



Biotech Daily

Monday April 11, 2022

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PRESCIENT UP 4%; NOVA EYE DOWN 9%**
- * **PFIZER TO PAY \$100m FOR RESAPP HEALTH**
- * **VICTORIA \$60m FOR \$206m AIKENHEAD BIO-MEDICAL CENTRE**
- * **TELIX: \$6.7m FOR ELI LILLY OLARATUMAB LICENCE**
- * **CONTROL BIONICS, DOUBLE R&D LAUNCH NEURONODE IN JAPAN**
- * **RECCE: HONG KONG PATENT FOR R327, R529**
- * **CHAIR DR JOHN CULLITY TAKES 5.6% OF RACE**
- * **ATOMO TO RELEASE 160m ASX ESCROW SHARES**
- * **LUMOS CHAIR SAM LANYON INTERIM CEO, CEO ROB SAMBURSKY CMO**
- * **CRONOS LOSES INAUGURAL CHAIR SHANE TANNER**

MARKET REPORT

The Australian stock market was up 0.1 percent on Monday April 11, 2022, with the ASX200 up 7.2 points to 7,485.2 points.

Ten of the Biotech Daily Top 40 stocks were up, 21 fell, eight traded unchanged and one was untraded. All three Big Caps fell.

Prescient was the best, up 0.5 cents or 3.6 percent to 14.5 cents, with 2.6 million shares traded, followed by Next Science up three percent to 85 cents with 129,808 shares traded.

Avita, Micro-X and Telix rose more than two percent; Emvision, Opthea and Pro Medicus were up more than one percent; with Medical Developments and Paradigm up by less than one percent.

Patrys led the falls, down 0.1 cents or 4.35 percent to 2.2 cents, with 2.5 million shares traded. Amplia, Compumedics, Cyclopharm, Kazia, Orthocell and Proteomics lost more than three percent; Alcidion, Immutep, Nanosonics and Starpharma shed more than two percent; Clinuvel, Genetic Signatures, Neuren, Oncosil, Universal Biosensors and Volpara were down more than one percent; with Cochlear, CSL and Resmed down by less than one percent.

RESAPP HEALTH

Resapp says Pfizer Australia will offer 11.5 cents a share – a 27.8 percent premium to Friday's closing price – to buy the company, valuing it at \$100 million.

Resapp said it had a "binding scheme implementation deed with Pfizer Australia Holding Pty Ltd", pending approvals.

The company said that the scheme consideration of 11.5 cents a share was a 27.8 percent premium to the closing price of 9.0 cents a share on April 8, 2022, a 28.4 percent premium to the one-month volume-weighted average price to April 8 and a 39.7 percent premium to the three-month volume-weighted average price to April 8.

Resapp said that shareholders would vote on the scheme implementation at a meeting expected to be held in mid-June 2022 and, if approved, the scheme was expected to be implemented in late-June.

Resapp said that the scheme consideration remained subject to conditions including, the independent expert concluding that the scheme was in the best interests of its shareholders, along with regulatory approvals, including Australia Competition and Consumer Commission clearance, no "material adverse change" or "regulated events" and court approval.

The company said that a break fee of about \$1 million would be payable by it under certain circumstances and a reverse break-fee of the same value would be payable by Pfizer in certain circumstances.

Resapp said that in addition to the scheme, it had a \$3 million up-front research and development licence agreement with Pfizer to collaborate on research and development of products in the field of Covid-19.

Resapp said the key terms of the agreement were non-exclusive research and development licence in the field of Covid-19, a six-month term with two extensions of three months each, the retainment of all intellectual property rights, up to \$1 million in milestone payments based on clinical trial recruitment, and rights of first negotiation for certain commercial transactions with third parties in the Covid-19 field.

The company said that the Perth-based Azure Capital Pty Ltd would act as financial adviser and that the Melbourne-based DLA Piper would act as legal adviser.

In 2015, Narhex Life Sciences voted on 13 resolutions to transform the company from developing HIV treatments to mobile telephone respiratory diagnoses applications, raise \$4 million and change its name to Resapp Health (BD: Apr 24, 2015).

Narhex was then trading around 0.8 to 0.9 cents and following a three for eight consolidation traded around two cents (BD: May 27, Jun 12, Jul 3, 2015).

Since 2015, Resapp has traded as high as 49 cents in mid-2016 and as low as 4.0 cents in July 2021.

Today, Resapp managing-director Dr Tony Keating said that "we are excited by the prospect of this acquisition by Pfizer, a leading biopharmaceutical company that shares our vision and belief that technology can help transform healthcare and improve patients' lives".

"The proposed acquisition recognizes the years of dedicated work by the Resapp team to build Resapp into a leader in audio- based analysis of respiratory health," Dr Keating said. "We believe that the material premium and certainty of an all-cash consideration is an attractive outcome for our shareholders," Dr Keating said.

Pfizer chief digital and technology officer Lidia Fonseca said that "this proposed acquisition and research collaboration add to our growing digital capabilities and bolster our efforts to pave a new era for digital health".

Resapp was up two cents or 22.2 percent to 11 cents with 21.4 million shares traded.

VICTORIA GOVERNMENT

The Victoria Government says construction has been approved at the \$206 million Aikenhead Centre for Medical Discovery at Melbourne's St Vincent's Hospital.

The State Government said that it would contribute \$60 million for "Australia's first hospital-based biomedical engineering research centre ... [which would] support more than 300 jobs across the medical research sector and house specialized laboratories enhancing the capabilities of the Melbourne biomedical precinct in Parkville".

A media release from Victoria Minister for Innovation, Medical Research and the Digital Economy Jaala Pulford said the Centre would combine St Vincent's Hospital, St Vincent's Institute, the Bionics Institute, the Centre for Eye Research, the University of Melbourne, the Royal Melbourne Institute of Technology, Swinburne University of Technology, the Australian Catholic University and the New South Wales-based University of Wollongong. The State Government said that the Centre would include three-dimensional printing laboratories, a kinetics laboratory and rooms for sensitive hearing and vision technologies and be home to engineering workshops to produce medical device prototypes and robotics for clinical trials, along with a dedicated teaching facility for clinicians, nurses, allied health professionals and biomedical researchers.

TELIX PHARMACEUTICALS

Telix says it will pay Eli Lilly and Co \$US5 million (\$A6.7 million) for exclusive rights to develop and commercialize radio-labelled forms of its olaratumab antibody for cancer.

Telix said that its initial development of olaratumab, a monoclonal antibody targeting the platelet-derived growth factor receptor alpha, would focus on the diagnosis and treatment of the rare cancer soft tissue sarcoma.

The company said that platelet-derived growth factor receptor alpha was expressed in multiple tumor types, including soft tissue sarcoma which had poor prognosis, with treated patients having a median overall survival of about 12 to 18 months.

Telix said that it would pay the Indianapolis, Indiana-based Eli Lilly and Co \$US5 million upfront for the exclusive licence to olaratumab and for access to material for pre-clinical and early-phase clinical studies for treatment and diagnosis of human cancers.

Telix said that Eli Lilly might be eligible for payments of up to \$US225 million (\$A301 million) on achieving pre-specified development, regulatory and commercial milestones, as well as industry standard royalties on net sales.

The company said that under the agreement, Eli Lilly had the option to be granted an exclusive licence to a radio-labelled companion diagnostic to be developed by Telix, which if exercised would result in Eli Lilly paying Telix \$US5 million and up to \$US30 million (\$A40.1 million) in potential development milestones and industry standard royalties.

Telix managing-director Dr Christian Behrenbruch said the transaction was "a valuable and rare opportunity to acquire an asset which has demonstrated clinical safety".

"In our pre-transaction diligence and research, we have identified that a radio-labelled version of olaratumab could be efficacious in patients with [soft tissue sarcoma], particularly as it is a highly radiation-sensitive cancer," Dr Behrenbruch said.

"The safety data generated by Lilly in relation to the original development program significantly de-risks the program for Telix," Dr Behrenbruch said.

"We anticipate that early clinical translation with a radio-labelled olaratumab as an imaging agent may also provide valuable clinical information as to whether this asset has potential therapeutic efficacy, demonstrating the advantage of Telix's [diagnostic and therapeutic] approach," Dr Behrenbruch said.

Telix was up 10 cents or 2.3 percent to \$4.51 with 671,195 shares traded.

CONTROL BIONICS

Control Bionics says it will partner with assistive technology distributor, Double R&D Co Ltd to launch its Neuronode Trilogy technology for 'locked-in syndrome' in Japan.

Control Bionics said that the Zama City, Kanagawa, Japan Double R&D would bring the Neuronode Trilogy to people with conditions including amyotrophic lateral sclerosis, cerebral palsy, intellectual disability, stroke and traumatic brain injuries.

The company said the technology would be displayed at Tokyo's Kids Festa April 16 and 17 2022, "Japan's largest disability event focused on children".

Double R&D head Hiroshi Wada said his company was "confident" that the users of Neuronode would benefit from the product.

Control Bionics chief executive officer Rob Wong said there was "a significant need for our technology across Japan".

The company said the Neuronode Trilogy system allowed non-verbal people with severely impaired movement to control a computer for speech generation, gaming, email and text, with ease and speed.

Control Bionics said that Neuronode Trilogy was "up to 47 percent faster than traditional eye-gaze systems with significantly less user fatigue".

The company said the initial Japan focus would be to train more than 30 resellers on the technology.

Control Bionics said that Double R&D was an "industrial robot and factory automation equipment manufacturer with a 45-year history" distributing equipment to patients with intractable neurological diseases in Japan for more than 24 years.

The company did not state specific commercial terms other than to say there was no provision for minimum order purchase quantities, other than a requirement for Double R&D to use best efforts to meet an agreed sales forecast.

Control Bionics was up five cents or 14.3 percent to 40 cents.

RECCE PHARMACEUTICALS

Recce says that Hong Kong's Intellectual Property Department has granted patents relating to R327 and the anti-viral formulation R529.

Recce said the patent, titled 'Anti-Virus Agent and Method for Treatment of Viral Infection' would allow it "furthering marketing and manufacturing monopolies to February 2037".

The company said that the granted claims related to the composition and method of manufacture of Recce anti-infectives, use of R327 or R529 for the treatment of viruses having a lipid envelope or coat, and administration of R327 or R529 by oral, injection, inhalation and transdermal dose applications.

Recce fell half a cent or 0.5 percent to 94 cents.

RACE ONCOLOGY

Race executive chair Dr John Cullity says he has become substantial the company with 8,402,194 shares or 5.62 percent.

The Princeton, New Jersey-based Dr Cullity said that on August 23, 2021 he bought 1,893,939 shares for \$187,500 or 9.9 cents each, and on November 12, 2021 bought 1,000,000 shares for \$250,000 and 2,000,000 shares for \$460,000, or 25 cents and 23 cents, respectively.

Last year, Dr Cullity filed director's interest statements saying he exercised options at those prices.

Race was up one cent or 0.4 percent to \$2.58.

[ATOMO DIAGNOSTICS](#)

Atomo says it will release 159,907,470 shares from ASX escrow and a further 13,733,333 unquoted options on April 16, 2022.

According to its most recent filing, Atomo would have 568,597,807 shares available for trading after the release from ASX escrow.

Atomo was unchanged at 12 cents.

[LUMOS DIAGNOSTICS](#)

Lumos says it has appointed executive chair Sam Lanyon as interim chief executive officer and moved chief executive officer Rob Sambursky to chief medical officer.

In February, Lumos said that Mr Sambursky had resigned as managing-director to focus on his role as chief executive officer (BD: Feb 11, 2022).

Today, the company said that as interim chief executive officer, Mr Lanyon, in addition to his director fees, would be receive an annual salary of \$US210,000 (\$A283,000) payable in shares on a post-superannuation, after-tax basis subject to shareholder approval.

Lumos fell one cent or 3.1 percent to 31 cents.

[CRONOS AUSTRALIA](#)

Cronos says that inaugural chair Shane Tanner has resigned as chair and as a director “in order to pursue a number of private investments” effective from today.

Cronos said that Mr Tanner joined the company in 2018.

The company said that Dr Marcia Walker had been appointed interim chair, while a search for a new director and permanent chair was conducted.

Cronos fell one cent or 3.3 percent to 29 cents.