



Biotech Daily

Tuesday November 10, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PRESCIENT UP 7%; GENETIC SIGNATURES DOWN 10%**
- * **PROBIOTEC \$52.5m MULTIPACK LJM ACQUISITION**
- * **VICTORIA \$50k FOR KYNETYKA DVT DIAGNOSTIC**
- * **TGA APPROVES ATOMO HIV PROFESSIONAL TEST**
- * **TGA APPROVES OPTISCAN CONVIVO MICROSCOPE**
- * **IMMUTEP: 5 COMPLETE RESPONSES IN TACTI-002 CANCER STUDY**
- * **ANTERIS: DURAVR AORTIC VALVE ANTI-CALCIFICATION**
- * **RECCE: RECCE-327 'ENCOURAGING INHIBITION' OF SARS-COV-2**
- * **AUSCANN TO SELL CHILE J-V DAYACANN FOR \$2.1m**
- * **AVITA: AGM 47% OPPOSE EXECUTIVE COMPENSATION**
- * **LITTLE GREEN, HEALTH INSURANCE FUND PARTNER FOR MARIJUANA**
- * **ANTISENSE REQUESTS 'ORPHAN DRUG, CAPITAL RAISING' HALT**
- * **MEDADVISOR EXTENDS 'CAPITAL RAISING, ACQUISITION' SUSPENSION**
- * **ELIXINOL PLEADS SCHULTZ TO ASX 61% PRICE QUERY**
- * **GRAND DECADE (CHINA GRAND) TAKES 7.6% OF TELIX**
- * **MAYNE TO LOSE CHAIR ROGER CORBETT, POKIES BRUCE MATHIESON**
- * **PYC LOSES US OPERATIONS HEAD DOUGLAS HUEY**

MARKET REPORT

The Australian stock market was up 0.66 percent on Tuesday November 10, 2020, with the ASX200 up 41.7 points to 6,340.5 points. Thirteen of the Biotech Daily Top 40 stocks were up, 18 fell, seven traded unchanged and two were untraded. All three Big Caps fell.

Prescient was the best, up 0.4 cents or 6.9 percent to 6.2 cents, with 3.2 million shares traded. Nanosonics and Osprey climbed more than four percent; Medical Developments and Optiscan were up more than three percent; Clinuvel, Next Science and Orthocell rose more than two percent; Compumedics was up 1.1 percent; with Neuren, Opthea, Paradigm and Volpara up by less than one percent.

Genetic Signatures led the falls, down 19 cents or 9.8 percent to \$1.75, with 377,709 shares traded. Mesoblast and Starpharma lost more than seven percent; Immutep shed 6.8 percent; Dimerix and Oncosil were down more than five percent; LBT and Pro Medicus fell four percent or more; Alterity, Cynata and Resonance were down more than three percent; Impedimed and Kazia shed more than two percent; Avita, Nova Eye, Pharmaxis, Polynovo and Telix were down more than one percent; with Cochlear, CSL and Resmed down by less than one percent.

[PROBIOTEC](#)

Probiotec says it will acquire Sydney-based contract packing company Multipack-LJM for \$52.5 million.

Probiotec said it would pay \$31.4 million in cash, \$7 million in shares and \$13.1 million in deferred consideration to acquire Multipack's 30,000 square metres (322,917 square feet; 7.4 acres) of warehouse capacity in both Sydney and Melbourne and clean room and cold-pack services.

The company said the deferred consideration would be subject to earnings before interest, tax, depreciation and amortization performance hurdles and would be payable in two instalments at 12 and 24 months.

Probiotec said the vendors would be entitled to earn-outs payable over the first two years and the founders Adam Rawson and Jean Pascal Marcel would join its executive team.

The company said the acquisition would provide packing operations of an expected \$100 million, manufacturing and rounded-out packing services and would allow the company to consolidate its operations and assets for cost savings.

Probiotec chief executive officer Wes Stringer said the acquisition was "the next step" in the company's evolution and would "give us significant critical mass and access to an amazing spread of global clients to offer our wide range of manufacturing and packing services".

Probiotec said it expected to complete the acquisition at the end of December 2020.

Probiotec was up 27.5 cents or 15.9 percent to \$2.00 with 501,880 shares traded.

[VICTORIA GOVERNMENT, KYNETYKA TECHNOLOGIES PTY LTD](#)

Kynetyka says it has \$50,000 in support from the Victoria Government Medical Device Partnering Program to develop and test its DVTect deep vein thrombosis diagnostic.

Kynetyka director Craig Newton said the diagnostic was being developed in collaboration with Melbourne's Swinburne University and the support package included the technical refinement of the DVTect hardware and software by Swinburne research engineers, followed by a proof-of-concept clinical study in patients with deep vein thrombosis (DVT).

Kynetyka's Director Xenia Sango said that Swinburne's product design and engineering capability was "world-class".

"Swinburne's expertise will assist Kynetyka in our quest to develop a unique medical device that will enable the rapid and early screening of DVTs, potentially helping to save lives lost to pulmonary embolism," Ms Sango said.

Kynetyka said the device was designed to detect abnormalities of the calf muscle as a predictor of deep vein thrombosis, based on an analysis of oscillo-metric waveforms generated in the calf muscle.

The company said the device comprised an accelerometer attached to the calf, with the waveforms sent to a linked device for analysis by proprietary software.

Swinburne clinical technologies and neuroscience senior lecturer Dr David Sly said that with Dr Adin Tan and Stuart Favilla from the University's Centre for Design Innovation "our aim is to optimize the data capture system, including selection and integration of appropriate sensors, and to update the data analysis software".

"The outcome will be a fully-functional, user-friendly prototype ready for proof-of-concept testing in the clinic," Dr Sly said.

Kynetyka said the Medical Device Partnering Program was supported by the State Government's Launchvic program and the DVTect development project was expected to run until mid-2021.

Kynetyka is a private company.

ATOMO DIAGNOSTICS

Atomo says the Australian Therapeutic Goods Administration has approved its rapid diagnostic professional test for human immunodeficiency virus (HIV).

Atomo said the test was for use by medical professionals in point-of-care settings and detected the presence of HIV antibodies in blood in 15 minutes.

In 2018, the company said the TGA approved the self-test version (BD: Dec 4, 2018).

Atomo fell one cent or 2.9 percent to 33 cents with 5.2 million shares traded.

OPTISCAN IMAGING

Optiscan says that Carl Zeiss Meditec AG has Australian Therapeutic Goods Administration approval for its co-developed Convivo confocal microscope.

Optiscan said it also had approval for its Sterile Sheath barrier between the Convivo probe and the tissue of the brain, and both would be able to be used in Australian neurosurgery.

The company said Convivo was approved in the US and Europe (BD: Nov 7, 2018).

Optiscan was up 0.3 cents or 3.1 percent to 10 cents.

IMMUTEP

Immutep says five patients had complete responses in interim data from its phase II Tacti-002 study of eftilagimod alpha, or IMP321, with Keytruda for cancers.

In August, Immutep said it had completed dosing of 23 patients in stage one of part B of its phase II study for first and second line non-small cell lung cancer (NSCLC) and second line head and neck squamous cell carcinoma (HNSCC) (BD: Aug 18, 2020).

Today, the company said the study had treated 36 first-line NSCLC patients in part A of the study, 23 second-line NSCLC patients in stage one of part B, with 13 patients yet to be recruited in stage two, and part C had treated 18 second-line HNSCC patients in stage one and 17 of 19 patients in stage two.

Immutep said two first-line lung cancer patients and three second line head and neck cancer patients had complete responses, with all lesions gone, with a partial response in 19 patients, stable disease in 21 patients and progressive disease in 33 patients.

Immutep said the objective response rate was 36.1 percent in part A of the study, 4.4 percent in part B and 35.7 percent in part C and there was encouraging efficacy for low programmed death-ligand 1 expressing patients, who did not typically respond to therapy.

The company said the data monitoring committee recommended stage two of part B open.

Immutep said it expected to report further data by July 2021.

Immutep fell two cents or 6.8 percent to 27.5 cents with 7.5 million shares traded.

ANTERIS TECHNOLOGIES (FORMERLY ADMEDUS)

Anteris says a 48-rat comparison study shows that its Duravr, three-dimensional, single-piece aortic valve had superior anti-calcification to competitors.

In May, the then Admedus said it had begun the study to compare its Adapt treatment anti-calcification properties for cow and pig heart valve substitutes (BD: May 19, 2020).

Today, the company said juvenile rats were implanted with four samples of Adapt-treated and Medtronic amino oleic acid (AOA)-treated tissues and were compared to a control over four months or half of the study length.

Anteris said interim results showed that Adapt-treated tissue had 40 percent less calcium concentration compared to the AOA arms of the study.

Anteris was unchanged at \$3.66.

RECCE PHARMACEUTICALS

Recce says preliminary results from an in-vitro screening assay of Recce-327 for severe acute respiratory syndrome coronavirus-2 has found “encouraging inhibition”.

In July, Recce said the Commonwealth Scientific and Industrial Research Organisation and Melbourne’s Doherty Institute had accepted its Recce-327 for a Sars-Cov-2 screening program (BD: Jul 8, 20, 2020).

Today, the company said screening of “anti-infective”, Recce-327, previously described as a “synthetic polymer antibiotic”, had identified a half maximal inhibitory concentration of 109.7 parts per million (ppm), which was used as a measure of potency and of how much of the drug was needed to inhibit a viral infection by 50 percent (BD: Feb 2, 2016).

Recce said preliminary indications of potential toxicity were observed in the two highest concentrations of 4,000ppm and 2,000ppm.

The company said further testing must be completed before Recce-327 could be confirmed as active against the virus and it expected to begin confirmatory in-vitro testing and a toxicity study in near weeks, expected to take some months.

Recce said that US ferret studies of Recce-327 for Sars-Cov-2 were expected to report this year.

Recce was up 13.5 cents or 14.2 percent to \$1.085 with 1.2 million shares traded.

AUSCANN GROUP HOLDINGS

Auscann says will sell its 50 percent interest in its Chilean joint venture, Dayacann, for \$US1.5 million (\$A2.1 million) to Growforchile and Telor International.

Auscann said the agreement included the transfer of its loan to Growforchile and it would receive a \$US200,000 upfront payment and further payments of \$US1.3 million.

The company said \$US100,000 would be payable on the second payment date, which would be the later of either January 5, 2021 or two days from the date the adjustment amount would be determined.

Auscann said \$US500,000 would be payable one year and two years from the December 28, 2020 execution date.

Auscann fell half a cent or 3.6 percent to 13.5 cents with 2.5 million shares traded.

AVITA THERAPEUTICS

Avita says it faced 46.9 percent dissent to a non-binding advisory note to approve the compensation of named executive officers.

Avita said there were 4,289,735 votes (46.9%) opposed to the compensation, with 4,619,013 votes (50.5%) in favor.

The company said that the 33.3 percent increase in directors’ fees pool to \$US600,000 was opposed by 23.29 percent of meeting votes, the omnibus incentive plan faced 16.35 percent opposition, with eight resolutions attracting about 10 percent opposition and the balance passed easily.

Biotech Daily believes the company has the equivalent of 108,116,435 Chess depository interests on issue, meaning the 4,289,735 votes opposed to compensation amounted to 3.97 percent, not sufficient to call extraordinary general meetings.

Biotech Daily attempted to contact the company in the US to clarify the votes as a percentage of all shares and Chess depository instruments (CDIs) on issue but had not received a response at the time of publication.

Avita fell 11 cents or 1.8 percent to \$6.10 with 773,184 shares traded.

LITTLE GREEN PHARMA

Little Green Pharma says it has a strategic partnership with the Health Insurance Fund of Australia to provide subsidized marijuana.

Little Green said the agreement was for between 18 months and two years, depending on the length of a study to advance the understanding of the role of marijuana in improving quality of life.

The company said consideration by the Health Insurance Fund was not material and all conditions had been satisfied.

Little Green fell 2.5 cents or six percent to 39 cents.

ANTISENSE THERAPEUTICS

Antisense has requested a trading halt pending an announcement related to "European orphan drug designation application and of a capital raising".

Trading will resume on November 12, 2020 or on an earlier announcement.

Antisense last traded at 11.5 cents.

MEDADVISOR

Medadvisor has requested a further extension to its suspension to follow a trading halt for a \$45 million capital raising and acquisition of Adheris Health (BD: Nov 2, 2020).

Last week, Medadvisor requested a voluntary suspension to complete its capital raising due to "the Melbourne Cup public holiday in Victoria and the presidential election of the United States of America" (BD: Nov 6, 2020).

Trading will resume on November 12, 2020 or on an earlier announcement.

Medadvisor last traded at 40 cents.

ELIXINOL GLOBAL

Elixinol 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 60.7 percent from 14 cents on November 5, 2020 to 22.5 cents on November 9 and noted a significant increase in the trading volume.

In its most recent ASX price query, in January, the ASX said Elixinol's share price fell 19.6 percent from \$1.43 to \$1.15 (BD: Jan 21, 2020).

Elixinol fell 3.5 cents or 15.9 percent to 18.5 cents with 23.8 million shares traded.

TELIX PHARMACEUTICALS

Grand Decade Developments says it has become a substantial shareholder in Telix with 20,947,181 shares or 7.6 percent of the company.

The British Virgin Islands and Hong Kong-based Grand Decade said that it acquired the shares on November 5, 2020 for \$US25,000,000 (\$A34,349,625) or \$US1.19 a share.

The substantial shareholder notice said holders China Grand, Hu Kaijun and Chau Tung held interests in Grand Decade.

Last week Telix said it had an exclusive up-to \$US315 million (\$A450 million) plus royalties 10-year partnership with China Grand Pharmaceutical and Healthcare Holdings, which would make a \$US25 million investment in Telix through a private placement at \$1.69 a share for 7.62 percent of the company (BD: Nov 2, 2020).

Telix fell three cents or 1.2 percent to \$2.42 with 580,850 shares traded.

MAYNE PHARMA GROUP

Mayne says chairman Roger Corbett and non-executive director Bruce Mathieson will step down within the next twelve months, to be replaced by US directors.

Mayne said Mr Corbett planned to stand for re-election at its annual general meeting this year but would be replaced by a US-based chairman and the company would appoint an Australian-based deputy chairman.

The company said non-executive directors Frank Codella, Pat Blake and Prof Bruce Robinson were US-based.

Mayne fell half a cent or 1.5 percent to 32 cents with 2.7 million shares traded.

PYC THERAPEUTICS

In an Appendix 3Z final director's interest announcement, PYC said that its US head of operations Douglas Huey has retired.

In February, PYC said it had appointed Mr Huey as chief executive officer, replacing Dr Rohan Hockings who would continue as a director and chief strategy officer, and in August, the company said Mr Hockings would replace Mr Huey, who would continue as the head of its US operations (BD: Feb 12, Aug 19, 2020).

PYC was unchanged at 17 cents with 2.1 million shares traded.