



# Biotech Daily

Wednesday May 12, 2021

*Daily news on ASX-listed biotechnology companies*

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## MARKET REPORT

The Australian stock market fell 0.73 percent on Wednesday May 12, 2021, with the ASX200 down 52.1 points to 7,044.9 points. Seven of the Biotech Daily Top 40 stocks were up, 21 fell and 12 traded unchanged. All three Big Caps fell.

Patrys was the best, up 0.1 cents or 4.55 percent to 2.3 cents, with 5.4 million shares traded. Dimerix climbed four percent; Imugene and Universal Biosensors were up more than three percent; with Avita, Prescient and Proteomics up by more than two percent.

Compumedics and Osprey led the falls, both down 5.88 percent to 40 cents and 1.6 cents, respectively, with 295,569 shares and 8.75 million shares traded, respectively. Neuren fell 4.1 percent; Alterity lost 3.7 percent; Cyclopharm, Genetic Signatures, Kazia, Oncosil, Optiscan, Paradigm and Polynovo shed two percent or more; Cochlear, Cynata, Next Science, Orthocell, Pro Medicus and Telix were down more than one percent; with Clinuvel, CSL, Medical Developments, Mesoblast, Nanosonics, Resmed and Starpharma down by less than one percent.

## BUDGET 2021 - COMMENT & RESPONSE

### BIOTECH DAILY

Biotech Daily welcomes a Budget that does not threaten cuts or caps to the Federal Research & Development Tax Incentive or other programs. It has taken seven years to reach this point.

While none of the big spending items directly affect our sector, there are some modest tax breaks and continuation of the write-off program that will benefit many companies.

What the Budget lacked was an overall strategy, so there was a mention, but no plan, to integrate the disparate mRNA resources and develop what is needed – a single coherent pandemic preparedness, not for the current pandemic, but for the ones to come.

The increased spending on research and development and assistance to the Australian Nuclear Science and Technology Organisation are good, but the eye-catching announcement was the “patent box”.

Everyone welcomes a tax cut – especially if it is from 30 percent to 17 percent – but is that what is needed? At the very least, the expression “patent box” is part of the discourse.

In 2009, the Biotech and Related Industries Leadership Group, which included then Monash University Chancellor Dr Alan Finkel, Research Australia, Ausbiotech, Bio-Melbourne Network and GBS Venture Partners, proposed a patent box to Labor’s Industry Minister Kim Carr as part of what should have become Commercialization Australia. All recommendations were duly ignored.

The patent box proposal, from GBS Ventures’ Dr Joshua Funder was an ‘Australian Intellectual Property Clearing House’ to fund the patent process, advertise and distribute their existence, and auction Australian inventions.

“Proceeds from the auction and future royalty streams would be shared between the inventor, originating institution and the Commonwealth Commercialization Institute, to become self-funding over the long term,” the BRIL Group proposed.

Proposals like this are missing from the Budget, displaced by cash handouts and tax-cuts.

It’s the same in other areas, including aged care, where re-regulation of the industry is required to return them to proper nursing homes, rather than simply providing more funding for the existing operators.

Finally, a proposal that needs to be further developed: tax incentives for long-term investments. We already have a 50 percent capital gains discount for holding shares for more than 12 months, so why not a 100 percent deductibility for specific phase III trials or 150 percent tax deductibility for 10-year investments? The detail needs development but an incentive for appropriate long-term investment would be a great leap forward.

**David Langsam, Editor**

## AUSBIOTECH

Ausbiotech says it “welcomes the support for biotech manufacturing ... [and] a new patent box” in the Federal Budget.

Ausbiotech said the Government recognized biotechnology “as a long-term social and economic driver ... [and the Budget would] enhance Australia’s competitiveness and keep us at the cutting edge of science and innovation”.

“An internationally competitive tax regime for patents will help encourage companies to develop their research and development innovations into profitable businesses in Australia,” Ausbiotech said.

Ausbiotech chief executive officer Lorraine Chiroiu said “the patent box will help bridge the gap to commercialization, and support companies to keep the development of their [intellectual property] and the value they create from it - especially by manufacturing locally - in Australia to benefit Australians,” Ms Chiroiu said.

Ms Chiroiu said the tax incentive addressed the gap that left Australian intellectual property (IP) vulnerable, retain home-grown IP, support Australian innovators and manufacturers, and “make the commercialization of IP and manufacturing in Australia more genuinely viable for businesses”.

Ausbiotech said that the patent box purpose “would be to encourage the manufacturing and commercialization phase of innovation by providing an incentive to industry to locate high-value jobs associated with the development, manufacture and exploitation of intellectual property (IP) in Australia.

## CSL

CSL also said it welcomed the patent box policy, saying it would “benefit domestic commercialization of medical research”.

“A patent box policy will support local manufacturing of innovative medical products and help counter the off-shoring of Australian intellectual property and highly skilled jobs,” CSL said in a media release.

CSL said Australia needed the reform “in order to compete with countries such as the UK, Switzerland, France, Ireland, Singapore and other peer nations, which offer targeted incentives designed to encourage the commercialization of home-grown IP”.

The company said that the introduction of a patent box would complement the existing Research and Development Tax Incentive by focusing on the revenue-generating phase of the medical research value chain.

“Ownership of the intellectual property, as well as manufacturing, offers substantial economic benefits to the host nation through royalties, licence fees, supply chains, jobs, and capital investment,” CSL said.

CSL chief scientific officer Dr Andrew Nash said that Australia had “world-recognized expertise in medical research, but “policy settings need to incentivize the onshore commercialization and manufacturing of that research”.

“CSL welcomes the introduction of a patent box which will help decrease the flow of intellectual property from local medical research going overseas,” Dr Nash said. “It will drive the growth of advanced manufacturing jobs, capital intensive investment and sovereign capacity in medical technology and biotechnology manufacturing.”

“It’s an important reform and will help to ensure that the Australia of the future can more easily turn good science into products, professions, and local, advanced medical manufacturing capacity,” Dr Nash said. “It is an especially significant boost to the policy environment as the country navigates its way out of the pandemic.”

## [BIO-MELBOURNE NETWORK](#)

**By ALICE LYNCH**

The winners of the Bio-Melbourne Network 2021 Women in Leadership award are Prof Margie Darchin, Dr Jenny Petering, Jennifer Herz and Dr Hannah Kirk.

Bio-Melbourne chief executive officer Jeff Malone said that this year’s awards had received the “highest number of nominations” since the event began in 2015.

The Murdoch Children Research Institute’s Prof Darchin won the Board of Directors’ award for her leadership of the Covid-19 Vaccine Preparedness Study.

Mr Malone said the Board of Directors award was a special category for 2021 to recognize responses to the Covid-19 pandemic in the last 12 months. He said that Prof Darchin’s work focused on the difficulties of encouraging Covid-19 vaccine uptake in the broader Australian community, particularly to ensure the protection of vulnerable populations, including indigenous communities.

Mr Malone said the Distinguished Leadership award recognizing industry leader went to Dr Jenny Petering for her work as an intellectual property lawyer at JB Rice.

Biointelect managing-director Jennifer Herz won the Inspiring Leadership award, recognizing a project or initiative completed within the last five to 10 years, for her commercialization consultancy to emerging companies.

National Health and Medical Research Council research fellow Dr Hannah Kirk won the Emerging Leadership award for her work as co-founder of the Tali Train digital attention intervention technology for children with developmental disorders.

The awards were presented by the Victoria Government Parliamentary Secretary for Jobs, Jane Garrett, who noted the importance in celebrating female leaders in biotechnology to encourage the next generation young girls and women into the sector.

“You cannot be what you cannot see,” Ms Garrett said.

## DIMERIX

Dimerix says its phase III trial of DMX-200 for Covid-19 in India has been delayed because Government and hospital staff needed to approve the trial have the disease. Dimerix said that staff at the Drug Controller General of India (DCGI) had postponed review meetings and approvals, including the final permit required for recruitment initiation of the Clarity 2.0, 600-patient, phase III trial of DMX-200 for Covid-19 patients without acute respiratory distress syndrome (Ards).

In March, Dimerix said it had Indian ethics approval for the Clarity 2.0 prospective, multi-centre, randomized, double blind, placebo-controlled feasibility study, which expected to begin recruitment in April (BD: Mar 10, 2021).

Today, the company said that the Covid-19 outbreak in India had affected “all aspects of normal operations, including those of regulatory agencies”.

Dimerix said that “pending DCGI meetings being resumed, all remaining site start up activities will be completed and sites are expected to start recruiting participants shortly”.

Dimerix was up one cent or four percent to 26 cents.

## MTP CONNECT

MTP Connect says Dr Alexander Staudacher and Dr Christina Kulis have won grants of up-to \$250,000 each for research in drug development and oncology, respectively.

MTP said the grants were the first two of up-to 40 research grants for medical technology or pharmaceutical projects from the Researcher Exchange and Development within Industry (Redi) initiative announced last year (BD: Dec 9, 2020).

The organization said that Dr Staudacher was a researcher at the Central Adelaide Local Health Network and would work with the Melbourne’s Telix Pharmaceuticals to commercialize a combination antibody technology therapy for cancer.

MTP Connect said Dr Kulis was a research officer at the University of Queensland’s Institute for Molecular Bioscience which discovered, designed and developed new drugs and she would work with Brandon Capital Partners to gain experience on life sciences venture capital investment analysis and portfolio management.

MTP Connect managing-director Dr Dan Grant said that “creating meaningful links that allow researchers to move seamlessly between research and industry is critical for the growth and success of the [medical technologies and pharmaceuticals] sector”.

“Importantly, our Redi Fellowship Program requires that the researcher or clinician return to their home institution for a period at least equal to the term of their placement in industry,” Dr Grant said.

“This will help address the issue of ‘brain drain’ of researcher talent into companies and ensure we embed high-level, industry-ready experience in the research sector,” Dr Grant said. “By providing the flexibility of full and part-time fellowships over a six-month to two-year period, the Redi Fellowship Program provides a valuable opportunity to boost the boundaries between industry and academia.”

## NOXOPHARM

Noxopharm says it has completed enrolment of 15 patients in part two of its trial of NOX, or Veyonda, for Covid-19-related cytokine release syndrome prevention.

Noxopharm chief executive officer Graham Kelly told Biotech Daily that part two had enrolled 15 patients, with each patient to be dosed with 1,800mg of Veyonda for 14 days. The company did not specify when it expected to release the trial results.

Noxopharm fell 4.5 cents or eight percent to 52 cents.

## CARDIEX

Cardiex says the US Patent and Trademark Office has granted a patent for its Sphygmocor blood pressure measurement technology.

Cardiex said the patent, titled 'Non-Invasive Brachial Blood Pressure Measurement', would protect the measurement of central blood pressure waveforms using a brachial blood pressure cuff and wearable sensor technology, until 2038.

The company said the patent was granted through its Atcor wholly-owned subsidiary. Cardiex was up 0.3 cents or 4.7 percent to 6.7 cents with 2.6 million shares traded.

## HEXIMA

Hexima says it has been granted an Australian patent for its HXP124 for the toe-nail fungal disease onychomycosis.

Hexima said the patent, titled 'A Method of Treatment', would protect its intellectual property until 2035, with similar patents granted in the US, Japan and Singapore.

Hexima was up 0.5 cents or 3.2 percent to 16 cents.

## EMYRIA

Emyria says it has Australia Therapeutics Goods Administration registration for its "smartphone camera home cardiovascular monitoring application software".

Emyria said the technology was a "medical-grade heart rate, heart rate variability and atrial fibrillation" monitoring smartphone application which used a mobile phone camera. The company said the TGA had registered the technology as a class IIa "software-as-a-medical-device" and it would be used in trials to monitor patients remotely.

Emyria managing-director Dr Michael Winlo said that the class IIa registration "means Emyria's real-world evidence platforms are now capable of capturing medical grade vital signs using just an Apple or Android smartphone".

Emyria was up half a cent or 2.3 percent to 22.5 cents.

## CRESO PHARMA

Creso has requested a trading halt pending the release of "a material operational update" regarding the acquisition of the Windsor, Nova Scotia-based Halucenex Life Sciences Inc. In March, Creso said it would pay \$500,000 in cash, 29,251,795 shares and 17,551,077 performance shares for Halucenex and its psychedelic drug program (BD: Mar 15, 2021). Trading will resume on May 14, 2021 or on an earlier announcement.

Creso last traded at 18 cents.

## ADHERIUM

Regal Funds Management says it has increased its substantial shareholding in Adherium from 52,718,327 shares (6.21%) to 222,266,463 shares (10.46%).

The Sydney-based Regal Funds said that between May 4 and 7, 2021 it bought 169,548,136 shares for \$2,544,412 or an average of 1.5 cents a share.

Adherium was up 0.1 cents or 6.25 percent to 1.7 cents.