



Biotech Daily

Thursday March 11, 2021

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: IMUGENE UP 10%; RESONANCE DOWN 5%**
- * **RESAPP AT-HOME COVID-19 COUGH STUDY**
- * **BIOTRON: 3 LEAD COMPOUNDS FOR SARS-COV-2**
- * **AUSBIOTECH: COVID-19 DELAYS BRISBANE CONFERENCE; 2021 VIRTUAL**
- * **INCANNEX, MONASH IHL-216A MARIJUANA RAT CONCUSSION STUDY**
- * **EPSILON TETRA, ASTRID PHYSICAL MARIJUANA CLINICS**
- * **LITTLE GREEN MARIJUANA OIL FOR FRENCH TRIAL**
- * **CANN COMPLETES SATIPHARM ACQUISITION**
- * **WA COURT OKAYS AUSCANN-CANNPAL MERGER**
- * **CRYOSITE 4.7m SHARE BUY-BACK FACILITY**
- * **RACE CSO DR DANIEL TILLET TAKES 9.7%**

MARKET REPORT

The Australian stock market was flat on Thursday March 11, 2021, with the ASX200 down 0.2 points to 6,713.9 points. Eighteen of the Biotech Daily Top 40 stocks were up, 14 fell and eight traded unchanged. All three Big Caps were up.

Imugene was the best, up one cent or 10 percent to 11 cents, with 33.5 million shares traded. Actinogen climbed 9.1 percent; Prescient was up 7.1 percent; Proteomics and Volpara improved more than six percent; Immutep, Starpharma and Telix were up four percent or more; Alterity was up 3.2 percent; Avita, Clinuvel, Kazia, Opthea, Patrys and Polynovo rose more than two percent; Medical Developments, Oncosil and Resmed were up more than one percent; with CSL, Cochlear and Mesoblast up by less than one percent.

Resonance led the falls, down one cent or 5.4 percent to 17.5 cents, with 826,392 shares traded. Dimerix lost 3.9 percent; Antisense, Compumedics, LBT and Pharmaxis shed more than two percent; Cyclopharm, Genetic Signatures, Nanosonics, Next Science, Orthocell and Paradigm were down one percent or more; with Neuren and Pro Medicus down by less than one percent.

RESAPP HEALTH

Resapp says it has hired New York's Phosphorus for an up-to 1,500 subject study to develop a smartphone-based algorithm analyzing cough sounds to detect Covid-19. Resapp said the algorithm would be based its Resappdx respiratory diagnostic software which recorded and analyzed cough sounds to identify possible lower respiratory tract illness in children and adults.

The company said the US study would be conducted with subjects in their own homes. Resapp said the study would "explore [the] relationship between cough sounds and Covid-19" by recording subjects' cough sounds on a smartphone with an at-home saliva-based polymerase chain reaction (PCR) pathology test as a reference.

The company said that Phosphorus would supply the tests and it expected the data collection to take up-to two months with patient recruitment to begin by April.

Resapp managing-director Dr Tony Keating said that the effects of Covid-19 were expected to continue into the foreseeable future and development of the smartphone-based screening test would become a useful tool in health systems and more broadly.

Dr Keating said that Phosphorus supporting the study would help gather the US data "needed to develop robust and accurate algorithms, in particular when combined with our large existing dataset of patients with non-Covid-19 lower respiratory tract illnesses".

He said that the at-home setting would provide symptomatic and asymptomatic patients, "an important factor in Covid-19 as it is both highly contagious and has considerably variability in its impact on patients".

"Once developed, we anticipate that the algorithm, easily deployed on a smartphone, to have wide application, in particular in the mass screening of individuals," Dr Keating said. "[Combined] with our Resappdx product, we may be able to identify Covid-19 patients that are facing a more rapid disease progression, allowing them to seek further telehealth treatment or urgent care review ... [and] reduce the burden on healthcare," he said. Resapp was up 0.1 cents or 1.75 percent to 5.8 cents with 4.3 million shares traded.

BIOTRON

Biotron says it has identified three compounds which inhibit severe acute respiratory syndrome-coronavirus-2 (Sars-Cov-2) replication in in-vitro virus infection models.

Last year, Biotron said 15 of 47 compounds for cellular toxicity screened by Melbourne's 360 Biolabs in cell culture studies showed antiviral activity against Sars-Cov-2 and hoped to progress to animal testing and clinical trials for Covid-19 (BD: Sep 7, 2020).

Today, the company said the top three compounds were assessed for virus replication inhibition in three different cell culture models of Sars-Cov-2 virus infection at the La Jolla, California-based Scripps Research Institute.

Biotron said the three compounds performed as well as Remdesivir, an approved Covid-19 drug, in two of the infection models.

The company said the compounds were progressing through preliminary safety studies as well as bioavailability studies in mice, and would later be tested in an animal model of Covid-19 which reflected "the diverse presentation of this disease".

Biotron said it expected to complete the studies "in mid-2021".

Biotron managing-director Dr Michelle Miller said that "the identification of this potential lead series of compounds is a positive step for Biotron as we work towards new ways to treat this disease".

"The results underscore the versatility of Biotron's approach to designing and developing drugs to target serious virus infections," Dr Miller said.

Biotron was up 1.1 cents or 16.7 percent to 7.7 cents with 9.9 million shares traded.

AUSBIOTECH

Ausbiotech says its planned October Brisbane conference will be “predominantly virtual”, with the Brisbane event postponed to 2023, due to the Covid-19 pandemic.

Ausbiotech said that “due to the ongoing public health response and pandemic-related border closures nationally and internationally, the backing for Ausbiotech 2021 as a Brisbane-based event has shifted to support the planned in-person event in October 2023 instead”.

The industry organization said that the 2021 conference would be “predominantly virtual ... with some face-to-face components as restrictions allow”.

Ausbiotech chief executive officer Lorraine Chiroiu said “this is a good outcome to ensure that Ausbiotech, as always, offers opportunities to continue connecting the pipeline, providing access to local and global thought-leaders, with certainty, to celebrate the sector and facilitate its global development”.

The Ausbiotech national conference is scheduled for October 25 to 29, 2021.

INCANNEX HEALTHCARE

Incannex says it has partnered with the Monash Trauma Group to study the protective effect of its cannabidiol and isoflurane-based IHL-216A for sports concussions in rats.

Incannex said the study would use the Sprague Dawley rat model of traumatic brain injury developed in collaboration with the US National Football League to represent the type of brain injury that occurs in sports-related concussions.

The company said the study would examine the protective effect of IHL-216A compared to CBD alone, isoflurane alone and a vehicle across a range of behavioral, physiological and molecular analyses that assess the damage caused by traumatic brain injuries.

Incannex said the data would expand on results from its study in 108 rats with non-sport-related traumatic brain injury which showed that IHL-216A exhibited “stronger neuroprotective properties” than cannabidiol alone (BD: Dec 15, 2020).

Incannex managing-director Joel Latham said that using the Sprague Dawley rat model “instead of the in-human proof of concept study, has the effect of reducing the overall development time and expense associated with our drug registration plan”.

“The company will collect additional data from an animal study that it would not be able to compile in human studies,” Mr Latham said.

Incannex was up half a cent or 2.5 percent to 20.5 cents with 5.9 million shares traded.

EPSILON HEALTHCARE (FORMERLY THC OR THE HYDROPONICS COMPANY)

Epsilon says its Tetra Health telehealth medical marijuana clinic has partnered with Astrid Healthcare to provide in-person consultations, effective from March 11, 2021.

Epsilon said that Tetra would be the Melbourne-based Astrid’s “preferred medicinal cannabis clinic partner ... [and would] offer patients the opportunity to see a Tetra doctor in-person in a separate consulting room co-located at the Astrid Dispensary”.

The company said that Tetra patients seen through the South Yarra Astrid pharmacy’s clinic would be charged a higher rate for their treatment than through telehealth but would be eligible for a Medicare rebate to lower the additional out-of-pocket cost.

Epsilon did not specify the cost for either the telehealth or in-person consultations.

Epsilon chief executive officer Jarrod White said that “as a registered pharmacy with a physical dispensary the Astrid relationship also offers Tetra and the wider Epsilon group of brands the opportunity for further expansion and distribution of products”.

Epsilon was up half a cent or 2.1 percent to 24 cents.

LITTLE GREEN PHARMA

Little Green says it has delivered the first shipment of its cannabidiol (CBD)-based oil medicines to France for the French national medicinal marijuana trial.

In January, Little Green says it had been appointed a supplier for a two-year French national trial of medical marijuana for conditions resistant to conventional treatments, in partnership with the Saint Cloud, Ile de France-based pharmaceutical distributor, Intsel Chimos (BD: Jan 27, 2021).

Today, the company said it had delivered more than 2,800 units but could not “forecast final medicine quantities required as this will be driven by patient demand over the course of the trial”.

Little Green was up 4.5 cents or 7.1 percent to 67.5 cents.

CANN GROUP

Cann says it has completed its \$C4 million (\$A4.1 million) acquisition of Satipharm from Harvest One Cannabis Inc, paying \$C2.5 million (\$A2.56 million) upfront.

Last month, Cann said it would buy Satipharm for \$C4 million in scrip, with the acquisition to provide “immediate entry into the cannabidiol market” as Satipharm held distribution rights in UK, Ireland and Eastern Europe (BD: Feb 15, 2021).

Today, the company said the balance of \$C1.5 million was payable in cash or scrip, on Cann’s discretion, and would be paid “on achieving agreed operational and financial results”.

Cann said it expected to complete the payments by September 2021.

Cann Group fell half a cent or 0.8 percent to 59.5 cents.

AUSCANN, CANNPAL

Cannpal says that the Supreme Court of Western Australia has approved the scheme of arrangement for Auscann to acquire Cannpal (BD: Mar 8, 2021).

Last year, Auscann said it would acquire Cannpal, paying 1.3 Auscann shares for every one Cannpal share and valuing the company, which produced marijuana products for dogs, at \$17.5 million (BD: Nov 16, 2020).

Earlier this week, Cannpal said its shareholders had voted overwhelmingly (99.91%) in favor of the merger with Auscann (BD: Mar 8, 2021).

Today, the company said it would cease trading on the ASX at the close of the market today, March 11, 2021.

Cannpal said that shareholders at the scheme record date of March 15 would receive 1.3 Auscann shares for every Cannpal share, on March 18, 2021.

Auscann was unchanged at 14.5 cents.

Cannpal closed up one cent or 6.25 percent at 17 cents.

CRYOSITE

Cryosite says it will buy-back 4,685,956 shares “to facilitate an exit from the company for shareholders ... in circumstances of low liquidity” and to consolidate its share capital. Cryosite said that the buy-back shares were equivalent to 10 percent of its total shares on offer.

The company said the buy-back facility would open on April 15, 2021 and would remain open for 12 months or until the threshold of 4,685,956 shares was reached.

Cryosite was up one cent or 6.25 percent to 17 cents with 6.6 million shares traded.

RACE ONCOLOGY

Race chief scientist officer and director Dr Daniel Tillett says his holding has increased and been diluted from 9,200,000 shares (6.95%) to 13,450,000 shares (9.72%).

The Sydney-based Dr Tillett said that on March 10, 2021 he exercised 4,250,000 options for shares for \$420,750 or 9.9 cents each and was diluted due to the exercise of 5,974,393 options.

Race was up 14 cents or 3.6 percent to \$4.07 with 1.9 million shares traded.