



# Biotech Daily

Tuesday February 27, 2018

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: BIONOMICS UP 12%; IMMUTEP (PRIMA) DOWN 4%**
- \* **SUDA TO SELL \$6m REVENUE WESTCOAST**
- \* **CYNATA 100-DAY DATA BACKS CYP-001 FOR GVHD**
- \* **CORRECTION: ALLERGAN PAYS A TOTAL OF \$331m FOR ELASTAGEN**
- \* **ELLEX H1 REVENUE UP 12% TO \$38m, PROFIT TO \$2m LOSS**
- \* **CYCLOPHARM REVENUE DOWN 8% TO \$13m, PROFIT TO \$1.5m LOSS**
- \* **IQ3 H1 REVENUE UP 33% TO \$3.4m, PROFIT DOWN 56% TO \$74k**
- \* **VISIONEERING REVENUE UP 385% TO \$1.3m, LOSS UP 104% TO \$21.6m**
- \* **RESONANCE H1 REVENUE UP 3% TO \$1.3m, PROFIT UP 233% TO \$118k**
- \* **ALCIDION H1 REVENUE DOWN 4.2% TO \$1.3m, LOSS DOWN 32% TO \$1m**
- \* **CRESO TO LAUNCH CANNAQIX MARIJUANA SUPPLEMENT IN MARCH**
- \* **PETER MEURS INCREASES TO 19.99% OF DIMERIX**
- \* **TANYA MANGOLD REPLACES ADMEDUS CO SEC MAJA MCGUIRE**

## MARKET REPORT

The Australian stock market was up 0.24 percent on Tuesday February 27, 2018 with the ASX200 up 14.7 points to 6,056.9 points. Eighteen Biotech Daily Top 40 stocks were up, 12 fell, seven traded unchanged and three were untraded. All three Big Caps rose.

Bionomics was the best, up 4.5 cents or 12.0 percent to 42 cents with 6.2 million shares traded. Neuren climbed 10.2 percent; Actinogen was up 8.2 percent; Impedimed rose 7.5 percent; Admedus improved 5.9 percent; Nanosonics and Pharmaxis were up more than four percent; Optiscan, Starpharma and Volpara rose more than two percent; with Avita, Cyclopharm, Ellex, Opthea, Pro Medicus, Resmed and Telix up more than one percent.

Immutep (Prima) led the falls, down 0.1 cents or 4.35 percent to 2.2 cents with 4.9 million shares traded. Both Dimerix and Oncosil lost 3.3 percent; Benitec, Compumedics, Factor Therapeutics, LBT and Mesoblast shed more than two percent; with Airxpanders, Osprey and Universal Biosensors down more than one percent.

## SUDA PHARMACEUTICALS

Suda says it will sell its wholly owned subsidiary Westcoast Surgical & Medical Supplies to Perth's Medical Sales and Service Pty Ltd for an undisclosed price.

Last year, Suda said that the revenue to June 30, 2017 was \$7,221,000, primarily from Westcoast Surgical and Medical Supplies and in 2016, the company had revenue for the year to June 30, 2016 of \$5,872,000 (BD: Sep 1, 2016; Aug 31, 2017).

Today, Suda chief executive officer Stephen Carter told Biotech Daily that the payment amount for Westcoast would remain undisclosed until the sale was finalized.

Mr Carter said that prior to the Federal Government's 'Sovereign Borders' policy, Westcoast supplied the Western Australia and Christmas Island detention centres.

In a media release, Suda said that Medical Sales & Service was a medical distributor to the Western Australia healthcare market and a subsidiary of the Sydney-based Device Technologies Australia Pty Ltd.

The company said it "conducted a comprehensive divestment initiative after receiving an informal offer for Westcoast".

Suda said it approached strategic and financial parties who potentially could be interested in a profitable medical supplies business.

The company said that subject to all conditions being satisfied, settlement was expected in early March 2018.

Suda said the proceeds would strengthen its working capital and would be used to support the further development of its Oromist technology and project pipeline and allow the company to focus on its core business of oro-mucosal drug delivery.

Suda was unchanged at 1.5 cents with 1.2 million shares traded.

## CYNATA THERAPEUTICS

Cynata says that at 100-days after treatment with its CYP-001 mesenchymal stem cells four of the eight graft-versus-host-disease patients had a complete response.

Cynata said that one patient died of pneumonia which was common with bone marrow transplant recipients and was not considered to be treatment-related, giving an overall response rate of 87.5 percent.

In January, Cynata said it had "encouraging early safety and efficacy data" from the first cohort of patients in the phase I trial following dosing with one million CYP-001 cells per kilogram of body weight on, to a maximum of 100 million cells per infusion on day-0 and day-7, and the independent data safety monitoring board recommended the trial progress to the second eight-patients cohort (BD: Jan 22, 2018).

Today, the company said that the detailed results were "an improvement above the initial results announced in January".

Cynata said the overall response rate at day-100 was 100 percent with all eight patients showing an improvement in the severity of graft versus host disease by at least one grade compared to baseline.

The company said that the complete response rate by day-100 was 50 percent with signs and symptoms completely resolved in four of the eight patients.

Cynata said the second cohort of eight patients would receive two infusions of CYP-001 at two million CYP-001 cells per kilogram of bodyweight, to a maximum of 200 million cells per infusion and enrolment was progressing well, with seven sites in the UK and Australia open for enrolment.

Cynata product development head Dr Kilian Kelly said the data "demonstrates the potential of our Cymerus platform".

Cynata was up 5.5 cents or 5.1 percent to \$1.135.

### CORRECTION: ELASTAGEN, BRANDON CAPITAL, MRCF GBS VENTURES

Last night's edition said that Allergan would pay Sydney's Elastagen a total of up to \$US165 million (\$A209.8 million) to acquire the company.

The correct figure is up to a total of \$US260 million (\$A331 million).

Elastagen director Dr Stephen Thompson told Biotech Daily that Allergan had filed documents with the US Securities and Exchange Commission disclosing the details of the acquisition, including a further \$US165 million in potential milestone payments.

Earlier this month Elastagen said it would pay \$US95 million plus contingent and commercial payments (BD: Feb 7, 2018).

The Monday financial reports sub-editor confused the milestone amount for the total, which is up to \$US260 million (\$A331 million) and has been seconded to an unnamed leading corporate auditing office to make mistakes there, instead.

Elastagen is a private company.

### ELLEX MEDICAL LASERS

Ellex says revenue for the six months to December 31, 2017, increased 11.6 percent to \$38,243,000 with net profit after tax turned to a loss of \$2,440,000.

Ellex said that revenue was driven by sales of its glaucoma treatment lasers and the Ellex Itrack device, an ocular surgery technique that reduces eye pressure.

The company said that net tangible assets per share was up 19.4 percent to 37 cents, while diluted loss per share was 1.95 cents at December 31, 2017 compared to diluted earnings per share of 0.87 cents for the previous period, with cash and cash equivalents of \$25,195,000 at December 31, 2017 compared to \$14,146,000 at December 31, 2016. Ellex was up one cent or 1.2 percent to 86 cents.

### CYCLOPHARM

Cyclopharm says that revenue for the 12 months to December 31, 2017, fell 8.3 percent to \$13,189,752 turning last year's net profit after tax to a loss of \$1,524,571.

Cyclopharm said last year's revenue was impacted by sales to seed its Chinese distributor, increasing revenue \$1.38 million and excluding the one-off sale implied underlying revenue increased by 1.4 percent.

Cyclopharm chief executive officer James McBrayer said that "strong sales in Europe [were] pleasing despite flat sales in France".

"We expect to see an uplift in France in the second half of 2018 as we renegotiate our sales agreements there," Mr McBrayer said.

"Particularly pleasing is the fourteenth consecutive year of growth in Canada," Mr McBrayer said. "We see Canada as a lead indicator for our plans for the United States."

Mr McBrayer said that Cyclopharm was expanding Technegas sales and exploring new applications, with commercial Ultralute sales expected by July 2018.

Mr McBrayer said that Ultralute was able to expand the useful life of generators that produce nuclear medicine materials in hospitals.

Cyclopharm said it would pay an unfranked 0.5 cents dividend to shareholders at the record date of April 9, with the payment to be made on April 16, 2018.

The company said that diluted loss per share was 2.25 cents for the 12 months to December 31, 2017, with net tangible assets per share up 16.7 percent to 0.21 cents.

Cyclopharm said it had cash and cash equivalents of \$8,689,676 at December 31, 2017, compared to \$4,590,760 at December 31, 2016.

Cyclopharm was up one cent or 1.05 percent to 96 cents.

### IQ3 CORP

IQ3 says that revenue for the six months to December 31, 2017, was up 32.5 percent to \$3,437,588, with net profit after tax down 55.5 percent to \$73,920.

The company said that its principal activities were the provision of capital raising and corporate advisory services to unlisted companies in the life sciences industry.

IQ3 said that diluted earnings per share fell 56.3 percent to 0.07 cents, with net tangible assets per share up 12.8 percent to 1.68 cents.

The company said it had cash and cash equivalents of \$377,985 at December 31, 2017, compared to \$189,803 at December 31, 2016.

IQ3 was untraded at 30 cents.

### VISIONEERING TECHNOLOGIES

Visioneering says that revenue for the 12 months to December 31, 2017, was up 385.2 percent to \$US1,048,978 (\$A1,333,880), with net loss after tax up 104.4 percent to \$US16,981,419 (\$A21,593,572).

Last year, Visioneering said it had raised \$33.3 million in an initial public offering and would begin trading on the ASX on March 28, 2017 (BD: Mar 16, 2017).

Today, the company said that diluted loss per share had decreased 89.3 percent to 0.11 US cents for the 12 months to December 31, 2017, with net tangible assets per share up to 0.10 US cents and cash and cash equivalents of \$US16,584,000 at December 31, 2017, compared to \$US5,674,000 at December 31, 2016.

Visioneering fell one cent or 2.1 percent to 47 cents.

### RESONANCE HEALTH

Resonance says revenue for the six months to December 31, 2017, increased 3.2 percent to \$1,313,798, with net profit after tax up 233.2 percent to \$117,935.

Resonance said the commercial growth of its Ferriscan technology, which measured liver iron concentration, was due to "ongoing efforts to increase uptake of the Ferriscan service" with more than 40,000 units having been delivered to patients, to date.

The company said diluted earnings per share was up 200 percent to 0.03 cents, while net tangible assets per security decreased 24.5 percent to 0.40 cents.

Resonance said it had cash and cash equivalents at December 31, 2017 of \$1,116,052 compared to \$1,919,810 at December 31, 2016.

Resonance was untraded at 2.5 cents.

### ALCIDION GROUP

Alcidion says revenue for the six months to December 31, 2017, decreased 4.2 percent to \$1,253,011 with net loss after tax down 32.2 percent to \$1,054,335.

Last year, Alcidion said it signed a three-year \$389,000 contract with Monash Health for its mobile telephone task management system and acquired Oncall Systems for its clinical messaging and mobile task management systems for hospitals and allied healthcare (BD: Oct 4, Dec 7, 2017).

The company said that net tangible assets per share was down 22.2 percent to 0.007 cents, while basic loss per share was down 34.6 percent to 0.17 cents at December 31, 2017, with cash and cash equivalents of \$4,639,554 at December 31, 2017 compared to \$5,724,566 at December 31, 2016.

Alcidion fell 0.1 cents or 2.3 percent to 4.2 cents.

## CRESO PHARMA

Creso says that with its commercial partner Doetsch Grether AG it will launch its Cannaqix marijuana food supplement in Switzerland and Liechtenstein in March 2018.

Creso said the launch and partnership with the Basel Switzerland-based Doetsch Grether was “the cornerstone for Creso Pharma’s global commercialization strategy for the product using Switzerland as a reference country”.

The company said that Cannaqix had contributed to its first revenues of CHF230,000 (\$A311,940) along with sales of its Anibidiol animal health product, following the launch of that product in Switzerland in November 2017.

Creso said that Doetsch Grether had the exclusive marketing and distribution rights for Cannaqix “for 10 years targeting more than 2,000 pharmacies and drug stores in Switzerland and Liechtenstein”.

The company said that Cannaqix was “the first standardized [food additive] containing organic hemp extract with [cannabidiol], vitamins and zinc aiming to reduce stress and to support mental and nervous functions”.

Creso said it was finalizing the access and distribution agreements in a number of countries in Europe, as well as Latin America.

Creso was up 3.5 cents or four percent to 91.5 cents.

## DIMERIX

Peter Meurs says he has increased his shareholding in Dimerix from 15,854,213 post-consolidated shares (17.33%) to 23,498,124 shares (19.99%).

The substantial shareholder notice, filed by Melbourne’s Delcore Family Office spelt its client’s name “Muers”, but following an inquiry for Biotech Daily said the correct spelling was “Meurs”.

The substantial shareholder said that Mr Meurs bought 7,643,911 shares for \$917,269 or 12 cents a share in the recent one-for-two rights issue and placement which raised \$7.55 million (BD: Dec 6, 2017; Jan 24, Feb 21, 2018).

Dimerix fell half a cent or 3.3 percent to 14.5 cents.

## ADMEDUS

Admedus says Maja McGuire has resigned as company secretary and legal counsel, effective today, February 27, 2018.

Admedus said that Tanya Mangold had been appointed as company secretary and legal counsel.

Ms Mangold’s LinkedIn page said she held a Bachelor of Commerce from the University of Port Elizabeth, a Bachelor of Laws from the Port Elizabeth-based Nelson Mandela Metropolitan University (now the Nelson Mandela University) and a Master of Laws from the University of South Africa in Pretoria.

Admedus was up 1.5 cents or 5.9 percent to 27 cents.