



Biotech Daily

Wednesday August 19, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PRESCIENT UP 6.5%; PATRYS, UNIVERSAL BIO DOWN 8%**
- * **CSL REVENUE UP 7.2% TO \$12.6b, PROFIT UP 9.6% TO \$2.9b**
- * **BTC \$295k REVENUE, SPECIALITY UNIT \$5.8m, BTC LOSS \$283k**
- * **CANN GROUP 'OVERSUBSCRIBED' PLAN RAISES \$25.9m, TOTAL \$40.2m**
- * **IMAGION RAISES \$1.3m FROM 2018 RIGHTS OPTIONS**
- * **PHARMAXIS PLANS US PXS-5505 FOR MYELOFIBROSIS TRIAL**
- * **AROA: 'ENDOFORM ATTRACTS STEM CELLS FOR TISSUE REPAIR'**
- * **US PATENT FOR REGENEUS SYGENUS PLATFORM FOR SKIN CONDITIONS**
- * **MEDICAL DEVELOPMENTS BUYS-BACK PENTHROX FROM MUNDIPHARMA**
- * **RESPIRI, APA WHEEZO REFERRAL AGREEMENT**
- * **VOLPARA: 30% OPPOSE 405k DIRECTOR KARIN LINDGREN OPTIONS**
- * **OSTEOPORE REQUESTS 'CAPITAL RAISE' TRADING HALT**
- * **AUSTRALIAN ETHICAL REDUCES TO 6% OF PHARMAXIS**
- * **YUUWA CAPITAL DILUTED TO 26.5% OF ADALTA**
- * **TRUDELL DILUTED TO 13.4% OF ADHERIUM**
- * **PYXIS TAKES 9% OF LIFESPOT**
- * **PYC DR ROHAN HOCKINGS BACK AS CEO; PROF SUE FLETCHER CSO**
- * **MGC REQUESTS 'MORE ARTEMIC COVID-19 RESULTS' TRADING HALT**
- * **NEUROTECH REQUESTS 'PRICE QUERY, LAB RESULTS' TRADING HALT**

MARKET REPORT

The Australian stock market was up 0.72 percent on Wednesday August 19, 2020, with the ASX200 up 44.2 points to 6,167.6 points. Twelve of the Biotech Daily Top 40 stocks were up, 23 fell, four traded unchanged and one was untraded.

Prescient was the best, up 0.4 cents or 6.45 percent to 6.6 cents, with 12.4 million shares traded. CSL climbed 6.4 percent to \$312.05, with 1.8 million shares traded; Medical Developments was up 5.9 percent; Cynata and Pharmaxis were up more than four percent; Volpara rose 3.4 percent; Osprey was up 2.9 percent; Compumedics, Imugene, Nanosonics, Next Science and Pro Medicus were up more than one percent; with Kazia and Resmed up by less than one percent.

PatrYS and Universal Biosensors led the falls, both down 7.7 percent to 1.2 cents and 30 cents, respectively, with 1.6 million and 1.0 million shares traded, respectively. LBT lost 6.9 percent; Alterity, Clinuvel, Oncosil, Paradigm and Uscom fell four percent or more; Amplia, Cochlear, Dimerix, Genetic Signatures, Proteomics, Resonance and Telix were down more than three percent; Avita, Cyclopharm, Immutep, Mesoblast and Starpharma shed more than two percent; with Antisense, Neuren, Opthea and Polynovo down more than one percent.

[CSL](#)

CSL says revenue for the year to June 30, 2020 was up 7.2 percent to \$US9,150.8 million (\$A12,644.6 million) with net profit after tax up 9.6 percent to \$US2,102.5 million (\$A2,905.2 million).

CSL said that sales were up 7.1 percent in Australia, 15.7 percent in the US, 8.1 percent in Germany, 32.3 in Switzerland, fell 6.3 percent in the UK, fell 65.6 percent in China, and were up 14.2 percent in the rest of the world.

In a media release, CSL chief executive officer Paul Perreault said he was “pleased to report an exceptional result against a backdrop of complex and unexpected challenges brought about by the Covid-19 pandemic”.

Mr Perreault said the company’s immunoglobulin portfolio “performed extremely well”, primarily from Hizentra and Privigen for the chronic inflammatory demyelinating polyneuropathy (CIDP) indication.

CSL said it had recruited more than 9,500 patients in its phase III study of CSL112 for cardiovascular disease, begun a phase III trial of Haegarda for hereditary angioedema (HAE) in Japan, completed its phase II trial of Garadacimab for HAE and opened 40 plasma collection centers in the US.

The company said sales of Privigen were up 20 percent, Hizentra rose 34 percent, Idelvion was up 25 percent, Afstyla was up 21 percent, Haegarda and Kcentra sales were both up 12 percent and Zemaira sales rose 20 percent, but albumin sales fell 36 percent due to the implementation of a new business model in China.

The company said its Seqirus seasonal influenza vaccine sales were up 21 percent and it launched its Flucelvax in the European Union.

CSL said it was named in Forbes’ Best Employers for Diversity, with 27,000 employees, an eight percent increase from the previous year.

Mr Perreault said, “demand for CSL’s plasma, recombinant and vaccine products continues to be robust”.

Mr Perreault said the Covid-19 pandemic presented a challenge to the global plasma industry and was “adversely impacted in the past few months as communities respond to shelter-in-place orders, extended lockdowns and other government actions”.

“To mitigate this, we have a number of initiatives in place to sustain plasma collections,” Mr Perreault said. “It is our view that, at some point, the pandemic will recede and, with that in mind, we continue to invest in plasma collection and manufacturing facilities as well as our hallmark research and development programs”.

Mr Perreault said the company expected Seqirus to continue to perform well and deliver another strong profitable year”.

CSL said clinical trials were suspended due to the Covid-19 pandemic but had resumed. The company said that a final unfranked dividend of \$US1.07 (\$A1.48) per share, up 7.0 percent compared to the previous year, would be paid on October 9 to shareholders at the record date of September 11, 2020, following the unfranked interim dividend of 95 US cents (\$A1.31) per share paid on April 9, 2020.

The company said that its net tangible asset backing per share was up 29.8 percent from \$US7.44 to \$US9.66, with diluted earnings per share up 9.2 percent to \$US4.61.

CSL said research and development spending increased 10.8 percent to \$US921.8 million compared to the previous year and was 10.8 percent of the total revenue.

The company said it had \$US1,194.4 million in cash and cash equivalents at June 30, 2020, compared to the previous corresponding period’s \$US657.8 million.

Mr Perreault said that the net profit after tax for 2020-’21 was expected to increase up to eight percent to between \$US2,100 million and \$US2,265 million at constant currency.

CSL was up \$18.76 or 6.4 percent to \$312.05 with 1.8 million shares traded.

BTC HEALTH

BTC has reported revenue for the 12 months to June 30, 2019 of \$294,604 and a net loss after tax of \$283,036 with a sub unit reporting revenue of \$5.8 million.

In its preliminary final report, BTC said its wholly-owned speciality health unit, acquired last year from Admedus for \$6.3 million, had revenue of \$5.8 million from sales of medical devices and consumables to hospitals in Australia and New Zealand (BD: May 13, 2019). At that time, BTC executive chairman Dr Richard Treagus told Biotech Daily that the business unit had annual revenue of about \$7 million a year, increasing at 14 percent a year.

In February 2019, the then Admedus (now Anteris) said it had changed its reporting years and ascribed \$14.7 million in revenue to what it called its "infusion business" for the year to December 31, 2018 (BD: Mar 1, 2019).

Today, BTC said that the Covid-19 pandemic "had a material impact" on the expected increased revenue from the sub-unit due to cancelled surgeries in Australian and New Zealand.

Dr Treagus declined to provide a detailed profit and loss statement for the specialty health unit.

Dr Treagus said that BTC traditionally reported on a net tangible asset basis rather than a more common profit and loss basis.

In media releases to the ASX, BTC said that net cash including its investee companies was down from \$4,656,869 at June 30, 2019 to \$2,894,454 at June 30, 2020.

BTC was untraded at 9.8 cents.

CANN GROUP

Cann Group says it has raised \$25.9 million through an oversubscribed share purchase plan at 40 cents a share.

Last month, Cann Group said it had raised \$14.3 million through a placement and hoped to raise a further \$10 million through a share plan (BD: Jul 17, 2020).

Today, the company said it had increased the size of the share plan by \$15.9 million due to a strong demand from shareholders.

Cann Group said the funds would be used for working capital for its near-term growth plans and to strengthen its position in terms of securing external debt funding for the first stage of its Mildura expansion.

Cann Group fell 1.5 cents or 3.1 percent to 47.5 cents with 1.7 million shares traded.

IMAGION BIOSYSTEMS

Imagion says it has raised \$1.29 million through the exercise of unlisted options at 6.0 cents each.

Imagion said the options were part of its 2018 rights issue, which raised \$410,924 of a hoped-for \$4.3 million (BD: Sep 20, Oct 22, 2018).

Last month, Imagion said it had raised \$5 million through an oversubscribed placement at 4.5 cents a share (BD: Jul 29, 2020).

Today, the company said it had received requests to exercise 33,200 listed options expiring on April 23, 2023.

Imagion fell 0.2 cents or 2.5 percent to 7.8 cents with 26.2 million shares traded.

PHARMAXIS

Pharmaxis says the US Food and Drug Administration has approved a phase I/II clinical trial of its PXS-5505 for adults with myelofibrosis.

Pharmaxis said the FDA had completed a safety review of its investigational new drug application for the pan-lysyl oxydase (LOX) inhibitor.

The company said the open-label study would include a one-month dose escalation phase and six months of treatment for an undisclosed number of intermediate or high-risk myelofibrosis patients.

Pharmaxis said it planned to begin the study this year and complete it in 2022, and would provide details “after completing discussions with our partners and collaborators”.

Pharmaxis chief executive officer Gary Phillips said the FDA approval was “a crucial step forward ... in advancing its pan-LOX anti-cancer program which has already shown compelling evidence of efficacy in a number of pre-clinical cancer models”.

“The company is well advanced in its preparations to start this study including production of the drug product, assigning a contract research organization to manage the study and completing feasibility in a number of countries,” Mr Phillips said.

Pharmaxis rose half a cent or 4.55 percent to 11.5 cents with 17.7 million shares traded.

AROA BIOSURGERY

Aroa says a study of its Endoform sheep extracellular matrix platform for soft tissue repair has shown that it attracts stem cells to the site of tissue damage.

Aroa said the study, titled ‘A novel chemotactic factor derived from the extracellular matrix protein decorin recruits mesenchymal stromal cells in-vitro and in-vivo’ was a collaboration with the Wellington, New Zealand-based Victoria University and Germany’s Charles River Laboratories, co-authored by Aroa’s head of research and development Dr Barnaby May, and was published by the Public Library of Science One at:

<https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0235784>.

The company said the study assessed the ability of Endoform components to signal stem cells in laboratory models.

Aroa said it found that one Endoform mechanism recruited stem cells from surrounding healthy tissue to support soft tissue repair.

The company said it identified a protein component found in all tissue, which communicated with stem cells and could play a role in normal soft tissue repair.

Aroa said the protein was dubbed MayDay after the lead authors Dr Barnaby May and Victoria University senior lecturer and co-inventor Dr Darren Day.

Aroa fell half a cent or 0.4 percent to \$1.385 with 728,236 shares traded.

REGENEUS

Regeneus says the US Patent and Trademark Office has allowed a patent for its Sygenus platform for non-inflammatory skin conditions.

Regeneus said the patent, entitled ‘Pharmaceutical compositions and topical use thereof’, would protect its intellectual property until 2032.

The company said Sygenus was a fat-derived, cell-free topical serum and gel treatment for pain and inflammation, composed of selective bioactive molecules.

Regeneus said the patent covered the treatment of a broad range of non-inflammatory skin conditions with adipose, or fat, derived cell secretions, including age spots, sun spots, thinning skin, wrinkles, and other age-related degenerative diseases.

Regeneus was up 1.5 cents or 10.7 percent to 15.5 cents with 4.4 million shares traded.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says it has an in-principle agreement with Mundipharma's European network to buy-back rights to its Pentrox for pain relief.

Medical Developments said it would pay EUR3 million (\$A4.9 million) in staged instalments and a five percent royalty on sales, capped at a maximum of EUR5 million.

The company said Mundipharma had scaled back its European presence and it had appointed former Mundipharma executive Stefaan Schatteman head of its European business, to build a team from staff who had worked on the Pentrox business.

Medical Developments said it would set up a hybrid model to sell direct in some countries and use distributors in others.

Medical Developments acting chief executive officer Max Johnston said, Mundipharma had expended significant funds in the pre-marketing phase and initial market entries and had done "an excellent job on the preparing and seeding of the market".

Medical Developments said it planned a six-month handover, beginning on September 1.

Medical Developments was up 37 cents or 5.9 percent to \$6.62 with 644,128 shares traded.

RESPIRI

Respiri says it has a three-year product referral agreement with Melbourne's Australian Patients Association for its Wheezo asthma detection device.

Respiri said it would pay the Association "a small commission on device sales", following an expected October 2020 launch of the device.

Last week, the company said it had partnered with the Association for a "real-world" asthma management study (BD: Aug 12, 2020).

Respiri was unchanged at 15.5 cents with 2.2 million shares traded.

VOLPARA HEALTH TECHNOLOGIES

Volpara says 30.2 percent of votes at its annual general meeting opposed the issue of 450,000 options to director Karin Lindgren.

Volpara said 22,024,896 votes (30.2%) opposed the issue of options to Ms Lindgren, with 50,994,688 votes (69.8%) in favor.

The company said that more than 22 percent of votes opposed to an amendment to the grant of 1,350,000 options to chief commercial officer Mark Koeniguer and 450,000 options to former director Lyn Swinburne.

The company said the other resolutions to re-elect directors John Diddams, Roger Allen and Ms Lindgren, to issue options to Dr Ralph Highnam, to ratify the prior issue of shares and to approve auditor remuneration were passed overwhelmingly.

According to Volpara's most recent Appendix 2A, the company had 249,385,081 shares on offer, meaning the votes against the issue of options to Ms Lindgren amounted to 8.8 percent, sufficient to call extraordinary general meetings.

Volpara was up 4.5 cents or 3.4 percent to \$1.38 with 990,302 shares traded.

OSTEOPORE

Osteopore has requested a trading halt "pending the release of an announcement in relation to a capital raise".

Trading will resume on August 21, 2020 or on an earlier announcement.

Osteopore last traded at 61 cents.

PHARMAXIS

Australian Ethical Investment says it has reduced its substantial shareholding in Pharmaxis from 28,759,640 shares (7.30%) to 23,725,346 shares (6.00%).

The Sydney-based Australian Ethical said that it bought and sold shares between November 9, 2018 and August 17, 2020, with the single largest sale 1,428,578 shares for \$160,361 or 11.2 cents a share.

ADALTA

Yuuwa Capital says its 54,059,848 share-holding in Adalta has been diluted from 32.9 percent to 26.51 percent.

The Nedlands, Western Australia-based Yuuwa said it was diluted on August 18, 2020 in a capital raising.

Last week, Adalta said it had commitments to raise \$4 million in a placement and hoped to raise \$4.1 million in a rights offer at 10 cents a share (BD: Aug 11, 2020).

Adalta fell 1.5 cents or 13.0 percent to 10 cents with 1.3 million shares traded.

ADHERIUM

Trudell Medical says its 89,364,179 share-holding in Adherium has been diluted from 14.86 percent to 13.44 percent.

The Ontario, Canada-based Trudell said that it was diluted on August 17, 2020.

In May, Bioscience Managers Translation Fund 1 raised \$5 million for Adherium at three cents a share (BD: May 26, 2020).

Adherium was up 0.3 cents or 10 percent to 3.3 cents.

LIFESPOT HEALTH

The Perth-based Pyxis Holdings says it has increased its substantial shareholding in Lifespot from 7,500,000 shares (7.75%) to 8,600,015 shares (8.80%).

The Pyxis said it bought the shares between July 6 and August 17, 2020 with the single largest purchase 364,418 shares for \$14,228 or 3.9 cents a share.

Lifespot fell 0.1 cents or 2.8 percent to 3.5 cents.

PYC THERAPEUTICS (FORMERLY PHYLOGICA)

PYC says Dr Rohan Hockings will replace Douglas Huey as chief executive officer and has appointed Prof Sue Fletcher as chief scientific officer.

PYC said that Dr Hockings was previously the Australian managing-director with Mr Huey the US chief executive officer, reverting to US managing-director.

In February, the company said it had appointed Mr Huey as chief executive officer replacing Dr Rohan Hockings, and starting on \$US600,000 a year (BD: Feb 12, 2020).

Today, PYC said that Prof Fletcher had worked with the company since 2019 and was responsible for its lead program for retinitis pigmentosa, and had more than 25 years' experience in RNA therapeutics, including as the co-inventor of Eteplirsen for Duchenne muscular dystrophy, Vyondys-53 and Casimrsen, and was currently a research fellow at Murdoch University and a lecturer at the University of Western Australia.

PYC said Prof Fletcher held a Bachelor of Science from the University of Zimbabwe and a Doctor of Philosophy from the University of Western Australia.

PYC was up one cent or 8.3 percent to 13 cents with 3.4 million shares traded.

MGC PHARMACEUTICALS

MGC has requested a trading halt “pending the release of an announcement by the company in relation to interim results on the Artemic phase II clinical trial”.

Last month, MGC said its mouse study of Artemic for severe acute respiratory syndrome coronavirus-2 (Sars-Cov-2) showed no adverse results in standard toxicity measures (BD: Jul 27, 2020).

Earlier this month, the company said pre-clinical in-vitro laboratory tests had shown that its Artemic could be used “as an immune-modulatory agent for the treatment of Covid-19” (BD: Aug 7, 2020).

Trading will resume on August 21, 2020 or on an earlier announcement.

MGC last traded at 2.6 cents.

NEUROTECH INTERNATIONAL

Neurotech has requested a trading halt “pending its response to a price query from [the] ASX and the results of the laboratory testing of its cannabis strains”.

Trading will resume on August 21, 2020 or on an earlier announcement.

Neurotech last traded at 1.6 cents.