



# Biotech Daily

Monday November 16, 2020

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: ALTERITY UP 27%; LBT DOWN 8%**
- \* **CSL \$800m FOR INFLUENZA VACCINE MANUFACTURING FACILITY**
- \* **AUSCANN TO ACQUIRE CANNPAL FOR \$17.5m**
- \* **ELIXINOL PLACEMENT RAISES \$8.2m, SHARE PLAN FOR \$2m MORE**
- \* **ANATARA SHARE PLAN RAISES \$1.4m, SCALE-BACK; TOTAL \$3m**
- \* **IMPEDIMED SELLS 25 MORE SOZOS TO NSW HEALTH**
- \* **ALTERITY US PATENT FOR NEURODEGENERATIVE DISEASES**
- \* **NOVA EYE SUB-STUDY: 'POSITIVE 2RT IMPACT ON RETINA FUNCTION'**
- \* **ALTHEA: \$4.9m EARTH KISSES SKY, ELECTRIC BRANDS DEALS**
- \* **FACTOR EXTENDS LONGMILE VET TALKS, SEEKS ASX ADVICE**
- \* **NEUROSCIENTIFIC COMPLETES \$2.4m ALPHASWISS PLACEMENT**
- \* **POLYNOVO AGM 50% REMUNERATION 1<sup>st</sup> STRIKE**
- \* **J&J BANDY BELOW 5% IN NEUROTECH**
- \* **JALAVER BELOW 5% IN NEUROTECH**
- \* **POLYNOVO LOSES DIRECTORS MAX JOHNSTON, PHILIP POWELL**
- \* **COGSTATE EXECUTIVES JOIN DAVOS ALZHEIMER'S COLLABORATIVE**

## MARKET REPORT

The Australian stock market climbed 1.23 percent on Monday November 16, 2020, when the ASX paused the market at 10.24am, with the ASX200 up 79.1 points to 6,484.3 points. Twenty-five of the Biotech Daily Top 40 stocks were up, six fell, six traded unchanged and three were untraded. All three Big Caps were up. The ASX said a software issue relating to single-order multiple trades led to inaccurate data. Chi-X trades were unaffected.

Alterity was the best, up 0.7 cents or 26.9 percent to 3.3 cents, with 49.0 million shares traded. Kazia climbed 19.7 percent; Imugene improved 8.75 percent; Antisense, Optiscan and Orthocell were up five percent or more; Osprey was up 4.55 percent; Impedimed was up 3.2 percent; Amplia, Avita, Oncosil, Pharmaxis and Volpara rose two percent or more; Compumedics, CSL, Dimerix, Genetic Signatures, Immutep, Medical Developments, Mesoblast, Next Science, Paradigm and Prescient were up one percent or more; with Clinuvel, Cochlear, Cynata, Nanosonics and Resmed up by less than one percent.

LBT led the falls, down one cent or 7.7 percent to 12 cents, with 243,222 shares traded. Polynovo, Proteomics and Starpharma shed more than two percent; with Neuren and Pro Medicus down by less than one percent.

## [CSL, FEDERAL GOVERNMENT, VICTORIA GOVERNMENT](#)

CSL says wholly-owned subsidiary Seqirus will invest \$800 million to construct a Melbourne-based biotechnology manufacturing facility to supply influenza vaccines. CSL said the facility would be built at the Melbourne Airport Business Park and would use cell-based technology for faster production of influenza vaccines for seasonal influenza and able to scale-up for future influenza pandemics.

The company said the facility would manufacture Seqirus' adjuvant MF59, added to some vaccines to improve immune response and to reduce the amount of antigen needed.

A media release from Victoria Premier Daniel Andrews said the State Government had helped to secure the construction of what would be "the only cell-based influenza vaccine manufacturing facility in the Southern Hemisphere" to help protect Australia against future influenza pandemic threats.

The Government said the project would create more than 1,000 jobs and would generate export contracts and ongoing support worth \$300 million for hundreds of organizations.

The media release said the facility would also produce anti-venoms for Australian snakes, spiders and marine creatures and a Q-fever vaccine.

CSL said that the Victoria Government would contribute an unspecified amount to the facility and the Federal Government had agreed to a 10-year supply of the products.

CSL said construction was expected to start in 2021 and operations were expected to begin by mid-2026.

CSL was up \$5.48 or 1.8 percent to \$314.94 with 85,049 shares traded.

## [AUSCANN GROUP HOLDINGS, CANNPAL ANIMAL THERAPEUTICS](#)

Auscann and Cannpal say they have entered into a scheme of arrangement for Auscann to acquire Cannpal and form a combined entity.

Auscann and Cannpal said Cannpal shareholders would be offered 1.3 Auscann shares for every Cannpal share, valuing each Cannpal share at 18.4 cents a share or \$17.5 million for the company.

In media releases the two companies said the scheme would not be subject to financing but would be subject to exclusivity arrangements and provisions for payment of \$150,000 reciprocal break fees in certain circumstances, court approval, regulatory approval and Cannpal shareholder approval.

Auscann and Cannpal said the offer was at a 47.2 percent premium to Cannpal's last closing price of 12.5 cents a share and a 54.0 percent premium to its one-week volume weighted average price of 11.95 cents a share.

The companies said they expected the transaction to expand their product portfolio to two products on market and two products expected to be launched within 12 months.

Auscann and Cannpal said they expected the acquisition to expand their geographical footprint in the US, Australia, the Middle East and Asia, Germany and other key markets, to expand its leadership team and to attract strategic and institutional investors.

The companies said Cannpal's board had recommended that shareholders vote in favor of the acquisition and its largest shareholder with 19.88 percent, Merchant Opportunities Fund, had agreed to escrow all Auscann shares for 12 months on implementation of the scheme, and expected to implement the scheme in March 2021.

Auscann said Kidder Williams was its financial advisor, with Minter Ellison legal adviser.

Cannpal said it had appointed Steinepreis Paganin as its legal counsel and KPMG would prepare an independent expert's report.

Auscann was untraded at 14 cents.

Cannpal was untraded at 12.5 cents.

### ELIXINOL GLOBAL

Elixinol says it has raised \$8.2 million through a placement and hopes to raise a further \$2 million through a share purchase plan at 17 cents a share.

Elixinol said the placement and plan share price was an 8.1 percent discount to the last closing price of 18.5 cents and a 17.7 percent discount to the 10-day volume weighted average price of 20.6 cents a share.

The company said shareholders could apply for up to \$30,000 in shares under the plan and the size of the plan could be increased or scaled back depending on demand.

Elixinol said the record date was November 13, the share plan would open on November 20 and close on December 11, 2020.

The company said the funds would be used to support its growth strategy.

Elixinol said Bell Potter Securities and MST Financial Services were joint lead managers to the placement.

Elixinol was untraded at 18.5 cents.

### ANATARA LIFESCIENCES

Anatara says its share plan for \$750,000 had applications for \$2,069,500 and was scaled back to \$1.4 million taking the total raised with the placement to \$3.07 million.

Last month, Anatara said it had commitments to raise \$1.67 million through a placement at 15 cents a share and hoped to raise a further \$750,000 through a share plan at 15 cents a share, an 80 percent of the five-day volume weighted average price to November 18, 2020 (BD: Oct 21, 2020).

Today, the company said the applications would be scaled back on a pro-rata basis.

Anatara was untraded at 18 cents.

### IMPEDIMED

Impedimed says it has sold 25 additional Sozo devices to New South Wales Health to expand its lymphoedema prevention program for cancer patients.

Impedimed said New South Wales Health had purchased more than 45 devices to date and operated more than 230 public hospitals in eight local districts around Sydney.

The company said the lymphoedema program used the company's test, trigger and treat protocol for early detection and intervention, which used its Sozo device with bioimpedance spectroscopy (BIS) technology.

Impedimed was up 0.3 cents or 3.2 percent to 9.6 cents with 1.2 million shares traded.

### ALTERITY THERAPEUTICS

Alterity says the US Patent and Trademark Office has allowed a patent relating to its neuro-degenerative disease portfolio, including for ATH434.

Alterity said the patent, entitled 'Compounds for and Methods of Treating Diseases' would protect its intellectual property until March 2040.

The company said the patent covered more than 150 pharmaceutical compositions designed to redistribute labile iron, implicated in Parkinson's disease, Alzheimer's disease and other neurodegenerative conditions.

Alterity was up 0.7 cents or 26.9 percent to 3.3 cents with 49.0 million shares traded.

### [NOVA EYE MEDICAL \(FORMERLY ELLEX MEDICAL LASERS\)](#)

Nova Eye says a 50-patient sub-study by subsidiary Alpharet has found that its retinal rejuvenation therapy (2RT) laser could “positively impact the function of the retina”. In 2018, Nova Eye said its three-year, 292-patient, randomized, multi-centre, ‘laser intervention in age-related macular degeneration’ (Lead) trial missed its primary endpoint and last year, said a four-year follow-up of 183 patients showed that its 2RT laser had a “rejuvenating” impact on the retina (BD: Sep 21, 2018, Jul 8, 2019).

Last month, the company said it had established a subsidiary company, Alpharet Pty Ltd, to support the commercial development of its 2RT nano-pulse ophthalmic laser therapy (BD: Oct 26, 2020).

Today, Nova Eye said the sub-study, conducted at the Centre for Eye Research Australia and published in *Clinical and Experimental Ophthalmology*, showed that 2RT “positively impacts the function of retinal pigment epithelium and the photo-receptors, key structures that support the health of the retina”.

The company said it found a statistically significant improvement in retinal function in the central region ( $p = 0.005$ ) and middle region ( $p = 0.006$ ) of the retina at 36 months compared to a placebo laser treatment.

Nova Eye said the positive effect was observed from 24 months onwards and improved further at 36 months.

The full study, titled ‘Multi-focal electro-retinogram response following sub-threshold nano-second laser intervention in age-related macular degeneration’ was published in *Clinical and Experimental Ophthalmology* on July 9, 2020 and is available at:

<https://onlinelibrary.wiley.com/doi/10.1111/ceo.13823>.

Nova Eye was unchanged at 34.5 cents.

### [ALTHEA GROUP HOLDINGS](#)

Althea says its Canadian subsidiary Peak Processing Solutions has agreements worth \$CA4.65 million (\$A4.86 million) with Earth Kisses Sky and Electric Brands.

Althea said it had a licence agreement with Earth Kisses Sky to manufacture two topical products, which included an order of 150,000 units in the first year.

The company said production was expected to commence immediately.

Althea said it also had a manufacturing and distribution agreement with marijuana start-up company Electric Brands, founded by former Coca Cola Canada and Canopy Growth executives, to develop global marijuana-infused beverages.

Althea was up 4.5 cents or 10.3 percent to 48 cents.

### [FACTOR THERAPEUTICS](#)

Factor says it has extended its non-binding, term-sheet agreement with Longmile Veterinary until December 31, 2020 and is seeking in principle advice from the ASX.

In July, Factor said it had a term sheet agreement with the Rockville, Maryland-based Longmile Veterinary PET Imaging, a subsidiary of Brain Bioscience, to acquire veterinary products and technology, and provided 120 days of exclusivity to complete due diligence and negotiate (BD: Jul 24, 2020).

Today, the company said it was seeking advice from the ASX on relevant Listing Rule matters to determine any fundamental hurdles to its ASX listing application and advice remained pending.

Factor was in a suspension and last traded at half a cent.

### NEUROSCIENTIFIC BIOPHARMACEUTICALS

Neuroscientific says it has completed the \$2.4 million placement to Geneva's Alphaswiss Partners and has allocated unlisted options to Westcar Capital.

Last week, Neuroscientific said it had commitments from Alphaswiss to raise \$2.4 million through a placement at 28 cents a share, with Westcar Capital acting as the lead manager and would receive a six percent fee and 1,600,000 unlisted options, exercisable at 45 cents within two years (BD: Nov 11, 2020).

Neuroscientific was up half a cent or 1.6 percent to 32 cents.

### POLYNOVO

Polynovo says it recorded a remuneration report first strike with 114,614,250 voted (49.70%) supporting the report but 116,010,142 votes (50.30%) against.

Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 any company sustaining a vote of 25 percent or more against the remuneration report in two successive annual meetings is required to vote on a board spill and, if passed by more than 50 percent of votes, the directors must stand for reelection at a subsequent meeting within 90 days.

Polynovo said that all other annual general meeting resolutions were passed, with 9.85 percent opposition to the employee option scheme, while the increase on the pool of directors' fees passed with 97.92 percent support, and directors Dr David McQuillan, Dr Robyn Elliott and Christine Emmanuel were elected overwhelmingly.

Polynovo's 2020 annual report said that the company had 661,088,044 shares on issue, meaning that the votes against the remuneration report amounted to 17.6 percent of the company, sufficient to requisition extraordinary general meetings.

Polynovo fell eight cents or 2.6 percent to \$2.96 with 682,962 shares traded.

### NEUROTECH INTERNATIONAL

J&J Bandy Nominees says it has ceased to be a substantial shareholder in Neurotech.

The Gwelup, Western Australia-based J&J said that between May 4 and June 10, 2020, it sold 674,167 shares for \$5,393 or 0.8 cents a share and on November 13, 2020 was diluted in the \$2.5 million placement at 2.2 cents a share (BD: Nov 2, 2020).

Neurotech was unchanged at three cents with 1.1 million shares traded.

### NEUROTECH INTERNATIONAL

The Dalkeith, Western Australia-based Jalaver says it has ceased to be a substantial shareholder in Neurotech.

Jalaver said that it bought and sold shares between July 3 and 8, 2020 and was diluted on November 12, 2020 in the \$2.5 million placement at 2.2 cents a share (see above).

### POLYNOVO

In two Appendix 3Z final director's interest notices, Polynovo disclosed that Max Johnston and Philip Powell have departed as directors.

## COGSTATE

Cogstate says four of its executives have joined the five-year Davos Alzheimer's Collaborative coalition.

Cogstate said chief executive officer Brad O'Connor, chief innovation officer Paul Maruff, chief scientific officer Chris Edgar and head of healthcare and research Tanya O'Connor had joined the initiative, which was a \$300 million plan to drive scientific, business, policy and financial coordination for Alzheimer's disease preparedness.

The company said the initiative was convened by the Global CEO Initiative on Alzheimer's Disease and the World Economic Forum.

Cogstate fell half a cent or 0.5 percent to 96 cents.