



# Biotech Daily

Thursday January 31, 2019

*Daily news on ASX-listed biotechnology companies*

- \* **ASX DOWN, BIOTECH EVEN: PRANA UP 20%; PATRYS DOWN 8%**
- \* **BRANDON, OKOGEN TRIAL OKG-0301 FOR VIRAL CONJUNCTIVITIS**
- \* **FDA ORPHAN STATUS FOR PRANA PBT434 FOR MSA**
- \* **COGSTATE H1 RECEIPTS UP 30% TO \$23m**
- \* **ELIXINOL POSTS RECEIPTS OF \$36m**
- \* **CLINUVEL H1 RECEIPTS UP 35% TO \$13m**
- \* **BIONOMICS H1 RECEIPTS UP 33% TO \$4.8m**
- \* **MACH7 H1 RECEIPTS DOWN 28.1% TO \$4.4m; 2 QUARTERS CASH**
- \* **IQ3 H1 RECEIPTS UP 64% TO \$3.7m**
- \* **MEDADVISOR H1 RECEIPTS UP 18% TO \$3.6m**
- \* **PHARMAUST H1 RECEIPTS UP 62% TO \$1.9m**
- \* **ADHERIUM H1 RECEIPTS UP 51% TO \$1.8m; LESS THAN 2 QUARTERS CASH**
- \* **TOTAL BRAIN H1 RECEIPTS UP 72% TO \$1.6m; LESS THAN 2 QUARTERS CASH**
- \* **AVITA H1 RECEIPTS UP 25.4% TO \$1.2m**
- \* **MICRO-X HAS LESS THAN TWO QUARTERS CASH**
- \* **REVA RECEIPTS UP 360% TO \$886k; ONE QUARTER CASH**
- \* **RACE RECEIVES \$229k FEDERAL R&D TAX INCENTIVE**
- \* **KEMPER SHAW, WILLIAM TAYLOR EACH TAKE 11% OF IMAGION**

## MARKET REPORT

The Australian stock market fell 0.37 percent on Thursday January 31, 2019, with the ASX200 down 22.0 points to 5,864.7 points. Sixteen of the Biotech Daily Top 40 stocks were up, 15 fell, eight traded unchanged and one was untraded.

Prana was the best, up 0.7 cents or 20 percent to 4.2 cents with 1.6 million shares traded. Avita climbed 17.4 percent; Antisense rose 12.5 percent; Polynovo and Proteomics were up more than seven percent; Prescient was up 6.1 percent; Oncosil and Reva rose five percent or more; Optiscan was up 4.4 percent; Airxpanders, Nanosonics and Paradigm were up three percent or more; Cynata rose 2.9 percent; LBT and Resmed were up more than one percent; with Cochlear, Ellex and Pro Medicus up by less than one percent.

Yesterday's 9.1 percent best, Patrys, led the falls, down 0.2 cents or 8.3 percent to 2.2 cents with 194,000 shares traded. Kazia fell seven percent; Impedimed lost 6.25 percent; Cyclopharm, Genetic Signatures and Telix fell more than four percent; Pharmaxis was down 3.7 percent; Compumedics, Mesoblast and Universal Biosensors shed more than two percent; with Clinuvel and Starpharma down more than one percent.

## BRANDON CAPITAL, OKOGEN

Brandon Capital investee Okogen says it will begin a 219-patient, randomized, controlled phase II trial of OKG-0301 for with acute adenoviral, or viral, conjunctivitis.

Okogen said that OKG-0301 was based on ranpirnase used in late stage cancer trials and was “a broad-spectrum anti-viral that functions intracellularly to inhibit viral replication and reduce inflammation” and its mechanisms of action were expected to provide clinical benefit for adenoviral infections of the eye as well as other classes eye viruses, including herpes simplex virus, varicella-zoster virus and picornavirus.

The company said ranpirnase had been administered to more than 800 patients and had “a strong safety profile” and a validated, commercial-scale manufacturing process.

Okogen said that in 2017 it received \$13 million from Brandon Capital’s Medical Research Commercialisation Fund for OKG-0301.

The company said that patients affected by adenoviral conjunctivitis had eye redness with swelling and ocular discharge, accompanied by symptoms including pain, itching, and foreign body sensation and adenoviral conjunctivitis was “a highly contagious disease that affects up to 25 million people worldwide each year, making it the number one cause of eye infections globally”.

Okogen said that bacterial conjunctivitis was typically treated with antibiotics including eye drops or ointments, but these did not work in treating viral forms of the infection, for which there were no approved therapies and care was mainly supportive.

The company said the infection could persist for up to three weeks and patients were highly contagious for 10 to 14 days, putting families and communities, including schools and daycare centres at risk for rapid spread of the infection and persistence of the virus.

Okogen chief executive officer Dr Brian Strem said the trials were “hugely important for the development of the world’s first effective treatment for conjunctivitis”.

“To be eligible for our trials, candidates must commence treatment with us within three days of first reporting a presence of viral conjunctivitis symptoms,” Dr Strem said.

Okogen said the University of Sydney’s Prof Stephanie Watson was the principal investigator for the trial, which would take place at seven sites in Sydney, Melbourne, Albury, Adelaide, Perth and Hobart.

Okogen is a private company.

## PRANA BIOTECHNOLOGY

Prana says the US Food and Drug Administration has granted orphan drug designation to PBT434 for multiple system atrophy.

Prana said PBT434 was the first drug granted FDA orphan designation for multiple system atrophy, the designation entitled it to seven years market exclusivity and qualified the sponsor for development incentives, including tax credits for qualified clinical testing.

Prana said its application for PBT434 for multiple system atrophy, included the medical and scientific rationale, which articulated how PBT434 prevented alpha-synuclein accumulation, preserved neurons, and improved motor function in an animal model of multiple system atrophy.

The company said that alpha-synuclein was “of great interest” because aggregated forms of the protein were a pathological hallmark of Parkinsonian conditions, including multiple system atrophy (MSA) and it was a recognized therapeutic target.

Prana chief medical officer Dr David Stamler said the company was “pleased that the FDA has acknowledged the importance of PBT434 as a potential treatment for MSA”.

Prana said it expected its phase I trial of PBT434 to be completed this year.

Prana climbed 0.7 cents or 20 percent to 4.2 cents with 1.6 million shares traded.

### COGSTATE

Cogstate says that receipts from clinical trials customers increased 29.6 percent to \$US16,618,670 (\$A22,903,020.06) for the six months to December 31, 2018.

Cogstate said that it received \$US8,691,514 from customers for the three months to December 31, it had \$US4,064,926 in cash and cash equivalents and expected to spend \$US5,735,540 for the three months to March 31, 2019.

Cogstate fell 9.5 cents or 16.4 percent to 48.5 cents.

### ELIXINOL GLOBAL

Elixinol says that receipts from customers for its marijuana hemp products amounted to \$36,008,000 for the 12 months to December 31, 2018.

Last year, Elixinol said it was formed from a combination of entities posting \$78,000 in revenue for the four days to December 31, 2017.

Elixinol said it had \$42,922,000 in cash and cash equivalents at December 31 and expected to spend \$21,987,000 for the three months to March 31, 2019.

Elixinol fell 39 cents or 11.5 percent to \$3.00 with 1.4 million shares traded.

### CLINUVEL PHARMACEUTICALS

Clinuvel says that receipts from customers increased 35.3 percent to \$13,313,000 for the six months to December 31, 2018, compared to the previous corresponding period.

Clinuvel said that receipts for the three months to December 31, 2018 from sales of Scenesse for erythropoietic protoporphyria were down 38 percent to \$2,608,000, compared to previous corresponding period due to "a combination of fluctuation in seasonal demand and timing of customer payments".

Clinuvel said it had \$42,827,000 in cash and cash equivalents and expected to spend \$3,645,000 for the three months to March 31, 2019.

Clinuvel fell 37 cents or 1.7 percent to \$21.58 with 116,167 shares traded.

### BIONOMICS

Bionomics says that receipts from customers for the six months to December 31, 2018 increased 32.7 percent to \$4,861,000 compared to the previous corresponding period.

Bionomics chief financial officer Stephen Birrell told Biotech Daily the revenue was primarily revenue from the company's two contract services subsidiaries conducting pre-clinical animal testing and chemistry as well as a royalty payment from the Cancer Therapeutics co-operative research centre.

The company said it had \$27,355,000 in cash and cash equivalents at December 31, 2018 and expected to spend \$6,888,000 in the three months to March 31, 2019.

Bionomics was up half a cent or 4.55 percent to 11.5 cents.

### MACH7 TECHNOLOGIES

Mach7 says that receipts from customers fell 28.1 percent to \$4,396,000 for the six months to December 31, 2018 compared to the previous corresponding period.

Mach7 said that receipts for the three months to December 31 fell 41.9 percent to \$2,052,000, it had \$3,204,000 in cash and cash equivalents at December 31, 2018 and expected to spend \$2,886,000 for the three months to March 31, 2019.

Mach7 was up half a cent or 2.6 percent to 19.5 cents.

### IQ3 CORP

IQ3 says that customer receipts for the six months to December 31, 2018 were up 63.8 percent to \$3,733,000 compared to previous corresponding period.

IQ3 says that receipts for the three months to December 31, 2017 were up \$48,000 to \$1,391,000 compared to previous corresponding period.

The company said it had cash and cash equivalents of \$190,000 at December 31, 2018, with an expected cash outflow for the three months to March 31, 2019 of \$1,510,000.

IQ3 was untraded at 27.5 cents.

### MEDADVISOR

Medadvisor says that receipts from customers for its prescription reminder service for the six months to December 31, 2018 were up 18.1 percent to \$3,624,000.

Medadvisor said customer receipts for the three months to December 31, 2018 was \$1,769,000, it had \$7,492,000 in cash and cash equivalents at December 31 and expected to spend \$4,055,000 for the three months to March 31, 2019.

Medadvisor was up 0.3 cents or 8.8 percent to 3.7 cents.

### PHARMAUST

Pharmaust says customer receipts for the six months to December 31, 2018 increased 61.6 percent to \$1,912,000, compared to the previous corresponding period.

Pharmaust said that receipts, primarily from its Epichem medicinal chemistry division, for the three months to December 31 increased 97.8 percent to \$801,000.

The company said that it had \$968,000 in cash and cash equivalents at December 31 with an expected expenditure for the three months to March 31, 2019 of \$1,250,000.

Pharmaust said it had loan facilities of \$621,000 and expects a Federal Research and Development Tax Incentive of \$680,000 by the end of March 2019 and a customer payment of \$600,000 "imminently".

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

### ADHERIUM

Adherium says that receipts from customers for the six months to December 31, 2018 increased 51.4 percent to \$1,778,000 compared to the previous corresponding period.

Adherium said that receipts from customers for the three months to December 31 for its Hailie asthma inhaler sensor was up 14.3 percent to \$631,000, it had \$4,093,000 in cash and cash equivalents at December 31, 2018 and expected to spend \$3,444,000 for the three months to March 31, 2019.

Adherium fell 0.9 cents or 27.3 percent to 2.4 cents.

### TOTAL BRAIN (FORMERLY BRAIN RESOURCE)

Total Brain says that receipts from customers for the six months to December 31, 2018 increased 72.4 percent to \$1,564,000 compared to the previous corresponding period.

Total Brain said that receipts from customers for its brain assessment and brain training increased 29.8 percent to \$645,000 for the three months to December 31, it had \$3,268,000 in cash and cash equivalents at December 31 and expected to spend \$2,792,000 for the three months to March 31, 2019.

Total Brain was untraded at 3.1 cents.

### AVITA MEDICAL

Avita says that receipts from customers for its Recell burns treatment for the six months to December 31, 2018 was up 25.4 percent to \$1,205,000.

Avita said receipts from its contract with the Biomedical Advanced Research and Development Authority (BARDA) increased 81.7 percent to \$6,104,000 for the six months to December 31, 2018 compared to the previous corresponding period.

The company said it had \$30,342,000 in cash and cash equivalents and expected to spend \$9,900,000 for the three months to March 31, 2019.

Avita was up two cents or 17.4 percent to 13.5 cents with 17.9 million shares traded.

### MICRO-X

Micro-X says its expected net operating cash burn for the three months to March 31, 2019 is \$3,634,000 with cash at December 31, 2018 of \$4,342,000.

Micro-X said it had receipts from customers for the three months to December 31, 2018 of \$278,000, with a further \$100,000 expected from a placement at 27 cents a share.

The company did not provide any further explanation.

Micro-X fell 1.5 cents or 5.9 percent to 24 cents.

### REVA MEDICAL

Reva says revenue from the sale of its Fantom coronary stents for the 12 months to December 31, 2018 was up 360.0 percent to \$US644,000 (\$A886,420).

Reva says it had \$US3,199,000 in cash and cash equivalents at December 31, 2018, with an expected cash burn of \$US3,150,000 for the three months to March 31, 2019.

The company did not provide any further explanation.

Reva was up one cent or five percent to 21 cents.

### RACE ONCOLOGY

Race says it has received \$228,501 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Race said the rebate related to expenditure for the year to June 30, 2018.

Race was untraded at 8.8 cents.

### IMAGION BIOSYSTEMS

In separate filings Kemper Shaw and William Taylor Nominees say both have become substantial shareholders in Imagination with 36,798,818 shares (11.4%).

Both Mr Shaw and William Taylor Nominees' James and Marion Taylor gave the same Bondi Junction post box address, said they each acquired 25,000,000 shares in the rights issue that raised \$4.3 million at four cents a share and held the same number of shares (BD: Nov 19, 2018).

A spokesman for Imagination told Biotech Daily that the two identical holdings were held by Kemper Shaw and James Taylor, who both worked for the same company.

Imagination fell 0.4 cents or 10.8 percent to 3.3 cents.