



Biotech Daily

Monday August 15, 2022

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: MICRO-X UP 11%; PARADIGM DOWN 28%**
- * **OPTHEA UP-TO \$371m CAPITAL RAISE**
- * **PARADIGM PLACEMENT, RIGHTS FOR \$66m**
- * **PROTEOMICS 'OVERSUBSCRIBED' PLACEMENT RAISES \$8m**
- * **GRAND PHARMA TAKES \$56m PROFIT ON TELIX**
- * **HYDRIX: SINGAPORE APPROVES GUARDIAN CARDIAC MONITOR**
- * **MGC: MARIJUANA CANNEPIL 'DOES NOT IMPAIR SIMULATED DRIVING'**
- * **IMRICOR PLEADS SHULTZ TO 69% ASX PRICE QUERY**
- * **MEDIBIO FACES 20% OPPOSITION TO CAPITAL RAISING**
- * **ANTISENSE REQUESTS 'LONG COVID RESULTS' TRADING HALT**
- * **PERTH'S BILAL AHMAD TAKES 10% OF DORSAVI**
- * **PERTH'S SUFIAN AHMAD TAKES 8% OF DORSAVI**
- * **AUSCANN APPOINTS DIRECTOR CHRIS MEWS CFO**
- * **CRESO APPOINTS KOLBY TULLIER IMPACTIVE 'BRAND AMBASSADOR'**

MARKET REPORT

The Australian stock market was up 0.45 percent on Monday August 15, 2022, with the ASX200 up 31.8 points to 7,064.3 points. Thirteen of the Biotech Daily Top 40 stocks were up, 17 fell, seven traded unchanged and three were untraded.

Micro-X was the best, up 1.5 cents or 11.1 percent to 15 cents, with 535,210 shares traded. Prescient climbed 8.8 percent; Nanosonics was up 4.8 percent; Dimerix, Emvision, Next Science and Patrys were up more than three percent; Nova Eye, Pro Medicus and Telix rose more than two percent; Mesoblast and Polynovo were up more than one percent; with Clinuvel, Cochlear and CSL up by less than one percent.

Paradigm led the falls, down 55.5 cents or 28.0 percent to \$1.43, with 2.6 million shares traded. Opthea lost 9.35 percent; Universal Biosensors shed 6.25 percent; Alcidion was down 5.9 percent; Actinogen and Starpharma fell more than four percent; Cynata and Pharmaxis were down more than three percent; Avita, Compumedics, Neuren and Proteomics shed more than two percent; Amplia, Genetic Signatures, Medical Developments, Oncosil and Orthocell were down one percent or more; with Resmed down by 0.45 percent.

OPTHEA

Opthea says it expects to raise \$US263.5 million (\$A370.6 million) through a \$US170 million 'non-dilutive' facility, a \$US90 million placement, and a \$5 million share plan. Opthea said it had a "non-dilutive" agreement for up to \$US170 million with Launch Therapeutics, a recently-formed company backed by the Washington, DC-based Carlyle and its life sciences franchise, Abingworth.

The company said that Launch Therapeutics would commit \$US120 million in three instalments and "retain an option commit another \$US50 million".

Opthea said that if OPT-302 for wet age-related macular degeneration, was approved in a major market, it would make a milestone payment to Launch and then six subsequent annual fixed payments and variable payments of seven percent of net sales, with cumulative payments capped at four times the amount funded.

Opthea said it retained worldwide rights for OPT-302 and it had the option to pre-pay its obligations in full at any time.

Opthea managing-director Dr Megan Baldwin said the company was "thrilled to enter this strategic arrangement with Launch Tx, and to receive funding from world-leading investors in Carlyle and Abingworth".

Separately, Opthea said it had commitments for a \$US90 million placement at \$A1.15 a share, a 12.6 percent discount to the 10-day volume-weighted average price to August 10. The company said that Sydney's MST Financial (Australia) and New York's Jefferies LLC would act as joint lead managers for the placement and it hoped to raise up to \$5 million in a non-underwritten share plan at \$1.15 a share.

Opthea said the funds would be used to continue phase III clinical trials of OPT-302, and for working capital post the phase III trial top line data readout, expected by mid-2024.

Dr Baldwin said the "successful equity raising in conjunction with the large non-dilutive financing from funds managed by Carlyle and Abingworth, in collaboration with Launch Tx, represents a tremendous achievement for Opthea".

"Together these financings further validate our strategy to develop OPT-302 as a differentiated therapeutic with the potential to improve patient outcomes in retinal diseases including wet age-related macular degeneration," Dr Baldwin said.

Opthea fell 13 cents or 9.35 percent to \$1.26 with 2.4 million shares traded.

PARADIGM BIOPHARMACEUTICALS

Paradigm says it expects to raise \$45.7 million in an institutional placement, and \$20.3 million, in an underwritten one-for-15, non-renounceable rights offer at \$1.30 a share.

Paradigm said the capital raise was fully underwritten by Melbourne's Bell Potter Securities, who acted as sole lead manager.

The company said the offer price was a 34.5 percent discount to the last closing price on August 10, 2022, a 28.8 percent discount to the five-day volume-weighted average price, and an 8.2 percent discount to the 30-day volume-weighted average price.

Paradigm said that the record date for the entitlement offer was August 18, the offer would open on August 22 and close on September 7, 2022.

The company said that eligible shareholders could apply for additional shares, be capped at 100 percent of the shareholder's entitlement.

Paradigm said the funds would be used for its phase III program and new drug application related activities, business and product development activities, and working capital.

The company said that following the completing of the raise, it would have a "proforma cash position of \$108.5 million".

Paradigm fell 55.5 cents or 28.0 percent to \$1.43 with 2.6 million shares traded.

PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics says it has raised \$8 million in a “heavily oversubscribed” placement at 85 cents a share, an 11.1 percent discount to the five-day volume-weighted average price. The company said the funds would be used to build inventory for its Promarkerd test for diabetic kidney disease, for US sales and marketing for Promarkerd and to develop the Promarker diagnostics pipeline.

Proteomics said that Brisbane’s Morgans Financial was the lead manager to the placement, Perth’s Euroz Hartleys Securities acted as the co-manager and Adelaide’s Candour Advisory acted as corporate advisor.

Proteomics managing-director Dr Richard Lipscombe said his company had reached “a major inflexion point in its corporate development”.

“The route to commercialization of the Promarkerd test in the United States is now clear ... and we have exciting progress in our diagnostics pipeline as we advance towards potential new diagnostic tests for endometriosis and for oesophageal cancer,” Dr Lipscombe said.

Proteomics fell two cents or two percent to 96 cents.

TELIX PHARMACEUTICALS

China’s Grand Pharmaceutical says it has sold 10,000,000 Telix shares taking a significant profit and will use the funds for its clinical development programs.

In 2020, the then Grand Decade Developments said it had become a substantial shareholder in Telix with 20,947,181 shares or 7.6 percent of the company, \$US25,000,000 or \$A1.69 a share (BD: Nov 10, 2020).

A week earlier, Telix said it had an up-to \$US315 million plus royalties 10-year partnership with China Grand Pharmaceutical and Healthcare Holdings (BD: Nov 2, 2020).

Today, Telix re-published an August 12, 2022 announcement by Grand Pharmaceutical saying it had sold 10,000,000 shares for about \$73 million, but would not dispose of the remaining shares for 12 months.

Biotech Daily calculates that Grand Pharmaceutical made a \$56.1 million pre-tax profit on the 21-month investment.

Grand Pharmaceutical chief executive officer Zhou Chao said that “as an investor, we are also pleased to realize our initial investment vision and generate funds which can be used towards our clinical development programs, in areas of unmet need, including projects being undertaken in collaboration with Telix”.

Mr Zhou said that Telix was “an important strategic partner” and his company was strongly encouraged by its success in achieving US Food and Drug Administration approval and a successful commercial launch of its first imaging agent for prostate cancer.

“We are very optimistic about its future prospects and the potential for further value creation as we work with Telix to develop potential new imaging agents and therapies to diagnose and treat cancer, for the Chinese market,” Mr Zhou said. “Our intension of not selling our remaining holdings in the coming 12 months has been offered to signal our confidence in Telix and our ongoing commitment to the partnership.”

Telix managing-director Dr Christian Behrenbruch said the company’s relationship with China Grand Pharma was “stronger than ever”.

“We are making solid progress towards initiating clinical trials in China for our imaging and therapeutic product candidate,” Dr Behrenbruch said.

According to its most recent filing, Telix had 312,916,341 shares on issue, meaning that Grand Pharmaceutical held 3.5 percent of the company.

Telix was up 20 cents or 2.7 percent to \$7.66 with 1.9 million shares traded.

HYDRIX

Hydrix says Health Services Authority of Singapore has approved Angel Medical Systems' Guardian cardiac monitor and it will market and distribute the device.

Hydrix said the Guardian had been available in Singapore under special access arrangements, with eight successful implants performed.

The company said Singapore was the fourth country to approve the Guardian in 13 months, and its Australian Therapeutic Goods Administration application was "pending".

Hydrix director of sales and operations Vickie Edwards said the approval was "a key milestone achievement for Hydrix" enabling application for inclusion on Singapore's Table of Surgical Procedures, which was a list of procedures for which Medisave Medishield Life insurance reimbursement could be claimed.

Ms Edwards said that until then patients could undertake the operation at their own cost.

Hydrix fell 0.2 cents or two percent to 9.8 cents with two million shares traded.

MGC PHARMACEUTICALS

MGC says a study of 31 healthy, fully-licensed drivers, dosed with its epilepsy treatment Cannepil showed that it did not impair simulated driving ability.

MGC said that the randomized, double-blind, placebo-controlled study was sponsored by Cannvalate Australia and undertaken by Melbourne's Swinburne University of Technology.

The company said that participants were dosed with 1ml of 20-to-one cannabidiol (CBD) to delta 9-tetrahydrocannabinol (THC), or a placebo and at 90 minutes post treatment, completed a 40 minute 'highway' drive using a simulator which assessed performance outcomes of deviation of lateral position, deviation of speed, steering variability, mood states and sedation levels.

MGC said that the study found that oral doses of Cannepil "did not impair overall vehicle weaving [and] standard deviation of lateral position was not significantly altered in those administered Cannepil compared with placebo across the full drive [and] standard deviation of was not increased within 20 minutes' drive".

The company did not provide any data from the results.

MGC said that sedation was "not significantly increased during testing following Cannepil administration, however onset of increased sedation was reported by several participants between three to six hours after Cannepil was administered".

The company said that "contentedness ... was significantly increased following the driving task with those patients administered Cannepil".

MGC said that in Australia, a positive roadside saliva test for tetrahydrocannabinol might may lead to criminal convictions irrespective of prescribed use, and it "hoped that standardized assessment of performance decrements, such of the findings of this trial, will inform policy guidelines concerning responsible use of medicinal cannabis products".

MGC was unchanged at 1.8 cents with 1.4 million shares traded.

IMRICOR MEDICAL SYSTEMS

Imricor has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said that Imricor shares rose 69.0 percent from 29 cents on August 10 to a high of 49 cents a share on August 12, and noted a "significant increase" in the volume of shares traded.

Imricor fell 2.5 cents or 5.9 percent to 40 cents.

MEDIBIO

Medibio's extraordinary general meeting voted up to 19.6 percent opposition to all resolutions relating to its recent capital raising.

In June, Medibio said it had commitments to raise \$1.4 million at 0.15 cents a share, with one attaching option for each new share exercisable at 0.4 cents each, by June 15, 2027, with the lead manager, Perth's CPS Capital Group, to receive a two percent management fee, a four percent placement fee and be offered up to 20,000,000 options at 0.001 cents each, subject to shareholder approval (BD: Jun 22, 2022).

Today, the company said all resolutions were carried, with the largest percentage opposition to the second tranche of the placement with 57,881,459 votes (19.57%) against the issue and 237,927,735 votes (80.43%) in favor.

Medibio said the greatest number of opposition votes were against the CPS options, with 64,122,071 votes (19.07%) against and 272,129,262 votes (80.93%) in favor.

According to its most recent filing, Medibio had 2,756,490,117 shares on issue, meaning that the votes against CPS Capital's options amounted to 2.3 percent of the total number of shares on issue, not sufficient to requisition extraordinary general meetings.

Medibio was unchanged at 0.1 cents with 1.7 million shares traded.

ANTISENSE THERAPEUTICS

Antisense has requested a trading halt "pending an announcement in relation to reporting outcomes of the Long Covid-19 strategic collaboration".

In February, Antisense said it had an agreement with Chicago's Northwestern Medicine Neuro-Covid Clinic to assess blood disease markers to determine whether patients were amenable to treatment with its ATL1102, (BD: Feb 24, 2022).

Trading will resume on August 17, 2022 or on an earlier announcement.

Antisense last traded at 11 cents.

DORSAVI

Bilal Ahmad says he has increased his substantial share-holding in Dorsavi from 22,109,490 shares (6.25%) to 39,067,233 shares (9.85%).

The 15 Garners Way, Perth-based Mr Ahmad said that between February 9 and August 8, 2022 he bought 16,957,743 shares for \$178,150 or an average of 1.05 cents a share, with 15,000,000 shares bought on August 8, 2022 for \$150,000 or one cent a share.

Mr Ahmad said the shares were held directly and through the Bab Super Fund.

Last month, Dorsavi said that it had raised \$400,000 in a placement at one cent a share (BD: Jul 29, 2022).

Dorsavi fell 0.1 cents or 7.7 percent to 1.2 cents.

DORSAVI

Sufian Ahmad says he has become a substantial shareholder in Dorsavi with 31,514,922 shares or 7.95 percent.

The 13 Garners Way, Perth-based Mr Ahmad said that between February 9, 2021 and August 8, 2022 he bought the shares for \$452,045 or an average of 1.43 cents a share, with 15,000,000 shares bought on August 8, 2022 for \$150,000 or one cent a share (see above).

Mr Ahmad said the shares were held directly as well as through the Sixty-Two account and the BRSB Super Fund.

AUSCANN GROUP HOLDINGS

Auscann says non-executive director Chris Mews has been appointed as its chief financial officer.

In 2019, Auscann said that Mr Mews had been appointed as a non-executive director (BD: Nov 14, 2019).

Today, the company said Mr Mews was currently the chief financial officer and company secretary of Perth's Merchant Group Pty Ltd and had previously worked as chief financial officer and company secretary of Polynovo.

Auscann said Mr Mews held a Bachelor of Business from Perth's Edith Cowan University. Auscann was unchanged at 4.7 cents.

CRESO PHARMA

Creso says its Kanata, Ontario-based cannabidiol subsidiary Impactive has appointed North American sports coach Kolby Tullier as a "brand ambassador".

The company said the appointment would be for an initial term of 12 months, with Mr Tullier to be paid \$US40,000 (\$A56,344) and receive 100,000 shares, subject to shareholder approval.

The company said that Mr Tullier would be eligible for up to 2,000,000 performance rights, pending revenue hurdles.

Creso was unchanged at 3.9 cents with 3.95 million shares traded.