kazia and Telix rose more than two percent; both Opthea and Proteomics were up 1.4 percent; with Nanosonics, Next Science and Pro Medicus up by less than one percent.

Mesoblast led the falls, down 15 cents or 3.9 percent to \$3.69, with 8.4 million shares traded. Impedimed and Resmed lost more than three percent; Clinuvel, Cyclopharm, Neuren, Oncosil, Resonance and Universal Biosensors shed two percent or more; Dimerix, Medical Developments, Pharmaxis and Volpara were down more than one percent; with CSL, Polynovo and Starpharma down by less than one percent.

FEDERAL GOVERNMENT

The Federal Government says it will provide more than \$9.5 million for five innovative endometriosis research projects.

A media release from Federal Health Minister Greg Hunt said the projects would improve diagnosis and treatment of endometriosis and lead to a better understanding of its causes. The Government said it would provide \$3,929,234 to the University of Melbourne to improve diagnosis and treatment and \$1,963,118 to Melbourne's Murdoch Children's Research Institute for a longitudinal study of teenagers to identify early risk factors and educational and management strategies.

The media release said the government would provide \$1,856,540 to the University of Queensland to assess genetic variants and early life exposures and for a longitudinal endometriosis symptom study.

The Government said it would provide \$948,619 to Melbourne's Monash University for a randomized controlled study of the efficacy of a low "Fodmap" diet for gastrointestinal symptoms and \$893,981 to Geelong's Deakin University for a randomized, controlled trial comparing yoga, cognitive behavior therapy and education to improve quality of life and reduce health care costs in endometriosis.

The media release said endometriosis affected one in every 10 Australian women and girls, the average diagnosis took seven to 10 years and it could lead to severe chronic pain and compromised fertility and sexual function.

The Government said the funding was from its Medical Research Future Fund.

MESOBLAST

Mesoblast says revenue for the nine months to March 31, 2020 was up 113.2 percent to \$US31,455,000 (\$A47,498,969), with net loss after tax down 34.4 percent to \$US45,330,000 (\$A68,451,065).

Mesoblast said revenue from sales of Temcell for steroid-refractory acute graft versus host disease in Japan rose 81 percent to \$US5.9 million in royalty revenue, with milestone revenue from strategic partnerships up 127 percent to \$US25.0 million.

The company said it had cash and equivalents of \$US60.1 million at March 31, 2020 compared to \$US70.4 million at March 31, 2019 and had pro forma cash of \$US150 million, including the \$US90 million capital raise at \$3.20 a share (BD: May 13, 2020).

Mesoblast fell 15 cents or 3.9 percent to \$3.69 with 8.4 million shares traded.

IMUGENE

Imugene says a mouse study of its mimotope vaccines has identified peptides that generate antibodies binding to programmed cell death protein 1 (PD1) immune cells.

Imugene said the article, entitled 'A New Strategy Toward B Cell-Based Cancer Vaccines by Active Immunization with Mimotopes of Immune Checkpoint Inhibitors', was published in the journal *Frontiers in Immunology* and is the full article is available at:

<https://www.frontiersin.org/articles/10.3389/fimmu.2020.00895/full>.

The company said the mimotope peptides were incorporated into its immunotherapeutic vaccine delivery platform and generated the antibodies, which blocked a protective mechanism on cancer cells and allowed the immune system to destroy those cancer cells. Imugene said the results supported the B cell 'epitope' in its PD1-Vaxx, with a phase I trial planned for this year to determine safety, efficacy, tolerability, immune response and an optimal dose as a monotherapy and in combination with immune checkpoint inhibitors.

Imugene was up 0.1 cents or three percent to 3.4 cents with 27.1 million shares traded.

CSL

CSL says it will lease its Lengnau, Switzerland manufacturing facility, currently under construction, to Thermo Fisher Scientific through a long-term agreement.

CSL did not disclose the value of the contract.

The company said the agreement would have no material impact on guidance for the year to June 30, 2020 but was disclosed “due to the strategic nature of the arrangement”.

CSL said the agreement followed a strategic review to optimize the facility’s capabilities following completion in 2021.

The company said Thermo Fisher would lease and operate the facility and would be responsible for production to support CSL’s biologics portfolio and other manufacturing services, including packaging and fill-and-finish.

CSL said it had a long-standing relationship with Thermo Fisher, which previously provided third-party services.

The company said it began construction of the facility in 2015 to satisfy commercial production of three next-generation recombinant products, Afstyla, Idelvion and CSL689. CSI said CSL689 had since been discontinued and the competitive landscape of Afstyla had changed significantly.

CSL chief operating officer Paul McKenzie said the company would “be able to access a wide range of capabilities provided by a leading [pharmaceutical] services provider, and we are confident that the management of the facility and the team will be in the very best of hands”.

CSL fell 49 cents or 0.2 percent to \$287.51 with 1.8 million shares traded.

OSPREY MEDICAL

Osprey says two hospital studies show its Dyevert contrast reduction system reduces contrast-induced acute kidney injury by 83.7 percent and 57.0 percent.

Osprey said the patients were undergoing coronary angiography and were administered Dyevert, which lowered the total contrast volumes delivered to patients and lowered contrast volume relative to baseline kidney function.

The company said absolute contrast-induced acute kidney injury (CI-AKI) at St David’s South Austin Medical Centre in Texas and the Methodist Texsan Hospital in San Antonio, Texas was reduced by 10.46 percent and 6.47 percent respectively, and relative CI-AKI reduced by 83.7 percent and 57.0 percent, respectively.

Osprey said the studies provided the hospitals with cost savings of up to \$US696 (\$A1,051) per procedure and 10 and 16 patients needed-to-treat to avoid one CI-AKI event.

The St David’s South Austin Medical Centre abstract is available at:

<https://scai.confex.com/scai/2020/meetingapp.cgi/Paper/9151>; and the Methodist Texsan Hospital is at: <https://scai.confex.com/scai/2020/meetingapp.cgi/Paper/10856>.

Osprey was up 0.1 cents or 6.7 percent to 1.6 cents with 6.7 million shares traded.

CRYOSITE

Cryosite 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 56.5 percent from 11.5 cents on May 27 to 18 cents today May 28, 2020 and noted a significant increase in the trading volume.

Cryosite closed up 11.5 cents or 88.5 percent to 24.5 cents with 743,715 shares traded.

PALLA PHARMA (FORMERLY TASMANIAN POPPY INDUSTRY ENTERPRISES)

Palla has told its annual general meeting that it is targeting the \$EUR802 million (\$A1,337.1 million) codeine market, with seven acquired marketing authorizations. Palla said it hoped to sell codeine combinations in caplet and tablet form initially in the UK, including a 30mg codeine and 500mg paracetamol (30/500mg) caplet, a 30/500mg tablet and an 8/500mg tablet, with first sales expected by January 2021.

The company said it hoped to then target France and Spain in 2021.

Palla said it held marketing authorization for codeine and paracetamol, which accounted for 57 percent of the annual European market, but did not disclose the fraction of the market it expected to win.

Palla Pharma was up 1.5 cents or 1.9 percent to 79.5 cents.

G (GEVA) MEDICAL INNOVATIONS

In an announcement titled 'News article clarification' G Medical says it has no plans to delist from the ASX.

G Medical said that an article published on the 'Globes' website on April 26, 2020, titled 'Remote monitoring co G Medical again mulls Nasdaq listing' quoted managing director Dr Yacov Geva saying: "We are thinking of listing on Nasdaq and delisting in Australia."

"The US stock exchange is today looking for products in the remote medicine field," the article quoted Dr Geva saying. "We are interested in developing additional tests such as for sugar and cholesterol that can be done from home."

Today, Geva Medical said that at the time of the telephone interview on April 9 to was considering whether to delist for the ASX and list on the Nasdaq, but decided on April 12 not to proceed.

In May last year, G Medical said it hoped to raise \$US17,000,000 (\$A24,570,907) and list its American depository shares on the Nasdaq, and in August said it would withdraw its Nasdaq registration statement and pursue an Over-The-Counter Quality Exchange second board (OTCQB) listing, as the Nasdaq listing and associated capital raising, was not in the best interest of its shareholders (BD: May 20, Aug 26, 2019).

Last month, the company said it was reconsidering a listing on the Nasdaq and hired Hong Kong's Fosun Hani Securities and California's Boustead Securities to advise on a listing, targeted by September 30, 2020 (BD: Apr 14, 23, 2020).

Biotech Daily was unable to find any announcement withdrawing the statement that it was considering de-listing from the ASX.

Today, G Medical said the statement attributed to Dr Yacov Geva was accurate at the time but that "the company determined not to proceed with its proposed delisting from the ASX".

G Medical fell 0.3 cents or 4.3 percent to 6.7 cents with 9.4 million shares traded.

STEMCELL UNITED

Stemcell United says it has a two-year collaboration agreement with Singapore's Temasek Polytechnic to research the commercial farming of seagrapes.

Stemcell United executive chairman Phillip Gu said seagrapes were mainly consumed as food as well as extracts used to treat high blood pressure, rheumatism, diabetes and bacterial and fungal infections.

Stemcell was up 0.4 cents or 33.3 percent to 1.6 cents with 11.7 million shares traded.

[ESENSE-LAB](#)

Esense says it has a letter of intent with Israel's Sealaria for a joint-venture to develop products based on its "virtual cannabis" terpenes and Sealaria's gelatinized red algae. Esense said the joint-venture would initially focus on healthcare and consumer gel-based, alcohol-free, anti-viral hand sanitizer, which would infuse the plant extract terpenes "to enhance anti-viral potency and to reduce the existing high alcohol content".

The company said it would work with hospital-based dermatology key opinion leaders to examine the therapeutic effects of an ointment that infused combinations of Sealaria's algae with its anti-inflammatory and anti-proliferative terpene blends for skin disorders. Esense-Lab said it was exploring a new commercialization strategy through joint-venture agreements to research innovative, evidence-based applications of terpenes for medical, wellness, cosmetic and nutritional markets.

Esense was up 0.6 cents or 60 percent to 1.6 cents with 22.4 million shares traded.

[INVEX THERAPEUTICS](#)

Tattarang, as trustee for the Peepingee Trust and John Andrew Henry Forrest say they have increased in Invex from 5,000,000 shares (9.09%) to 7,390,057 shares (10.95%).

Last week, Invex said it raised \$26.2 million through a placement to institutional, professional and sophisticated investors at \$1.30 a share (BD: May 22, 2020).

Today, the Perth, Western Australia-based Tattarang and Mr Forrest said that they acquired 2,390,057 shares on May 28, 2020 for \$3,107,074 or \$1.30 a share.

Invex fell eight cents or 5.2 percent to \$1.45.

[INVEX THERAPEUTICS](#)

The Cottesloe, Western Australia-based JK Nominees says its 4,000,000 share-holding in Invex has been diluted from 7.27 percent to 5.92 percent.

JK Nominees director Kim Hogan said the company was diluted on May 28, 2020 in the \$26.2 million capital raising (see above).

[INVEX THERAPEUTICS](#)

The Cottesloe, Western Australia-based Tisia Nominees says its 4,000,000 share-holding in Invex has been diluted from 7.27 percent to 5.92 percent.

Tisia Nominees' director Tom Henderson said Tisia was diluted on May 28, 2020 in the \$26.2 million capital raising (see above).

[INVEX THERAPEUTICS](#)

Invex non-executive director David McAuliffe says his 3,350,001 share-holding in Invex has been diluted and he has ceased to be a substantial shareholder.

The Claremont, Western Australia-based Mr McAuliffe said that he was diluted on May 28, 2020 in the \$16.2 million capital raising (see above).

[PALLA PHARMA](#)

Palla Pharma says it has appointed Mertons Corporate Services' Mark Licciardo as company secretary, replacing Jaime Pinto, effective from today.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says it wants to appoint a non-executive director with proven international business development experience.

Medical Developments chairman David Williams told Biotech Daily that the company was looking for a director who had “taken a product from Australia to foreign markets”.

“We would prefer someone who had previously worked in business-to-business pharmaceuticals, but we are looking for an experienced operator with existing contacts and a working knowledge of hospitals in other markets,” Mr Williams said.

Suitable candidates should email their curriculum vitae to: dwilliams@kidder.com.au or telephone: +61 3 (0) 414 383 593.

Medical Developments fell 10 cents or 1.2 percent to \$8.12 with 202,525 shares traded.