



Biotech Daily

Monday January 21, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN: REVA UP 17.5%; USCOM DOWN 11%**
- * **LIVING CELL: '4-YEAR NTCELL PARKINSON'S SAFETY DATA POSITIVE'**
- * **CLARIFICATION: IMMURON WARRANTS OVER 701.5k US SHARES**
- * **PHARMAUST: 'DIET, EXCIPIENTS IMPROVE MONEPANTEL FOR CANCER'**
- * **BIOTECH DAILY APPENDIX 4C QUARTERLY REPORTS POLICY**
- * **ADMEDUS HAS LESS THAN TWO QUARTERS CASH**
- * **NEW YORK'S SIO TAKES 22% OF ADMEDUS**
- * **ACRUX RECEIVES \$2m FEDERAL R&D TAX INCENTIVE**
- * **CRESO TO SELL TERRASCEND 100kg/MONTH MARIJUANA FLOWERS**
- * **JEREMY GREEN, REDMILE TAKE 13.4% OF AVITA**
- * **ONE FUNDS DILUTED BELOW 5% IN AVITA**

MARKET REPORT

The Australian stock market was up 0.18 percent on Monday January 21, 2019, with the ASX200 up 10.8 points to 5,890.4 points. Seventeen of the Biotech Daily Top 40 stocks were up, 16 fell, six traded unchanged and one was untraded.

Reva was the best, up 3.5 cents or 17.5 percent to 23.5 cents, with 40,000 shares traded. Antisense climbed 16.1 percent; Paradigm was up 10.6 percent; Kazia rose 7.7 percent; Cyclopharm improved 6.7 percent; Oncosil was up 5.9 percent; Osprey and Patrys were up more than four percent; Actinogen, Opthea and Telix improved more than three percent; Medical Developments and Prana rose more than two percent; Neuren, Pharmaxis and Polynovo were up more than one percent; with Volpara up 0.8 percent.

Uscom led the falls, down 1.5 cents or 10.7 percent to 12.5 cents with 22,000 shares traded. Proteomics lost 6.25 percent; Pro Medicus shed 5.3 percent; Avita, Benitec, Compumedics and Prescient fell four percent or more; LBT and Orthocell were down more than three percent; Mesoblast and Optiscan shed more than two percent; Clinuvel, Ellex and Starpharma were down more than one percent; with Cochlear, CSL, Cynata and Nanosonics down by less than one percent.

LIVING CELL TECHNOLOGIES

Living Cell says that a four-year follow up of three patients in its 2015 phase I/IIa trial of NTCell for Parkinson's disease shows one has improved, and two were unchanged.

Living Cell said four years after implantation with the encapsulated pig choroid bran cells, one patient "continues to show a clinically significant improvement in Parkinson's disease symptoms ... [two patients] show no change from their study entry score" and one patient withdrew from further evaluation at two years.

In 2015, the company said that its four-patient, phase I/IIa study of NTCell for Parkinson's disease met its primary endpoint of safety, and "improved clinical features of Parkinson's disease" (BD: Sep 20, 2013; Dec 15, 2014; Jun 15, 2015).

Today, Living Cell chief executive officer Dr Ken Taylor said the data "should be regarded as individual case studies".

"The small patient number and variability of the disease limit conclusions regarding efficacy," Dr Taylor said. "It is encouraging that no safety issues have occurred."

The company said that two-year efficacy data from its 18-patient, phase IIb trial of NTCell for Parkinson's disease "should be ... available in May 2019".

Living Cell was up 0.3 cents or 6.4 percent to five cents.

IMMURON

Yesterday's Summer Catch-Up Edition reported Immuron issuing a US Securities and Exchange Commission document offering warrants or options over 701,500 American depository shares (ADSs).

Immuron told Biotech Daily the form F3 lodged with the SEC was "a regulatory document required to register the warrants offered as part of our Nasdaq [initial public offer]".

"These are not new warrants issued by the company," Immuron said.

"There has been some confusion in the market place about this ASX announcement," the company said.

Immuron said the warrants were exercisable at \$US10 each (\$A13.84) by June 13, 2022, five years from their first issue, in 2017, and each ADS represented 40 Australian shares, or 28,060,000 Australian shares if exercised

Immuron was unchanged at 25 cents.

PHARMAUST

Pharmaust says new efficacy data for monepantel tablets shows that dogs can be treated "with higher than expected doses ... in a single tablet".

Pharmaust said the data was generated with the Vancouver-based BRI Biopharmaceutical Research Inc "under different dietary conditions and with different excipient formulations".

"With a certain specific combination of diet and excipient, twice the amount of monepantel can be delivered into the bloodstream of dogs following administration of just one tablet" simplifying cancer treatment, the company said.

Pharmaust chief scientific officer Dr Richard Mollard said that "over the past 18 months Pharmaust has put considerable effort into generating a new formulation of monepantel and having conditions for its use optimized".

"This new knowledge that diet and excipients can together positively increase monepantel uptake provides Pharmaust and future patients with a much greater degree of flexibility to facilitate and optimize the most convenient and active dosing schedules," Dr Mollard said. Pharmaust said it was on-track to begin clinical trials in dogs "early this calendar year".

Pharmaust was up 0.1 cents or 2.4 percent to 4.2 cents.

BIOTECH DAILY APPENDIX 4C REPORTS

Biotech Daily reports all the significant announcements to the ASX.

Biotechnology companies bleeding money is not news, unless the company involved has less than two quarters of cash.

When companies clearly explain that they expect an R&D Tax Incentive, have equity draw-down facilities or loans or are about to have a capital raising, Biotech Daily will not report their Appendix 4C statement.

Where there is no explanation or it is not clear and the company has less than six months of cash reserves, it will be reported, as will maiden revenues or profits.

Companies reporting after the close of business will be reported in the following edition.

David Langsam
Editor

ADMEDUS

Admedus says it expects a net operating cash burn for the three months to March 31, 2019 will be \$15,494,000 with cash at the end of the quarter of \$12,036,000.

Admedus said that in the three months to December 31, 2018, the company earned \$6,439,000 in customer receipts, and spent \$5,844,000.

In December, the company said that it had raised \$18,964,198 of a hoped-for \$20 million with applications for \$5,374,530 shares at eight cents a share and underwriters taking \$13,589,668 of the shortfall shares (BD: Dec 14, 2018).

In November, Admedus said it hoped to raise a minimum of \$12 million after the payment of underwriter fees and repayment of a \$5 million loan to major shareholder Star Bright through the rights issue (BD: Nov 28, 2018).

The company said at that time that the New York hedge fund SIO Partners LP would underwrite up to \$6 million with Star Bright underwriting \$1 million and taking its full entitlement of about \$4 million.

Admedus said that SIO would provide "up to a further \$6.3 million in underwriting" if the offer did not raise a minimum net cash amount after underwriting fees and repayment of the Star Bright loan of about \$12 million, with SIO to be paid 3.0 percent for the initial \$6 million underwriting, but if SIO was required to provide more than \$6 million because the offer did not raise a net \$12 million, it would be paid 12.5 percent on the initial underwriting instead of the 3.0 percent and 25 percent on any amount SIO takes up over \$6 million.

Admedus said Star Bright would receive a fee of 3.0 percent on the underwritten amount of \$1 million and the Cayman Islands-based CVI Investments Inc would underwrite the offer for \$2 million for a 3.0 percent fee, with Admedus chairman John Seaberg and chief executive officer Wayne Paterson taking up their entitlements and underwriting the offer for \$50,000 each, without an underwriting fee.

Today, the Admedus Quarterly Report said that "net of underwriting fees and the repayment of a \$5 million loan to Star Bright ... Admedus received \$12 million".

The company said that sales of its Adapt bovine cardiac patches and valves in the three months to December 31, 2018 was up 46 percent to \$3 million compared to the previous corresponding period, with the North American business up 61 percent and European sales up 17 percent.

Admedus said that its infusion supply division was up 17 percent to \$3.5 million for the three months to December 31, 2018.

The company said that in the three months to December 31, 2018, it spent \$6,269,000 on staff costs, \$2,535,000 on administration and corporate costs and \$2,136,000 on product manufacturing and operating costs.

Admedus fell half a cent or 9.4 percent to 4.8 cents with two million shares traded.

ADMEDUS

Sio Partners says it has become a substantial shareholder in Admedus with 131,120,851 shares or 22.2 percent of the company.

The New York-based Sio Partners said on December 18, 2018 it acquired 131,120,851 shares for \$8,617,251 or 6.57 cents a share, in the December rights issue and shortfall placement that raised \$18.96 million at eight cents a share (BD: Dec 14, 2018).

The initial substantial shareholder notice was signed by Sio managing member Michael Castor.

ACRUX

Acrux says it has received \$2,056,759 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Acrux said the rebate related to research and development expenditure for the year to June 30, 2018.

Acrux was unchanged at 20 cents.

CRESO PHARMA

Creso says it has a three-year supply agreement with the Toronto, Ontario-based Terrascend Canada for a minimum of 100kgs a month of its cannabis flowers.

Creso said the contract would be effective from the date it was licenced to sell cannabis under Canadian laws, with pricing to be determined on a sliding scale depending on the grade and quality of the flower and whether it had been grown to a good manufacturing practice standard.

Creso was up 1.5 cents or 2.9 percent to 54 cents.

AVITA MEDICAL

Jeremy Green and the Redmile Group LLC say they have increased their holding in Avita from 155,023,507 shares (9.38%) to 250,000,000 shares (13.41%).

The San Francisco-based Redmile and Mr Green said that they bought the shares for eight cents each in the December placement which raised \$40 million (BD: Dec 4, 2018).

Avita fell half a cent or four percent to 12 cents with 2.9 million shares traded.

AVITA MEDICAL

Sydney's One Funds Management says it has been diluted below the five percent substantial shareholder level in Avita.

In December, One Funds said it held 83,347,669 shares (5.04%) (BD: Dec 12, 2018).