



# Biotech Daily

Wednesday August 8, 2018

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: IMMUTEP UP 6%; IMUGENE DOWN 9%**
- \* **FEDERAL \$18m FOR 29 WOMEN'S HEALTH GRANTS**
- \* **MEDICAL DEVELOPMENTS RAISES \$17m, SHARE PLAN FOR \$5m MORE**
- \* **GENETIC TECHNOLOGIES, KENTGROVE \$20m DRAW DOWN FACILITY**
- \* **NANOSONICS TROPHON2 NORTH AMERICA, EUROPE LAUNCH**
- \* **CYCLOPHARM H1 REVENUE UP 5% TO \$6m, LOSS UP 15% TO \$1m**
- \* **ADMEDUS EXTENDS CAPITAL RAISING SUSPENSION**
- \* **MACH7 DISTRIBUTION DEAL WITH ENVOYAI**
- \* **HARVEY NICHOLS ADDS MGC MARIJUANA DERMA TO 2 MORE SHOPS**
- \* **G MEDICAL TO LIST CHINESE SUBSIDIARY ON HONG KONG EXCHANGE**

## MARKET REPORT

The Australian stock market was up 0.23 percent on Wednesday August 8, 2018 with the ASX200 up 14.6 points to 6,268.5 points. Fourteen of the Biotech Daily Top 40 stocks were up, 19 fell, six traded unchanged and one was untraded.

Immutep was the best, up 0.2 cents or 5.6 percent to 3.8 cents with 4.6 million shares traded.

Airxpanders and Neuren climbed five percent or more; Avita was up 3.6 percent; ITL, Opthea and Pro Medicus rose more than two percent; Actinogen, Bionomics, Nanosonics, Orthocell, Polynovo and Resmed were up one percent or more; with CSL, Cynata and Telix up by less than one percent.

Imugene led the falls, down 0.2 cents or 9.1 percent to two cents with 37.5 million shares traded.

Reva lost 7.4 percent; Benitec and Factor were down five percent or more; Clinuvel, Ellex, Pharmaxis and Prescient fell more than four percent; Oncosil and Prana shed more than two percent; Cochlear, Compumedics, Dimerix, Genetic Signatures, Medical Developments, Starpharma, Universal Biosensors and Volpara were down more than one percent; with Mesoblast and Sirtex down by less than one percent.

## FEDERAL GOVERNMENT

The Federal Minister for Health Greg Hunt says that 29 medical research grants worth \$18 million is “the first step towards a new national women’s health strategy”.

A media release from Mr Hunt said that the National Women’s Health Strategy 2020-2030, aimed “to improve the health and wellbeing of all women in Australia over the next decade, especially those at the greatest risk of poor health”.

The media release said the strategy was “the first since 2010”, would identify what was required to improve health outcomes for women and girls, provide a framework for action and was expected to be completed in 2019.

Mr Hunt said the projects would focus on breast cancer, maternal health, immunization rates and cardiovascular disease, as well as in-vitro fertilization.

The media release said that institutions to be funded included the Walter and Eliza Hall Institute, Garvan Institute, University of Melbourne, Monash University, University of Sydney, University of Adelaide, University of Technology Sydney, University of Queensland, University of Newcastle, La Trobe University, Deakin University, James Cook University, the Cancer Council of New South Wales and Notre Dame University.

The Government said that Walter and Eliza Hall Institute’s Prof Geoffrey Lindeman was awarded \$2,496,428 “to bridge the translational gap” between discoveries and their transfer to early phase breast cancer trials and train breast cancer researchers.

The media release said Monash University’s Prof Danielle Mazza won \$2,499,270 to improve the quality, safety and capacity of primary health care services for better outcomes in women’s sexual and reproductive health; while the University of Queensland’s Prof Gita Mishra was awarded \$2,495,848 to examine how risk factors combine to influence non-communicable diseases and identify how best to prevent non-communicable diseases among women.

The Government said that other major grant winners were La Trobe University’s Prof Andrew Scott with \$985,528 to develop a monoclonal antibody targetting advanced and metastatic breast cancer, enabling delivery of potent drugs into cancer cells, and inhibition of abnormal tumor cell growth; the University of Technology Sydney’s Prof Elizabeth Sullivan awarded \$955,648 to partner with Aboriginal communities, young Aboriginal women in prison or recently in prison, their families, and service providers to deliver culturally appropriate services for the young Aboriginal women; the University of Adelaide’s Prof Maria Makrides receiving \$860,385 to test the impact of diets and nutritional supplements on pregnant women and their children; the Garvan’s Prof Alexander Swarbrick awarded \$649,175 to study breast cancer cell genetics;

## MEDICAL DEVELOPMENTS

Medical Developments says it has raised \$17 million through a placement at \$4.00 a share and hopes to raise up to \$5 million more through a share plan at the same price.

Medical Developments said the share plan would offer up to 1,250,000 shares in parcels ranging from \$500 to \$15,000.

The company said the record date for the share plan was August 7, the plan would open on August 22 and close on September 11, 2018.

Medical Developments said the proceeds would be used to progress clinical programs in the UK and Europe, continue its advanced manufacturing program with the Commonwealth Scientific and Industrial Research Organisation, fund the development of a new Pentrox inhaler and go towards US development costs, equipment costs, reduction of a loan draw down and working capital.

Medical Developments fell six cents or 1.5 percent to \$3.98 with 1.3 million shares traded.

## GENETIC TECHNOLOGIES

Genetic Technologies says it has a \$20 million “equity placement facility” with the Melbourne-based Kentgrove Capital Growth Fund.

Genetic Technologies said that Kentgrove Capital could provide up to \$20 million in a series of placements of up to \$1.0 million over the next 20 months until April 7, 2020.

The company said it would issue Kentgrove 8,833,100 shares upfront and 12,500,000 three-year options, exercisable at 1.53 cents each, as well as 100,000,000 collateral shares as security, with outstanding collateral to be sold on termination or expiration of the facility and proceeds returned to the company, discounted 4.5 percent, or bought by the company for a nominal figure.

Genetic Technologies said that for each new placement, shares would be issued at a 4.5 percent discount to that day’s volume weighted average price and at no less than the minimum issue price determined by Genetic Technologies on that day.

The company said the proceeds would go towards the commercialization of the company’s research and development capabilities and its intellectual property, an enhanced Brevagenplus breast cancer risk assessment test and a colon cancer risk assessment test, as well as developing further genetic screening tests, researching blockchain opportunities in the pharmaceutical industry and general working capital. Genetic Technologies Dr Paul Kasian told Biotech Daily that his company had “full control of the facility and the minimum price to be achieved by Kentgrove”.

Genetic Technologies fell 0.1 cents or 10 percent to 0.9 cents with 3.9 million shares traded.

## NANOSONICS

Nanosonics says it has launched its Trophon2 second generation ultrasound probe decontamination device in North America and Europe.

Nanosonics chief executive officer Michael Kavanagh said the Trophon2 was “a simply smarter ... [product with] a range of new benefits” based on input from customers.

“New features of Trophon2 include a redesigned chamber to facilitate existing and future probe designs as well as new functionality to further optimize point of care usage and improve clinical workflows,” Mr Kavanagh said.

Mr Kavanagh said the Trophon2 had “a large, high-definition, color touch screen with animations for ease of installation, training and use” as well as quiet operation and a range of programable options.

Mr Kavanagh said the software included the Acutrace system of paperless traceability, documenting disinfection cycles through radio-frequency identification embedded in ultrasound probe tags, operator cards, the disinfectant bottle and the chemical indicators.

He said that the Trophon2 could store more than 100,000 disinfection records providing more accurate and complete records for improved compliance with required standards.

Mr Kavanagh said the Acutrace Plus digital connectivity enabled the device to be integrated with hospital information technology systems, meaning that users could verify “with the touch of a button” that any probe, at any moment in time, had been disinfected.

“It is expected that Trophon2 will continue to drive installed base growth internationally as Trophon becomes the new standard-of-care as well as introduce the opportunity for an upgrade market through the current installed base,” Mr Kavanagh said.

“The original Trophon EPR device will remain in the market as an entry level product, however we anticipate a significant proportion of sales to shift from Trophon EPR to the new Trophon2 system over time,” Mr Kavanagh said.

Nanosonics was up five cents or 1.5 percent to \$3.29 with 1.2 million shares traded.

### CYCLOPHARM

Cyclopharm says sales revenue for the six months to June 30, 2018 was up 4.7 percent to \$6,342,000, compared to the previous corresponding period.

Cyclopharm said the consolidated loss before interest, tax, depreciation and amortization for the six months to June 30, 2018 was up 14.7 percent to \$1,173,000, compared to the previous corresponding period.

The company said that underlying earnings before interest, tax, depreciation and amortization for the six months to June 30, 2018 was down 46.7 percent to \$459,000, compared to the previous corresponding period.

Cyclopharm said it had a net cash balance of \$7.6 million.

Cyclopharm was unchanged at 85.5 cents with one million shares traded.

### ADMEDUS

Admedus says it has requested an extension for its voluntary suspension to “finalize negotiations in relation to a placement”.

Earlier this week, Admedus requested a voluntary suspension following its August 2, 2018 capital raising trading halt (BD: Aug 2, 6, 2018)

The company said it expected the suspension to last until August 13, 2018 or on the release of an earlier announcement.

Admedus last traded at 13.5 cents.

### MACH7 TECHNOLOGIES

Mach7 says it has a medical imaging distribution deal with the Cambridge, Massachusetts-based artificial intelligence platform provider Envoyai.

Mach7 said the deal would give its customers access to a range of Envoyai’s artificial intelligence products, with both companies integrating Mach7’s vendor neutral archive and picture archiving and communication system with the Envoyai internet “cloud”, which would eventually allow its customers to test Envoyai algorithms without any additional installation.

The company said Envoyai had 71 products from 30 algorithm development partners, including ones already approved by the US Food and Drug Administration.

Mach7 fell 0.25 cents or 1.1 percent to 22.75 cents.

### MGC (MEDICAL GRADE CANNABIS) PHARMACEUTICALS

MGC says London retailer Harvey Nichols has expanded the sale of its cannabidiol-based cosmetics to its Birmingham and Edinburgh shops.

Last month, MGC said Harvey Nichols would sell its MGC Derma and Derma Plus collections, which consisted of 18 cannabidiol-containing products, at its Knightsbridge and Ecommerce stores (BD: Jun 12, 2018).

MGC was up 0.4 cents or 7.1 percent to six cents with 5.7 million shares traded.

## G MEDICAL INNOVATIONS

G Medical says it hopes to list its Chinese subsidiary Guangzhou Yimei Innovative Medical Science and Technology Co on the Hong Kong stock exchange.

G Medical said its 70 percent-owned subsidiary Guangzhou Yimei oversaw its manufacturing in China and ensured that local certifications were met.

The company said it had appointed the Singapore-based investment bank UOB Kay Hian (Hong Kong) as the financial advisor for the listing, which it expected within the next nine months.

G Medical said that UOB would obtain an in-principle approval from the Hong Kong stock exchange to proceed with the listing application, with the initial market capitalization of Guangzhou Yimei to be at least \$HK1,500,000,000 (\$A260,000,000).

The company said Guangzhou Yimei would be managed by its Hong-Kong based Asian business sales hub G Medical Innovations, which in turn was controlled by the Cayman Islands-based G Medical Innovations Holdings Limited.

G Medical was up 8.5 cents or 45.94 percent to 27 cents with 6.7 million shares traded.