



# Biotech Daily

Thursday July 19, 2018

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: OSPREY UP 33%; CLINUVEL DOWN 10%**
- \* **UNIVERSAL BIOSENSORS H1 REVENUE DOWN 6% TO \$13.5m**
- \* **OSPREY H1 REVENUE UP 89% TO \$1.5m; 15 QUARTERS OF GROWTH**
- \* **ALCIDION SIGNS 3-YEAR, \$2.6m NT HEALTH EXTENSION**
- \* **BOTANIX, UQ COLLABORATE ON BTX1801 FOR SKIN INFECTIONS**
- \* **MEMPHASYS TO TEST FELIX FOR IVF IN EUROPE, MIDDLE EAST**
- \* **NUHEARA SECURES PRODUCTION FOR IQBUDS BOOST**
- \* **AUSCANN TELLS ASX: 'NOT AWARE OF FUNDING AT PRICE DROP'**
- \* **NOVITA TAKES CAPITAL RAISING TRADING HALT TO SUSPENSION**

## MARKET REPORT

The Australian stock market was up 0.28 percent on Thursday July 19, 2018 with the ASX200 up 17.6 points to 6,262.7 points.

Eleven of the Biotech Daily Top 40 stocks were up, 18 fell, 10 traded unchanged and one was untraded.

Osprey was the best, up five cents or 33.3 percent to 20 cents with 2.2 million shares traded.

Actinogen climbed 14.3 percent; Dimerix was up 6.4 percent; Opthea improved 5.8 percent; Genetic Signatures and Neuren rose more than two percent; Airxpanders, Avita, Medical Developments and Telix were up more than one percent; with Cochlear, CSL and Pro Medicus up by less than one percent.

Clinuvel led the falls, down \$1.11 or 10.1 percent to \$9.89 with 103,077 shares traded.

Reva lost 9.3 percent; Imugene shed 8.3 percent; ITL was down 5.3 percent; Bionomics and Orthocell fell four percent or more; Compumedics, Factor Therapeutics and Universal Biosensors were down more than three percent; Benitec and Polynovo shed more than two percent; Ellex, Nanosonics and Resmed were down more than one percent; with Cynata, Mesoblast, Sirtex, Starpharma and Volpara down by less than one percent.

## UNIVERSAL BIOSENSORS

Universal Biosensors said the revenue for the six months to June 30, 2018 fell 5.9 percent to \$13.49 million compared to the corresponding period in 2017.

Universal Biosensors says that revenue from the sale of its Xprecia Stride PT-INR blood coagulation test strips to Siemens was down 68.5 percent to \$450,000 for the three months to June 30, 2018, with revenue for the six months to June 30, 2018 down 60.9 percent to \$900,000.

Universal Biosensors said the fall in sales was caused by high levels of customer inventory build-up from Siemens from January to October in 2017 to "seed the supply chain" after Siemens began sales of Xprecia Stride in May, 2017 (BD: May 8, 2017).

Universal Biosensors said that quarterly service fees from sales of the Johnson & Johnson Lifescan One Touch Verio blood glucose test strips fell 26.7 percent to \$5,086,000 for the three months to June 30, 2018, compared to the three months to March 31, 2018, despite a six percent increase in sales volume.

The company said the fall in quarterly service fees was due to a lowering in strip pricing from \$US1.25 to 75 US cents after the first 500 million strips were sold in a 12-month period (BD: Jul 17, 2017).

Universal Biosensors said that compared to the previous corresponding period the six-month quarterly service fees revenue was up 5.0 percent to \$12,025,000.

The company said it had cash and restricted cash of \$31.14 million of which \$26.42 million (\$US19.62 million) was held in US dollars in anticipation of a repayment of its \$US15 million loan leaving net cash of \$10.98 million (BD: Dec 20, 2013; Jan 21, 2018).

Universal Biosensors fell one cent or 3.5 percent to 27.5 cents with 1.2 million shares traded.

## OSPREY MEDICAL

Osprey says that receipts from customers for the six months to June 30, 2018 was up 88.9 percent to \$US1,103,000 (\$A1,485,310) with 15 consecutive quarters of growth. In a teleconference, Osprey chief executive officer Mike McCormick said it was the first time the company had exceeded \$1 million in revenue for a six-month period for its Dyvert cardiac dye reduction technology.

Osprey said that revenue for the three months to June 30, 2018 was up 23.1 percent to \$US651,000 compared to the three months to March 31, 2018, but the company did not provide a revenue figure for the three months to June 30, 2017.

The company's Appendix 4C data showed that receipts from customers for the three months to June 30, 2018 was up 105.1 percent to \$US601,000 compared to \$US293,000 for the three months to June 30, 2017.

Osprey said it had cash and cash equivalents of \$US23,334,000 at June 30, 2018 compared to \$US15,054,000 at June 30, 2017, with a projected cash burn of \$US4,400,000 for the three months to September 30, 2018.

Mr McCormick told the teleconference that the company had signed three new national agreements with US multi-hospital systems for its Dyvert technology.

Mr McCormick said that the company expected its first sales in Europe to begin in Italy by October to be followed by Germany by the end of 2018.

Mr McCormick said that the company was in the process of applying to the UK National Institute for Health and Care Excellence (NICE) for the Dyvert system.

He said that the company was in discussion with potential partners for Japan where the technology would require regulatory approval.

Osprey climbed five cents or 33.3 percent to 20 cents with 2.2 million shares traded.

### ALCIDION

Alcidion says it has a three-year \$2.6 million contract extension with the Northern Territory Department of Health for its Miya mobile telephone task management system.

Alcidion said that the contract provided an option for two additional one-year extensions which would increase the contract value by \$888,000 for each year.

The company said its Miya platform was installed in five Northern Territory hospitals and was currently being installed at Palmerston Regional Hospital in Darwin.

Alcidion chief executive officer Kate Quirke said “our relationship with Northern Territory Department of health dates back to 2008 and we are very pleased to continue working closely with these sites to improve patient flow, bed management and productivity”.

Alcidion was up 0.2 cents or 3.9 percent to 5.3 cents.

### BOTANIX PHARMACEUTICALS

Botanix says it has signed a research agreement with the University of Queensland to investigate the antimicrobial activity of its cannabidiol BTX1801 for skin infections.

Botanix said the collaboration would investigate “the impact of BTX1801 against a diverse panel of antibiotic resistant organisms and more than 100 clinical isolates of methicillin-resistant *Staphylococcus aureus*”, also known as MRSA or golden staff, a common cause of skin infections such as acute bacterial skin and skin structure infections

The company said the research would form “a critical part in establishing which skin infection Botanix will target first” and would be conducted by the University’s Institute for Molecular Bioscience team headed by Prof Matt Cooper and Dr Mark Blaskovich.

The company said the collaboration was supported by a Federal Government Ausindustry Innovation Connections grant but did not detail the amount.

Botanix was unchanged at 10 cents with 3.8 million shares traded.

### MEMPHASYS

Memphasys says it hopes to sign contracts to have its Felix sperm separation system tested in Europe and the Middle East by October 2018.

Memphasys said it intended to enter into several memoranda of understanding by October to have in-vitro fertilization clinics undertake assessments using the Felix device to assess its ability to select the most viable sperm from diverse semen types for human in-vitro fertilization treatments.

Memphasys said the agreements were the result of a delegation of its scientific and clinical advisors engaging in discussions with key opinion leaders at the European Society for Human Reproduction and Embryology Conference in Barcelona, Spain, from July 1 to July 4, 2018.

Memphasys was unchanged at 0.1 cents with 24.7 million shares traded.

### NUHEARA

Nuheara says it has secured the ongoing production of its Iqbuds Boost hearing devices after selling its initial 2,500-unit production run in the first six weeks of sales.

Nuheara said its \$6 million capital raise in June had “secured future inventory” and production of the Iqbuds Boost for mild to moderate hearing loss (BD: Jun 8, 2018).

The company said the capital raise allowed it to “move volume into retailers throughout the course of July ensuring successful expansion into retail markets globally”.

Nuheara was up 0.1 cents or 1.1 percent to 9.3 cents with 5.7 million shares traded.

## [AUSCANN](#)

Auscann has responded to an ASX 'aware' query saying it was "not aware of the capital raising prior to the [June] price query" (BD: Jun 21, 2018).

Last month, the ASX issued a price query on June 20, 2018 when Auscann's share price fell 18 cents or 14.5 percent from an intra-day high of \$1.24 to an intra-day low of \$1.06 and noted a significant increase in trading volume.

In an 'aware' query issued on July 16, 2018, the ASX asked Auscann to specify when it first became aware of its \$33.4 million capital raising at \$1.10 a share announced on July 5 when it requested a trading halt on July 3, the details of which were reported in the Australian Financial Review half an hour later (BD: Jul 3, 5, 2018).

Today, Auscann told the ASX that "over the past 12 months, [it] has at various times considered and explored various capital raising structures".

"Prior to June 20, 2018, [Auscann] was in discussions with the lead manager and other advisors, however, for commercial reasons management elected not to advance investigations concerning a proposed capital raising until the following financial year" the company said, referring to June 30, 2018.

Auscann said the decision to delay the capital raising was communicated to its board in an email from managing director Elaine Darby at 9:58am (WST) on June 20, 2018.

The company said that "at no time prior to 3 July 2018 did [it] agree to the pricing or dilution of a potential capital raising".

Auscann was up 7.5 cents or 7.65 percent to \$1.055 with 1.1 million shares traded.

## [NOVITA HEALTH](#)

The ASX says Novita has been suspended from official quotation until the release of an announcement "in relation to a capital raising".

On Tuesday, Novita requested a trading halt pending a "bookbuild as part of an issue of new shares" for a Newly Pty Ltd initiative (BD: Jul 17, 2018).

Last year, Novita acquired Newly for its "online market-place connecting care and support professionals with people and organisations in need" (BD: Jul 24, 2017).

Novita last traded at 3.3 cents.