



Biotech Daily

Thursday July 16, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ACTINOGEN UP 9.5%; IMMUTEP DOWN 8%**
- * **BLUECHIIP: 'LABCON UNLAWFULLY TERMINATES SUPPLY DEAL'**
- * **LBT INSTALLS FIRST UK APAS INDEPENDENCE**
- * **BIOINTELECT: 'MALARIA TAFENOQUINE KILLS SARS-COV-2, IN-VITRO'**
- * **ANTEOTECH: SARS-COV-2, INFLUENZA A, B 3-IN-1 TEST**
- * **RECCE, PATH TO STUDY RECCE 327, 529 FOR SARS-COV-2**
- * **ALTHEA FULL YEAR MARIJUANA CUSTOMER RECEIPTS \$4.6m**
- * **G MEDICAL IDTF IN 4 UNNAMED US UNIVERSITY HOSPITALS**
- * **BOD: 500-PATIENT 'OBSERVATIONAL' MARIJUANA MEDICABILIS STUDY**
- * **CRONOS PREPARES ASIA MARIJUANA LAUNCH**
- * **GENETIC TECHNOLOGIES REQUESTS 200% PRICE HIKE TRADING HALT**
- * **HERAMED REQUESTS 'COLLABORATION' TRADING HALT**
- * **AVITA: ATO CLASS RULING ON US MOVE**
- * **MASON STEVENS TAKES 5% IN PATRYS**
- * **CSL APPOINTS DR PASCAL SORIOT DIRECTOR**
- * **LEANNE RALPH REPLACES VISIONEERING CO SEC JULIAN ROCKETT**

MARKET REPORT

The Australian stock market fell 0.69 percent on Thursday July 16, 2020, with the ASX200 down 42.0 points to 6,010.9 points. Thirteen of the Biotech Daily Top 40 stocks were up, 21 fell and six traded unchanged.

Actinogen was the best, up 0.2 cents or 9.5 percent to 2.3 cents, with 5.05 million shares traded. Kazia climbed 7.6 percent; Amplia was up 6.7 percent; Antisense and Cyclopharm improved five percent or more; Oncosil and Proteomics were up more than four percent; Nova Eye (Ellex) was up 3.7 percent; Alterity, Imugene and Opthea rose more than two percent; Dimerix was up 1.5 percent; with Cochlear, Genetic Signatures and Resmed up by less than one percent.

Yesterday's 34.5 percent best, Immunetep, led the falls, down 1.5 cents or 7.7 percent to 18 cents, with 6.5 million shares traded. Optiscan, Osprey and Universal Biosensors lost six percent or more; Avita fell 5.1 percent; LBT, Polynovo and Volpara were down more than three percent; Compumedics, CSL, Mesoblast, Neuren, Next Science, Orthocell and Paradigm shed more than two percent; Clinuvel, Pharmaxis, Pro Medicus, Starpharma and Telix were down more than one percent; with Medical Developments and Nanosonics down by less than one percent.

BLUECHIIP

Bluechiip said Labcon North America intends “to terminate the [tracking] chip supply agreement ... with Bluechiip” and is seeking damages of \$US500,000 (\$A715,291). In 2018, Bluechiip said it had a three-year deal worth \$US11.6 million (\$A15.9 million) to supply its tracking chips, hardware and services to the San Francisco-based Labcon North America (BD: Aug 29, 2018).

Today, the company said it considered the supply agreement termination “unlawful” and “categorially” refuted the claim for damages.

Bluechiip said that, at Labcon’s request, it had been negotiating a possible deferral of contracted minimums in regard to the Covid-19 pandemic, but the negotiations had ceased.

The company said that under the supply agreement it was entitled to immediately recover an outstanding balance of US\$3.5 million (\$A5 million) from Labcon.

Bluechiip chief executive officer Andrew McLellan said that “the Covid-19 pandemic has had a significant impact on both Bluechiip’s and Labcon’s abilities to engage customers”. “We are very disappointed in Labcon’s decision not to perform its obligations under our agreement,” Mr McLellan said.

“Bluechiip directors have no alternative but to enforce Bluechiip’s rights under the supply agreement to the fullest extent possible,” Mr McLellan said.

“Bluechiip will now seek further sales channels, including selling direct to end-customers, and building a stronger portfolio of products,” Mr McLellan said.

“In recent months, Bluechiip has made significant progress on several fronts, including renewed activity in North America,” Mr McLellan said.

“In May a Bluechiip-enabled system was installed remotely for a customer in Chicago,” Mr McLellan said.

“A key customer trial, which was put on hold from March to June, has recommenced this week and we are scheduled to install Bluechiip systems into customers for formal evaluation throughout August.

“Last month, we also delivered a new system to China,” Mr McLellan said.

“That these activities happened during varied lock downs across the world is hugely encouraging,” Mr McLellan said.

Bluechiip said it would maintain a focus on research and development and was in a strong position with \$7.9 million in cash and cash equivalents at June 30, 2020.

Bluechiip fell 1.7 cents or 29.8 percent to four cents with 26.2 million shares traded.

LBT INNOVATIONS

LBT says it has installed the first UK automated plate assessment system (APAS) Independence at London’s Health Service Laboratory’s Halo Facility.

LBT said the APAS Independence was installed by its newly appointed European and US service provider, Oneservice AG (BD: July 13, 2020).

The company said the Health Service Laboratory would undertake a three-month clinical evaluation of the APAS technology to assess its utility and potential for integration as part of their automated culture plate workflow.

LBT chief executive officer Brent Barnes said that the “installation of the first APAS Independence in the UK represents another step forward in the commercialization of the technology in Europe”.

Mr Barnes said the simple modular design of the technology showed “how the company can continue to engage with customers whilst Covid-19 travel restrictions remain in place”.

LBT fell half a cent or 3.2 percent to 15 cents with 3.4 million shares traded.

[BIOINTELECT, 60 DEGREES PHARMACEUTICALS, 360 BIOLABS](#)

Biointelect says the anti-malarial tafenoquine is active against severe acute respiratory syndrome coronavirus-2 (Sars-Cov-2) at clinically relevant concentrations, in-vitro. Biointelect said that Washington, DC-based collaborator 60 Degrees Pharmaceuticals announced the positive results of cell culture testing of tafenoquine, marketed as Arakodaa in the US and Kodatef, in Australia, for Covid-19 and it exhibited antiviral activity against Sars-Cov-2.

The company said that tafenoquine was originally discovered by the Walter Reed Army Institute of Research more than 40 years ago and 60 Degrees was formed by Dr Geoffrey Dow, an Australian, who left the Walter Reed Institute to start his own company, bringing tafenoquine to market for malaria prophylaxis.

Biointelect said that tafenoquine received US Food and Drug Administration and Australian Therapeutic Goods Administration approval in 2018, following a four-year collaboration with Brisbane's Clinical Network Services, Perth's Linear Clinical Research and the Queensland Institute for Medical Research.

60 Degrees (Australia) director and Biointelect managing-director Jennifer Herz told Biotech Daily that 60 Degrees engaged the Melbourne-based Burnet Institute's 360 Biolabs to conduct in-vitro testing of tafenoquine for Sars-Cov-2.

Ms Herz said that the Melbourne office of Certara supported the work with physiologically-based, pharmaco-kinetic modelling, funded by the Gates Foundation.

"We have showed that tafenoquine exhibits more potent and differentiated anti-viral activity against Sars-Cov-2 than hydroxychloroquine at concentrations that are pharmacologically relevant and achievable in lung tissue at doses which have been approved by the FDA and TGA for malaria," Ms Herz said.

"Tafenoquine appears to exhibit a different mode of action than hydroxychloroquine and chloroquine, supporting potential for behaving differently in the clinical setting," Ms Herz said.

"The long terminal half-life of tafenoquine, of approximately 16 days, offers potential advantages in less frequent dosing for prophylaxis," Ms Herz said.

"From a safety perspective, tafenoquine does not have [cardiac] QT prolongation issues like some others, such as hydroxychloroquine and chloroquine," Ms Herz said.

"Based on this data, we believe that there is pharmacological plausibility and proof of hope that tafenoquine may have potential to be effective in the treatment pathway for Covid-19, and 60 Degrees is seeking financing and research partners to conduct a clinical trial," Ms Herz said.

The research article, titled 'Tafenoquine inhibits replication of SARS-Cov-2 at pharmacologically relevant concentrations in vitro' and co-written by Certara head of integrated drug development Dr Craig Rayner, is available in pre-print from at: <https://www.biorxiv.org/content/10.1101/2020.07.12.199059v1>.

Biointelect said that it had developed a draft protocol for a proof-of-concept treatment study which was intend to be submitted to the TGA and FDA in the first week of August 2020.

The company said that tafenoquine was an 8-aminoquinoline, which appeared to exhibit greater potency and a different mode of action than hydroxychloroquine, a 4-aminoquinoline, which was consistent with known differences in structure and modes of action against other organisms.

Biointelect and 60 Degrees are private companies.

[ANTEOTECH](#)

Anteotech says it is developing a single rapid test to differentiate severe acute respiratory syndrome coronavirus-2 (Sars-Cov-2) from influenza A and B.

Anteotech said that it had “successfully produced multiplexed proof-of-concept assays using an Axxin AX-2X-S lateral flow reader which [were] designed to provide high sensitivity concurrent detection of [the three viruses] in a rapid test format”.

The company said the assays used its particle conjugation diagnostic technology, Anteobind, combined with the Melbourne-based Axxin’s AX-2X-S lateral flow reader and would use the assays to develop a portable point-of-care device for swab samples which it expected to provide accurate diagnoses within 15 minutes.

Anteotech said it would optimize the tests over the next six to nine months to improve the lower limit of detection, verify and validate the design, conduct clinical studies for regulatory approvals and prepare for outsourced scaled manufacturing.

Anteotech said that it had also been working on a test designed to measure antibodies to the virus which would show whether people previously had been infected.

“As the market for antibody tests is very crowded, Anteotech has decided to pause further development of this test at its present feasibility stage and focus on further pursuing the antigen test,” the company said.

Anteotech was up 1.4 cents or 63.6 percent to 3.6 cents with 136.7 million shares traded.

[RECCE PHARMACEUTICALS](#)

Recce says it has an agreement with Path Bioanalytics Inc to study Recce-327 and Recce-529 for severe acute respiratory syndrome coronavirus 2 (Sars-Cov-2).

Recce said that researchers at the Durham, North Carolina-based Path Bioanalytics would use a laboratory-based, ex-vivo, respiratory organoid model system to evaluate Recce-327 and Recce-529 for the prevention and mitigation of Sars-Cov-2, the virus which caused the disease Covid-19.

The company said Recce-327 was a broad-spectrum synthetic antibiotic for blood infections and sepsis and Recce-529 was a new synthetic polymer formulation developed using the company’s anti-infective expertise.

Recce said it would retain all intellectual property resulting from the results and expected preliminary results in September 2020.

Recce chairman Dr John Prendergast said that “the current pandemic underscores the need for more effective treatment approaches to prevent infectious diseases”.

“Recce has received a number of expressions of interest from several universities and research organizations to collaborate on the development of potential new therapies to address the unmet needs of patients with Covid-19,” Dr Prendergast said.

Recce climbed 30.5 cents or 26.6 percent to \$1.45 with 4.4 million shares traded.

[ALTHEA GROUP HOLDINGS](#)

Althea says its customer receipts for the year to June 30, 2020 were \$4,563,000, compared to \$524,000 for the first year of operations to June 30, 2019.

Althea said that the receipts came primarily from sales of its medical marijuana products.

The company said receipts from customers for the three months to June 30, 2020 were up 2.74 percent to \$1,530,000, compared to the three months to March 31, 2020.

Althea said it had cash and cash equivalents of \$10,397,000 at June 30, 2020, providing cash for 6.18 quarters.

Althea was up half a cent or 1.4 percent to 37 cents.

G (GEVA) MEDICAL INNOVATIONS

G Medical says that four US university hospitals have implemented its independent diagnostic testing facilities (IDTF) platform for cardiac and remote monitoring.

G Medical said the diagnostic and monitoring platform was provided to the unnamed university hospitals by its subsidiary G Medical Diagnostic Services Inc.

The company said about 2,000 patients across the university hospitals had been referred to the platform, which provided a monitoring service from 24-hours to 30 days or more, and it expected to receive revenue "over the next 90 days".

G Medical was up 0.8 cents or 14.3 percent to 6.4 cents with 23.2 million shares traded.

BOD AUSTRALIA

Bod says it has started a 12-month, 500-patient observational study its Medicabilis for anxiety disorders, insomnia and post-traumatic stress disorder (PTSD).

Bod said the Australia-wide, multi-clinic, open-label study would observe the effectiveness of its medical marijuana-based Medicabilis.

The company said the study would collect data using validated methods and a US Food and Drug Administration and Australia Therapeutic Goods Administration-compliant database, to support registration for Medicabilis in the US and other countries.

Bod said it expected each patient would be prescribed Medicabilis three to four times over the course of the study, adding to the company's marijuana prescription sales pipeline.

Last year, the company said it would recruit 300-patients for a 12-month observational study of marijuana oil for PTSD patients, with patients paying to participate, with costs including a \$25 registration fee and \$491 for a 50ml bottle of the oil, which was expected to last about one month (BD: Jun 12, 2019).

Bod chief scientific officer Dr Adele Hosseini said that "one of the reasons doctors are hesitant to prescribe medicinal cannabis is because they do not feel there is sufficient high-quality evidence to support its safety and use".

Dr Hosseini said the data would provide insight into how Medicabilis was being used and build the evidence base to boost practitioner and patient confidence and trust in the drugs.

Bod was unchanged at 27 cents.

CRONOS AUSTRALIA

Cronos says it has established operations in Hong Kong and Japan and will launch its marijuana-based products in Asia.

Cronos said the cannabidiol-based personal care consumer products would be sold to customers through local distributors and electronic commerce platforms.

Cronos was up 0.3 cents or 3.9 percent to eight cents with 370,000 shares traded.

GENETIC TECHNOLOGIES

Genetic Technologies has requested a trading halt pending an announcement regarding an "ASX query in relation to price movement".

Genetic Technologies went into the trading halt after its share price climbed 200.0 percent from 0.5 cents to a high of 1.5 cents before closing up 120.0 percent at 1.1 cents.

Overnight on the Nasdaq, the company closed up \$US3.41 or 150.88 percent to \$US5.67 (\$A8.11) with 375,601,773 shares traded.

Trading will resume on July 20, 2020 or on an earlier announcement.

Genetic Technologies closed up 120 percent at 1.1 cents with 129.3 million shares traded.

HERAMED

Heramed has requested a trading halt “for the purposes of finalizing a material collaboration agreement”.

Trading will resume on July 20, 2020 or on an earlier announcement.

Heramed last traded at 8.9 cents.

AVITA THERAPEUTICS

Avita says the Australia Tax Office has issued the class ruling sought by the company in relation to its scheme of arrangement to redomicile to the US.

Last month, Avita said it had received approval for the move from its shareholders and the Federal Court of Australia and had transferred all shares to the Delaware-based Avita US (BD: Jun 15, 22, 29, 2020).

Today, the company said that Australian holders of Avita Australia securities who had transferred their holdings into Chess depository interests (CDIs) or American depository shares (ADS) in Avita US and made a capital gain could “choose full or partial scrip for scrip roll-over relief”, along with measures relating to capital gains and tax exemption. Avita fell 36 cents or 5.1 percent to \$6.70 with 782,616 shares traded.

PATRYS

Mason Stevens says it has become a substantial shareholder in Patrys with 56,239,233 shares or 5.24 percent of the company.

The Sydney-based Mason Stevens said it bought 56,969,574 shares on July 13, 2020 for \$1,298,906 or 2.3 cents a share.

Over the past two weeks, Patrys has traded in a range between 1.1 and 1.3 cents.

Biotech Daily called Mason Stevens for clarification but did not receive a reply at the time of publication.

Patrys was unchanged at 1.3 cents with 16.3 million shares traded.

CSL

CSL says it has appointed Dr Pascal Soriot as a non-executive director, effective from August 19, 2020.

CSL said Dr Soriot was currently Astrazeneca’s chief executive officer and was previously Roche pharmaceutical chief operating officer and Genentech chief executive officer.

The company said Dr Soriot held a Master of Business Administration from the Paris-based École Hautes études Commerciales (School of High Level Business Studies) and a Doctor of Veterinary Medicine from the École Nationale Vétérinaire d'Alfort in Paris.

CSL fell \$5.97 or 2.1 percent to \$281.36 with 739,435 shares traded.

VISIONEERING TECHNOLOGIES

Visioneering says it has appointed Leanne Ralph as company secretary, replacing Julian Rockett, effective immediately.

Visioneering was up 0.1 cents or 5.6 percent to 1.9 cents with 1.4 million shares traded.