



# Biotech Daily

Wednesday October 11, 2017

Friday June 8, 2018

*Daily news on ASX-listed biotechnology companies*

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## [BIOTECH DAILY EDITORIAL](#)

Medibio is far from the first company to have found its way into a mass-market publication prior to making its announcement to the ASX.

In recent days Epat and Paradigm have also had articles published about their activities before making the announcement to the ASX (BD: Jul 19, Oct 10, 2017).

The practice is known as selective leaking and public relations and marketing companies think it is clever to provide a media release early to one tame journalist who can then claim it as a "scoop exclusive".

A media release can never be a "scoop", which requires original research, and it is not very exclusive if the whole world will be told the same news a little bit later.

One thing it does guarantee is that every other journalist will dislike both the public relations company and company employing them for playing favorites.

It is also in breach of the ASX Listing Rules.

The ASX told Biotech Daily that repeated breaches, or breaches while the market was trading, could result in an immediate suspension and a referral to the Australian Securities and Investments Commission.

**David Langsam**  
Editor

## MEDIBIO

Medibio says a “misunderstanding” led to a newspaper being informed of its Otsuka deal before the ASX and shareholders, breaching Listing Rule 15.7 (BD: Oct 9, 2017).

The ASX said that on Monday October 9, 2017 Medibio told the ASX at 8.52am that it had the deal with Otsuka, but the news had been published previously in a daily newspaper.

The ASX told Medibio that Listing Rule 15.7 stated: “An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgement that ASX has released the information to the market.”

“Listing Rule 15.7 prohibits an entity from releasing information which is for release to the market to any person, including the media, even on an embargoed basis, until it has given the information to [the] ASX and received an acknowledgment that [the] ASX has released it to the market,” the ASX said.

“As the article appeared in The Australian newspaper prior to any announcement being released to ASX, it appears that the company may be in breach of listing rules 3.1 and/or 15.7,” the ASX said.

Medibio said the information was supplied by Medibio’s shareholder engagement and public relations consultants, NWR Communications, on October 8, 2017 and said that they were involved in the ASX announcement drafting.

“It was supplied on the understanding that it was embargoed and the announcement would be released at the earliest possible time which was pre-market opening [on] Monday October 9, 2017,” Medibio said.

“The release to The Australian was the result of a misunderstanding of the disclosure requirements,” Medibio said.

“Medibio now understands it is not appropriate to provide information to the media on an embargoed basis prior to confirmation of its release through the ASX,” the company said.

“The company takes its disclosure obligation very seriously and this incident was the result of a misunderstanding about the timing of the release of information,” Medibio said.

“The company will conduct further training on listing rules 3.1 and 15.7 with its directors, senior management and advisors,” Medibio said.

Medibio was in a trading halt for a capital raising and last traded at 40.5 cents.

## PARADIGM BIOPHARMACEUTICALS

Paradigm has told the ASX that month-old news, rather than leaking a media release to a mass-market newspaper, pushed yesterday's share price up 20 percent.

The ASX said that during the course of trading yesterday the company's securities were up 20 percent on the day to 42 cents and asked whether Paradigm was in compliance with Listing Rule 15.7, which required announcements to be made to the ASX prior to general release, including media outlets.

Paradigm said that yesterday's announcement "was a follow up with data as foreshadowed in the previous ASX announcement".

In September, Paradigm reported a case study of one woman with osteoarthritis and bone marrow oedema lesions who was treated with pentosan polysulfate sodium (PPS) reducing her pain response from eight of 10 to zero of 10 and following PPS treatment, the patient discontinued the use of a non-steroidal anti-inflammatory drug and a surgical procedure was no longer required (BD: Sep 11, 2017).

The company said in September that 30 people with bone marrow oedema lesions and osteoarthritis had been treated with PPS with similar outcomes to the single patient study and it expected to start a 100-patient, randomized, double-blind, placebo-controlled phase IIb trial of PPS for bone marrow oedema lesions and osteoarthritis "later this year".

Yesterday, following publication in a mass-market newspaper, Paradigm told the ASX that 24 patients were treated with pentosan polysulfate sodium under the TGA special access system, with joint pain reduced in 83 percent, or 20 patients, and knee function was improved in 80 percent or 19 patients.

The ASX asked what arrangements the company had to ensure compliance with Listing Rule 15.7 and Paradigm said it "monitors its ASX listing rule obligations with a particular emphasis on continuous disclosure".

"We immediately publish any information which may be market sensitive. Paradigm places a high importance on compliance and is fully compliant with the listing rules. In Paradigm's view, the ASX market was already fully aware on September 11, 2017 of the results of the 30-patient study. The ASX announcement published today was primarily used to reduce enquiry from existing Paradigm shareholders reading The Australian article today and wanting to understand if it was the same study as published on September 11."

"Paradigm expects that the movement in share price today was as a result of investors reading the company's announcement of September 11 today prompted by The Australian article today," the company said. "Paradigm does not believe that the ASX announcement today of itself would support the share price increase in the light of the announcement on September 11."

Paradigm provided no specific data on either the 24 patients or the 30 patients in the September 11 announcement but published specific data in yesterday's media release.

Paradigm was up two cents or 5.2 percent to 40.5 cents.

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## IMUGENE

Imugene says it has told the ASX that an “external consultant to the company” advised it to provide embargoed information to the Australian Financial Review.

The ASX asked how information regarding its \$20 million capital raising and B-cell acquisition from Ohio State University and the Mayo Clinic was published in the Australian Financial Review on June 7, 2018, prior to the release of the news to the ASX at 9.43am on that date (BD: Jun 7, 2018).

Imugene said it had provided the “background information” under an embargo and that a quote was sought from the company on that basis.

The company said “the situation was compounded by time zone issues relevant to key parties”.

Imugene said that the wording of the newspaper article reflected that at the point of publication no definitive information existed and that it had remained in a trading halt at all relevant times.

The ASX said “Listing Rule 15.7 prohibits an entity from releasing information which is for release to the market to any person, including the media, even on an embargoed basis, until it has given the information to [the] ASX and received an acknowledgment that [the] ASX has released it to the market”.

The ASX said “Listing Rule 3.1 states “Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, the entity must immediately tell ASX that information”.

Imugene said it “regrets that its actions, whilst taken in good faith and based on external consultant’s advice, have resulted in these concerns being raised ... [and] now understands that it is not appropriate to provide information to the media on an embargoed basis”.

The company said it would “conduct further training on Listing Rules 3.1 and 15.7 with its directors and senior management”.

Imugene said it would “ensure its terms of engagement with external consultants and professional advisers are appropriate to achieve compliance with the ASX Listing Rules”.

Imugene was up 0.1 cents or 3.6 percent to 2.9 cents with 13.2 million shares traded.

## BIOTECH DAILY COMMENT

Biotech Daily has previously written about the need for companies to adhere to the ASX Listing Rules for the stock market to be “a level playing field” (BD: Oct 11, 2017).

Some public relations companies think it is clever to selectively leak a news item to a favored reporter, so they can claim to have a “scoop exclusive”.

But a media release can never be a “scoop”, which requires original research, and it is not very exclusive if the whole world will be told the same news a little bit later.

Apart from the breach of ASX Listing Rules, the leaking to one reporter may curry favour with that person, but it means every other journalist will know they have been deliberately excluded.

Some might question the wisdom of doing so for a dozen paragraphs on page 23 of any publication, no matter how prestigious.

**David Langsam**  
**Editor**