



Biotech Daily

Tuesday April 24, 2018

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: GENETIC SIGNATURES UP 12%; COMPUMEDICS DOWN 16%**
- * **NUHEARA \$649 IQBUDS BOOST FOR MODERATE HEARING LOSS**
- * **ALCIDION BUYS MKM, PATIENTRACK; KATE QUIRKE GROUP CEO**
- * **LBT SHIPS FIRST APAS TO GERMANY**
- * **MEDICAL DEVELOPMENTS: PENTHROX APPROVED IN FINLAND**
- * **RHYTHM 2nd PRELIMINARY TEST COMPLETE, FINISH IN MAY**
- * **BLOOMINGDALES STOCKS CELLMID ÉVOLIS HAIR PRODUCTS**
- * **UNNAMED GERMAN HOSPITAL TRIALS RESAPP DIAGNOSTIC**
- * **AUSCANN LICENCED TO IMPORT CANOPY MARIJUANA OILS**
- * **FURTHER CE MARK FOR G MEDICAL SMARTPHONE CASE**
- * **1-PAGE TO RE-LIST AS EUROPEAN CANNABIS FOR MEDICAL MARIJUANA**
- * **ELIXINOL, KERSEY AG MARIJUANA HEMP JOINT VENTURE**
- * **ALLAN GRAY TAKES 15% OF FACTOR THERAPEUTICS**
- * **HYDROPONICS TAKES 'MATERIAL ACQUISITION' HALT TO SUSPENSION**
- * **RECCE APPOINTS DR JOHN PRENDERGAST DIRECTOR**
- * **G MEDICAL LOSES ASHLEY KRONGOLD**
- * **MACH7 CFO JENNI PILCHER REPLACES CO SEC ALYN TAI**

MARKET REPORT

The Australian stock market was up 0.6 percent on Tuesday April 24, 2018 with the ASX200 up 35.6 points to 5,921.6 points. Eleven of the Biotech Daily Top 40 stocks were up, 20 fell, six traded unchanged and three were untraded.

Genetic Signatures was the best, up 3.5 cents or 11.9 percent to 33 cents with 39,752 shares traded. Benitec climbed five percent; Airxpanders, Oncosil, Orthocell and Pharmaxis were up more than three percent; Admedus and Osprey rose more than two percent; Cochlear, CSL and Volpara were up more than one percent; with Cyclopharm and Neuren up by less than one percent.

Compumedics led the falls, down 7.5 cents or 16.1 percent to 39 cents with 534,632 shares traded. Universal Biosensors lost 7.7 percent; Actinogen, Dimerix and Ellex fell more than four percent; Clinuvel and Impedimed were down more than three percent; Acrux, Factor, Medical Developments, Prana and Starpharma shed more than two percent; with Bionomics, Nanosonics, Optiscan, Polynovo and Pro Medicus down by one percent or more.

NUHEARA

Nuheara says it has begun shipping pre-orders of its second hearing bud product Iqbuds Boost for people with mild to moderate hearing loss.

Nuheara said the Iqbuds Boost was a “game-changing accessible hearing [product]” providing personalized hearing assistance as well as music and hands-free phone calls.

The company said that retailing for \$649 Boost was about 10 percent of the cost of traditional digital hearing products, with mobile telephone application support available on Apple iTunes and Google Play Store.

The company said that 70 percent of people with hearing loss were in the mild to moderate category and once diagnosed “only 10 percent of people in this category ... [bought] any form of hearing assistance, primarily due to cost”.

Nuheara chief executive officer Justin Miller said that US Over-The-Counter Hearing Aid Act would “drive a new era in hearing health for millions of people who experience mild to moderate hearing loss”.

“We are looking forward to similar legislation being passed globally,” Mr Miller said.

Mr Miller said that incorporating the prescription fitting formula hearing aid companies use and Nuheara’s Ear ID would automatically calibrate the settings making Iqbuds Boost “the most advanced assistive listening device on the market today”.

Nuheara fell 0.2 cents or 2.2 percent to 8.9 cents with 2.4 million shares traded.

ALCIDION

Alcidion says it will buy MKM Health and Patientrack for \$12,000,000 in cash and scrip, with MKM chief executive officer Kate Quirke to be Alcidion chief executive officer.

Alcidion said Ray Blight would continue as executive chairman with the deal expected to be completed, subject to shareholder approval, on June 29, 2018

The company said that MKM Health provided information technology products to healthcare providers in Australia and New Zealand, while the affiliated UK-based Patientrack supplied software to improve patient safety in hospitals.

Alcidion said the acquisition would be paid through the issue of 198,000,000 shares, valued at \$10,000,000 or 5.05 cents a share, with the other \$2,000,000 payable in cash.

Alcidion said a further \$4,000,000 in shares would be payable in 12 months, subject to the revenue performance and earnings before interest, taxes, depreciation and amortization of MKM Health and Patientrack.

The company said the combined revenue of all three companies for the financial year was expected to be about \$13,000,000 and its customer base would include 20 UK National Health Service hospitals, more than 50 Australian public and private hospitals, and health departments and 11 district health boards covering more than 30 New Zealand hospitals.

Alcidion said MKM Health was Patientrack’s information technology (IT) service provider and had managed the initial clinical trial of its software in the UK before merging its UK business with Patientrack in 2011, as well as being Patientrack’s sole distributor in Australia and New Zealand.

The company said that in the 12 months to June 30, 2017 MKM Health and Patientrack had generated combined revenues of \$9,500,000 and net profits after tax of \$700,000.

Alcidion said that about 80 percent of the shares to be issued to MKM would be held in voluntarily escrow for 12 months from the date of issue.

Mr Blight said “we are expanding our technology capabilities and our product offering, and the combined group will also have the specialist health IT sales, advisory and service delivery capabilities that are required to sell and deliver complex healthcare IT platforms”.

Alcidion was up 0.1 cents or 2.8 percent to 3.7 cents with 16.8 million shares traded.

LBT INNOVATIONS

LBT says it has shipped its first automated plate assessment system (APAS) Independence to the Northern Hemisphere, to Cologne's Laboratory Dr Wisplinghoff. LBT said the non-sale shipment was through its joint venture company Clever Culture Systems AG and Laboratory Dr Wisplinghoff was the largest clinical laboratory in Cologne, with more than 40 medical specialists, and was "a key opinion leading laboratory". The company said Laboratory Dr Wisplinghoff and Clever Culture Systems would collaborate to create a European APAS "centre of excellence", to test automation efficiency and clinical validation similar to the evaluation completed at St Vincent's Hospital in Melbourne last year (BD: Jun 23, Nov 29, 2017).

LBT chief executive officer Brent Barnes said that "the placement of the instrument in Laboratory Dr Wisplinghoff, a globally recognized centre of excellence, gives the APAS Independence a huge boost in credibility in Europe and progresses our commercialization strategy".

LBT was unchanged at 14.5 cents.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says its inhaled methoxyflurane analgesic Pentrox has been approved for sale in Finland.

Medical Developments said this marketing authorization brought the total approvals in Europe to 17, with a number of countries, including Italy, Spain and Portugal, still to come. Medical Developments fell 15 cents or 2.2 percent to \$6.80.

RHYTHM BIOSCIENCES

COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

Rhythm says it expects to finalize testing of its five mixed monoclonal antibodies by the end of May 2018, having passed two of three preliminary screening tests.

Rhythm said that completion of the three tests, conducted under a research contract with the Commonwealth Scientific and Industrial Research Organisation, would trigger cloning of the cells required to produce the antibodies for the company's colorectal cancer blood diagnostic Colostat, and that more detailed testing of the antibodies would follow to identify those most fit for purpose.

Rhythm managing director Dr Trevor Lockett said that "Rhythm's objective in the coming months is to develop our own antibodies and target proteins to give us control of the supply, quality and cost of these key reagents".

Rhythm was up 1.5 cents or 9.1 percent to 18 cents.

CELLMID

Cellmid says it has a "premium retail partnership with leading US retailer Bloomingdales" for its Évolis hair products, with sales expected by October 2018.

Cellmid did not disclose the potential value of the deal, but said Bloomingdales was one the "oldest and most prestigious department stores in the US", established in 1872 and now owned by Macy's, which reported more than \$US24 billion (\$A32 billion) in revenue in 2017 and operate more than 690 department stores in 44 states across the US.

Cellmid chief executive officer Maria Halasz said that Bloomingdale was "the third premium retail group in the US for Évolis".

Cellmid was unchanged at 47 cents.

RESAPP HEALTH

Resapp says it has a letter of intent with an unnamed German private hospital network to test the applicability and integration of its Resappdx acute respiratory disease test. Resapp said the pilot project would test the Resappdx smartphone application in a German hospital structure.

The company said it would work with the hospital to design and run a six-month pilot project at one or more of the network's hospitals, beginning by November 1, 2018, at no-cost to Resapp, and with no revenue from the project and at completion it would grant the network an exclusive, no-cost licence to use Resappdx in their hospitals in Germany for six months and a non-exclusive, no-cost licence for an additional six months. Resapp said that successful completion of the project might lead to the network negotiating a commercial licencing agreement.

Resapp chief executive officer Dr Tony Keating said that working with the German hospital network "gives us a unique opportunity to work closely with European clinicians and hospital executives, providing us with invaluable insight into European clinical practice and hospital operations".

Resapp was up one cent or 7.1 percent to 15 cents with 2.8 million shares traded.

AUSCANN GROUP HOLDINGS

Auscann says it has an import permit to receive finished cannabis oils from 10.65 percent substantial shareholder, the Smiths Falls, Ontario-based Canopy Growth Corp.

Auscann said the Federal Office of Drug Control licence would allow it to import Canopy Growth products for chronic neuropathic pain control, known as AC 5:5, AC 0:9.5 and AC 15:0, representing the ratio of tetrahydrocannabinol to cannabidiol in each product.

The company said it had all the required licences, as well as Australian Therapeutic Goods Administration certified manufacturing facilities for its partnership with Tasmanian Alkaloids for cultivation, manufacturing and distribution of medical cannabis in Australia and overseas (BD: May 17, 2017).

Auscann managing director Elaine Darby said the Canopy Growth agreement and the Tasmanian Alkaloids partnership "positions us to be the leading supplier of affordable, effective, and clinically-validated cannabinoid medicines"

Auscann was up 17 cents or 11.7 percent to \$1.62 with 1.97 million shares traded.

G (GEVA) MEDICAL INNOVATIONS

G Medical says it has been issued with further Conformité Européenne (CE) mark certifications for its Prizma medical smartphone case with vital signs sensors.

In 2017, G Medical said the Prizma device was approved for CE mark certification as a class II medical device (BD: Sep 18, 2017).

Today, the company said the additional certification covered monitoring electrocardiogram (ECG), heart rate (HR), peripheral blood oxygen saturation level (SpO2), body temperature, arrhythmia and heart rate SpO2 (HR SpO2) and were "a significant achievement for the company", highlighting the medical effectiveness of its hardware and the potency of its proprietary algorithms, software and diagnostic intelligence.

The company said it had submitted regulatory applications in other territories.

G Medical chief executive officer Dr Yacov Geva said CE certification "strengthens our position and places G Medical in a great position to take full advantage when we are ready for full scale production".

G Medical fell 1.5 cents or five percent to 28.5 cents with 1.2 million shares traded.

ELIXINOL GLOBAL

Elixinol says it has a joint venture with the Colorado-based Kersey Ag Company to cultivate high-cannabidiol (CBD) organic hemp for food additives.

Elixinol said the joint venture through its US subsidiary was called the Northern Colorado High Plains Producers with Elixinol providing \$US1.8 million and Kersey contributing US\$700,000 plus long-term lease of land with water rights, for equal shares in the venture. The company said the joint venture would use up to 700 acres (283.3 hectare) of farmland used to grow alfalfa, silage corn and other forage crops with additional land available. Elixinol said the joint venture had begun preparations for the 2018 hemp harvest and expected to supply Elixinol products in the US and to more than 40 countries and support plans for sales and revenue growth.

Elixinol chief executive officer Paul Benhaim told Biotech Daily the company had three divisions including a medical marijuana business with cultivation and manufacturing applications to the Australian Office of Drug Control, the hemp foods business and an over-the-counter food additives or dietary supplements business.

In a media release Mr Benhaim said the “strategic partnership allows us to grow at a much larger scale than before, supporting our plans to quickly ramp up sales of Elixinol products across the US and globally”.

Elixinol was up one cent or 0.6 percent to \$1.75.

1-PAGE

1-Page says it has made payments to buy the Germany-based Hapa Medical Group for medical marijuana and hopes to re-listing on the ASX “as soon as possible”.

1-Page said it was in discussions with the ASX in relation to the requirements for completing the transaction and expected to lodge a notice of meeting in May for a shareholder meeting to be held in June.

The company said it would issue a re-compliance prospectus and, subject to ASX approval, the company would be re-instated as European Cannabis Corporation.

1-Page said that Hapa had opened Germany’s first specialist medical cannabis clinic in Berlin on March 1, 2018 and introduced good manufacturing practice-grade cannabidiol (CBD) products to Germany with its first batch of test products sold out generating revenues of more than EUR100,000 (\$A160,643) with a second, larger batch currently being manufactured.

The company said its executive team had been expanded and it had changed its financial year end from January 31, 2018 to December 31, 2017 and changed its auditor from Pricewaterhousecoopers to Bentleys Audit and Corporate.

1-Page said it had \$22,865,000 in cash at March 31, 2018.

1-Page was in a suspension at 16.5 cents.

FACTOR THERAPEUTICS (FORMERLY TISSUE THERAPIES)

Allan Gray and related companies say they have increased their substantial holding in Factor Therapeutics from 97,225,303 shares (13.32%) to 122,588,416 shares (14.69%).

The substantial shareholder notice said that Allan Gray bought and sold shares between July 28, 2017 and April 13, 2018 but bought shares between March 14 and April 13, 2018 with the single largest acquisition 8,173,138 shares for \$326,926 or 4.0 cents a share.

Factor fell 0.1 cents or 2.4 percent to 4.1 cents.

[THE HYDROPONICS COMPANY](#)

Hydroponics has requested a voluntary suspension to follow the trading halt requested April 20 “pending an announcement to the market regarding a material acquisition” (BD: Apr 20, 2018).

Hydroponics last traded at 61 cents.

[RECCE PHARMACEUTICALS](#)

Recce says Dr John Prendergast has been appointed to its board as an independent non-executive director, effective immediately.

Recce said Dr Prendergast held a Master of Science and Doctor of Philosophy from the University of New South Wales as well as Post-Doctoral Fellowships from Harvard University and the Institute for Blood Diseases at the Paris-based Hôpital Saint-Louis.

The company said Dr Prendergast had experience in the pharmaceutical industry, notably in the US as the co-founder and chairman of the US-based Palatin Technologies, which developed therapeutics for diseases with significant unmet medical need, as well as lead director of the Utah-based cancer treatment company Heat Biologics.

Recce was up half a cent or 2.8 percent to 18.5 cents.

[G MEDICAL INNOVATIONS](#)

G Medical says that director Ashley Krongold has resigned with immediate effect and his re-election will be withdrawn from the May 3, 2018 annual general meeting.

G Medical said that Mr Krongold had been “a valued member of the board and we would like to express our appreciation to him for his contribution during his term”.

[MACH7 TECHNOLOGIES](#)

Mach7 says Alyn Tai has resigned as company secretary and chief financial officer Jenni Pilcher will replace her, effective from May 1, 2018.

Mach7 fell one cent or 3.45 percent to 28 cents.