



Biotech Daily

Thursday June 9, 2022

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: KAZIA UP 9%; RESONANCE DOWN 11%**
- * **ONCOSIL RIGHTS RAISE \$5.9m; TOTAL \$9.9m**
- * **CHIMERIC, L1 CAPITAL \$30m DRAWDOWN EQUITY FACILITY**
- * **RADIOPHARM SUB-LICENCES PTP_μ TUMOR TARGETING AGENT**
- * **MEMPHASYS TO MEET FDA; COVID SLOWS FELIX SALES**
- * **INVION APPLIES FOR INV043 PHOTOSOFT PATENT**
- * **NEUROTECH: 'NTI164, DICLOFENAC REDUCES BIOMARKERS, IN-VITRO'**
- * **RACE TO BUY-BACK UP-TO 4m SHARES**
- * **PALLA LIQUIDATORS: 'NOTHING FOR SHARE-HOLDERS'**
- * **OVENTUS LOSES FOUNDER DR CHRIS HART, DIRECTOR SUSPENSION**

MARKET REPORT

The Australian stock market fell 1.42 percent on Thursday June 9, 2022, with the ASX200 down 101.4 points to 7,019.7 points. Six of the Biotech Daily Top 40 stocks were up, 28 fell and six traded unchanged.

Kazia was the best, up 6.5 cents or 8.9 percent to 79.5 cents, with 276,457 shares traded. Universal Biosensors climbed 7.9 percent; Micro-X and Oncosil were up more than six percent; Avita and Starpharma rose more than two percent; with CSL up 0.3 percent.

Resonance led the falls, down 0.9 cents or 11.4 percent to seven cents, with 708,186 shares traded. Medical Developments lost 9.1 percent; Atomo, Clinuvel and Imugene were down more than six percent; Compumedics and Prescient retreated more than five percent; Actinogen, Patrys and Proteomics fell more than four percent; Dimerix and Genetic Signatures were down more than three percent; Cyclopharm, Nanosonics, Nova Eye and Pro Medicus shed more than two percent; Antisense, Immutep, Mesoblast, Neuren, Opthea, Orthocell, Pharmaxis, Telix, Uscom and Volpara were down one percent or more; with Cochlear, Emvision, Paradigm and Resmed down by less than one percent.

ONCOSIL MEDICAL

Oncosil says it had applications for \$3.2 million in a \$6 million rights offer at five cents a share, placing the shortfall to raise \$5.9 million, taking the total raised to \$9.9 million. In April, Oncosil said it had commitments for a \$4 million placement and hoped to raise a further \$6 million through a two-for-13 entitlement offer (BD: Apr 29, 2022). Today, the company said that the rights offer was not underwritten and the shortfall had been placed, with \$2,675,448 in shares to sophisticated and professional investors and a further \$150,000 in shares to director Otto Buttula, pending shareholder approval. Oncosil was up 0.3 cents or 6.1 percent to 5.2 cents with 1.1 million shares traded.

CHIMERIC THERAPEUTICS

Chimeric says it has placed \$500,000 of shares at 10 cents each with L1 Capital, under a \$30 million, 24-month equity drawdown facility. Chimeric said that it would issue L1 Capital 15,000,000 options exercisable at 25.5 cents each by March 31, 2024. The company said “the flexible funding arrangement” would enhance its development of its Car-T-cell and natural killer cell platforms and the drawdowns would be at its discretion. Chimeric executive chair Paul Hopper said that “with our strong existing cash reserves following the completion of the recent entitlement offer and the flexibility this placement agreement provides, we are in a very solid position to exercise our clinical development plan with even greater confidence”. Chimeric was unchanged at 10.5 cents with 2.15 million shares traded.

RADIOPHARM THERANOSTICS

Radiopharm says it will sub-licence the PTP μ tumor-targeting agent from the Wellington, Ohio-based Neoincate LLC. Radiopharm said the agent was developed at the Cleveland, Ohio-based Case Western Reserve University and targeted a biomarker unique to tumors called protein tyrosine phosphatase mu (PTP μ) and a radio-nuclide carrying PTP μ -targeting agents had “the potential of first-in-class therapy in a range of tumor types” including brain and gynaecological cancers. The company said the agent had shown encouraging pre-clinical data in glioblastoma tumor models and it had a sub-licence to develop it as radiotherapy conjugate for imaging diagnostics and as a radio-pharmaceutical extending to the expiry or abandonment of the underlying licence and it expected to start a brain tumor imaging trial in about 12 months. The company said that it did not consider the cost of the sublicense or the milestone payments to be material and the contract included industry-standard, single-digit royalties payable to Neoincate for future sales of products developed under the agreement. Radiopharm managing-director Riccardo Canevari said the company was “eager to bring the highly sensitive and tumor specific PTP μ -targeted agent to our clinical development pipeline”. Mr Canevari said that the sub-licence would “build upon our portfolio of targeted radiopharmaceutical therapies”. “A number of tumor types can be detected with this novel PTP μ -targeted agent,” Mr Canevari said. “Due to the limited treatment options and immediate need for therapies, we are focused on detecting and treating aggressive brain tumors with the PTP μ -targeted agents.” Radiopharm was up 1.5 cents or 8.6 percent to 19 cents.

MEMPHASYS

Memphasys says it is preparing for a pre-submission meeting with the US Food and Drug Administration regarding registration of its Felix sperm separation system.

Memphasys said it had been advised that the Felix system would be treated as a novel Class II device, without a predicate device and would require a de novo submission.

The company said that early sales of Felix had been slower than expected due to Covid restrictions slowing in-vitro fertilization clinic activity, with travel restrictions prohibiting “the company’s management from conducting sales discussions in person with [key opinion leader] executives.”

Memphasys company said that with the easing of restrictions, it was conducting an India-centred sales initiative and had “identified and would soon be appointing a highly experienced sales executive”.

Memphasys was unchanged at four cents.

INVION

Invion says it has filed an application to the European Patent Office relating to INV043 Photosoft cancer treatment candidate.

Invion said the application was filed by licensor and funder, RMW Cho Group under the international Patent Co-operation Treaty.

The company said that when granted, the patent, titled ‘Photodynamic Therapy and Diagnosis’ would protect its intellectual property until November 25, 2040.

Invion executive chair Thian Chew said the international patent application would “put Invion in a stronger position to commercialize INV043 as a standalone treatment and also through partnerships via combination therapy applications”.

“We believe Photosoft has the potential to revolutionize the way cancers and other diseases are treated,” Mr Chew said.

Invion was up 0.05 cents or 5.6 percent to 0.95 cents with 3.6 million shares traded.

NEUROTECH INTERNATIONAL

Neurotech International says its NTI164 marijuana combined with diclofenac, reduced inflammatory biomarkers more than diclofenac alone, in vitro.

In December Neurotech said its marijuana-derived NTI164 in combination with prednisone could reduce inflammatory biomarkers, in-vitro (BD: Dec 1, 2022).

Today, Neurotech said that when combined with NTI164, diclofenac’s effect was significantly enhanced, showing a 93 percent reduction in the expression of tumor necrosis factor alpha, an 80 percent reduction in the expression of interleukin-6, a 66 percent reduction in granulocyte-macrophage colony-stimulating factor, a 52 percent reduction in interleukin-1a, and a 38 percent reduction in cyclooxygenase-2.

The company claimed statistical significance in all the results.

Neurotech said the biomarkers were associated with the onset and development of neuro-inflammatory disorders including multiple sclerosis and Alzheimer’s disease, as well as inflammatory auto-immune diseases such as rheumatoid arthritis.

Neurotech director Prof Allan Cripps said the pre-clinical findings were “very encouraging as they are in line with the results we previously reported with Prednisone”.

“What a reduction in these key biomarkers means is promising since these cytokines all play vital roles in the onset, development and progression of multiple neuro-inflammatory diseases and autoimmune disorders,” Prof Cripps said.

Neurotech fell half a cent or 7.7 percent to six cents with 3.4 million shares traded.

RACE ONCOLOGY

Race says it will conduct an on-market share buy-back of up to four million shares over the next 12 months.

Race said its directors believed an on-market buy-back was “an efficient capital management option available to maximize shareholder value ... [allowing it] to take advantage of share price volatility during through opportunistic purchases during periods in which the share price does not reflect the robust outlook for the company”.

The company said the shares would be purchased at a price of “not more than five percent above the 5-day volume weighted average price of Race’s shares”.

Race chief executive officer Phillip Lynch said the board believed the company was “currently undervalued due to a range of factors external to the company’s fundamentals”. “We believe a share buy-back is an appropriate use of capital at this point in time, and that the quantum involved will not compromise pre-clinical and clinical programs as committed under our recent share purchase plan,” Mr Lynch said.

Race was up 19 cents or 11.2 percent to \$1.88 with 550,714 shares traded.

PALLA PHARMA (FORMERLY TASMANIA POPPY INDUSTRIES ENTERPRISES)

Korda Mentha, as liquidators of Palla Pharma, says it does “not expect there will be sufficient recoveries ... to provide a return to shareholders”.

Korda Mentha said it expected to pay 100 percent of funds owed to “priority employee creditors” and 21 percent to unsecured creditors.

Palla was commercializing opium products including morphine and codeine.

Last December, Palla requested a suspension followed by entering voluntary administration (BD: Dec 15, 17, 2021).

OVENTUS MEDICAL

Oventus says founder and former executive chair Dr Chris Hart has resigned, effective from yesterday, and has requested a suspension relating to Australian directors.

Oventus said it thanked Dr Hart for his contribution.

“He invented the technology and led Oventus through its early stages,” the company said.

“He is leaving the board to return to his clinical practice,” Oventus said.

In a separate announcement, the company requested a voluntary suspension “until an additional Australian resident director has been appointed”.

Oventus said it expected an appointment to be made no later than June 24, 2022.

According to Commsec data, the company has three directors: non-executive chair Sue MacLeman, and non-executive directors Jason Nunn and Paul Molloy.

Oventus last traded at two cents.