



Biotech Daily

Monday February 25, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: NANOSONICS UP 12%; UNIVERSAL BIOSENSORS DOWN 7%**
- * **NANOSONICS H1 REVENUE UP 36% TO \$41m, PROFIT UP 221% TO \$7m**
- * **ALCIDION H1 REVENUE UP 479% TO \$7.3m, LOSS DOWN 47% TO \$563k**
- * **MEDADVISOR H1 REVENUE UP 19% TO \$3.8m, LOSS UP 99% TO \$4.5m**
- * **GENETIC SIGNATURES H1 REVENUE UP 41% TO \$3.5m, LOSS UP 3% TO \$1.7m**
- * **MACH7 H1 REVENUE DOWN 9% TO \$3.5m, LOSS UP 31% TO \$4.4m**
- * **RESONANCE H1 REVENUE UP 40% TO \$1.8m, PROFIT UP 693% TO \$935k**
- * **ALCIDION EXTENDS \$711k ACT HEALTH CONTRACT**
- * **NEUROTECH RIGHTS RAISE \$783k OF HOPED-FOR \$3.3m**
- * **PHARMAXIS: BOEHRINGER COMPLETES PXS-4728A NASH ENROLMENT**
- * **REVA EXTENDS CAPITAL RAISING SUSPENSION**
- * **TPI, TASMANIAN ALKALOIDS CODEINE POPPY PATENT FIGHT**
- * **TOTAL BRAIN, ONEDIGITAL PARTNER FOR BRAIN HEALTH**
- * **MEMPHASYS REQUESTS CAPITAL RAISING TRADING HALT**
- * **AUSCANN APPOINTS IDO KANYON CEO**
- * **RACE APPOINTS PROF ROLAND WALTER BISANTRENE TRIAL PI**

MARKET REPORT

The Australian stock market was up 0.31 percent on Monday February 25, 2019, with the ASX200 up 19.0 points to 6,186.3 points. Twenty-two of the Biotech Daily Top 40 stocks were up, 10 fell, five traded unchanged and three were untraded. All three Big Caps rose.

Nanosonics was the best, up 45 cents or 12.4 percent to \$4.08 with 3.9 million shares traded. Antisense climbed 9.4 percent; Avita and Impedimed improved eight percent or more; Opthea was up 6.25 percent; Airxpanders, Mesoblast, Optiscan and Prana were up more than five percent; Osprey climbed 4.55 percent; Kazia and Orthocell were up more than three percent; Clinuvel, Dimerix, Oncosil and Prescient rose more than two percent; CSL, Cynata, Medical Developments, Pharmaxis, Proteomics, Starpharma and Volpara were up more than one percent; with Cochlear and Resmed up by less than one percent.

Universal Biosensors led the falls, down 1.5 cents or 6.7 percent to 21 cents with 342,241 shares traded. Pro Medicus lost 5.6 percent; Benitec and Patrys fell four percent or more; with Genetic Signatures, Ellex, LBT, Neuren, Paradigm and Telix down more than one percent.

[NANOSONICS](#)

Nanosonics says that revenue for the six months to December 31, 2018, climbed 35.6 percent to \$40,693,000, with net profit after tax up 221.1 percent to \$7,105,000.

Nanosonics said that the installed base of its Trophon EPR ultrasound probe cleaning systems in North America increased by 1,400 units to about 17,020 units, with the global total up 1,570 units to 19,310 units.

Nanosonics chief executive officer Michael Kavanagh said the Trophon2 was released in North America and Europe at the end of August 2018 and in Australia at the end of September 2018.

"Customer reaction to the new features and benefits of Trophon2 has been very positive with increasing numbers of Trophon2 being adopted over Trophon EPR every month since launch," Mr Kavanagh said.

The company said that research and development expenses were up 18.4 percent to \$5,508,000 for the six months to December 31, 2018, or 13.5 percent of total revenue, compared to 15.5 percent for the previous period.

Nanosonics said that revenue increased in all geographic areas, with North America up 36.6 percent to \$37,097,000, Europe and the Middle East up 27.6 percent to \$1,713,000 and the Asia Pacific increasing 25.3 percent to \$1,883,000, with the supply of consumables and spare parts comprising about half the total revenue.

Nanosonics said that diluted earnings per share was up 221.9 percent to 2.35 cents for the six months to December 31, 2018, with net tangible assets per share up 16.1 percent to 30.08 cents, and cash and cash equivalents of \$71,256,000 at December 31, 2018, compared to \$66,507,000 at December 31, 2017.

Nanosonics climbed 45 cents or 12.4 percent to \$4.08 with 3.9 million shares traded.

[ALCIDION GROUP](#)

Alcidion says revenue for the six months to December 31, 2018 was up 479.1 percent to \$7,256,431 with net loss after tax down 46.6 percent to \$563,208.

Alcidion said that revenue came from the MKM Health and Patientrack acquisitions, as well as contract wins and renewals with public health organizations such as Queensland Health, Melbourne's Alfred Health, the Northern Territory Department of Health and Australian Capital Territory Health (BD: April 24, July 6, July 19, Aug 7, 2018).

The company said that net tangible assets per share was up 1,614.3 percent to 0.12 cents, while diluted loss per share was down 58.8 percent to 0.07 cents at December 31, 2018, with cash and cash equivalents of \$1,324,043 at December 31, 2018 compared to \$2,890,339 at December 31, 2017.

Alcidion was up 0.6 cents or 15.0 percent to 4.6 cents with 1.6 million shares traded.

[MEDADVISOR](#)

Medadvisor says that revenue for the six months to December 31, 2018 was up 19.2 percent to a record \$3,882,288 with net loss after tax up 98.9 percent to \$4,504,524.

Medadvisor said revenue came from software as a service and user-based fees for its prescription reminder service.

The company said that diluted loss per share was up 70 percent to 0.34 cents for the six months to December 31, 2018, with net tangible assets per share down 43.3 percent to 0.4967 cents and cash and cash equivalents of \$7,376,445 at December 31, 2018, compared to \$12,291,739 at December 31, 2017.

Medadvisor fell 0.1 cents or 2.3 percent to 4.3 cents with 1.1 million shares traded.

GENETIC SIGNATURES

Genetic Signatures says revenue for the six months to December 31, 2018 was up 40.6 percent to \$3,455,878 with net loss after tax up 2.9 percent to \$1,749,234.

The company said revenue came from increased product sales, the second generation Easyscreen respiratory pathogen detection kit and its automation system (GS1-HT).

The company said diluted loss per share was up 2.4 percent to 1.68 cents, net tangible assets per share fell 17.4 percent to 11.4 cents, with cash and cash equivalents of \$8,820,729 at December 31, 2018 compared to \$11,722,393 at December 31, 2017.

Genetic Signatures fell one cent or one percent to 95 cents.

MACH7 TECHNOLOGIES

Mach7 says revenue for the six months to December 31, 2018 was down 8.9 percent to \$3,516,000 with net loss after tax up 30.7 percent to \$4,437,797.

Mach7 said that revenue came primarily from development and commercialization of its healthcare image data products due to lower software sales.

The company said diluted loss per share was constant at three cents, with net tangible assets per share also constant at two cents and cash and cash equivalents of \$3,204,235 at December 31, 2018 compared to \$4,474,406 at December 31, 2017.

Mach7 fell half a cent or 2.4 percent to 20 cents.

RESONANCE HEALTH

Resonance says revenue for the six months to December 31, 2017, increased 40.3 percent to \$1,843,238, with net profit after tax up 692.5 percent to \$934,650.

Resonance said its Ferriscan was “the global gold-standard for liver iron concentration quantification and has become established in many international standards-of-care for thalassemia and sickle cell disease” and was provided as a dual service with Cardiac T2, “the most widely-accepted MRI-based method for assessing heart iron loading”.

Resonance said that Ferriscan was available at more than 450 hospital sites and had been used to develop Ferrismart, “the world’s first and only regulatory-cleared artificial intelligence tool for the quantification of liver iron concentration”.

The company said that its Hepafat-Scan was an MRI-based tool to measure liver fat fraction and it was developing R2-MRI to assess iron levels in the bone marrow.

The company said diluted earnings per share was up 666.7 percent to 0.23 cents, net tangible assets per security rose 60.0 percent to 0.64 cents, with cash and cash equivalents at December 31, 2018 of \$2,144,370 compared to \$1,116,052 in 2017.

Resonance was up 1.4 cents or 21.9 percent to 7.8 cents with 21.7 million shares traded.

ALCIDION GROUP

Alcidion says it has a two-and-a-half year \$711,000 contract extension with Australian Capital Territory Health for its Patientrack software.

Alcidion said it would continue licencing, support and maintenance of the Patientrack software at Canberra Hospital and the University of Canberra Hospital until October 2022.

The company said the new contract would replace the prior perpetual licence to use Patientrack at the Canberra Hospital and at the University of Canberra Hospital for an initial two-and-a-half years, as well as extending the contract to cover the Calvary Public Hospital for an initial three years.

NEUROTECH INTERNATIONAL

The Malta-based Neurotech says its rights issue at three cents a share has raised \$783,689 of the hoped-for \$3.3 million.

Last month, Neurotech said it hoped to raise \$3.3 million in a one-for-one renounceable rights issue at three cents a share, with one free attaching option exercisable at six cents by March 31, 2021 (BD: Jan 29, 2019).

The company said it received 26,122,966 applications for shares, which included 23,521,466 applications and 2,601,500 shortfall applications.

Neurotech said it reserved the right to place the remaining shortfall within three months of closure of the offers.

Neurotech fell 0.4 cents or 13.3 percent to 2.6 cents.

PHARMAXIS

Pharmaxis says Boehringer Ingelheim has completed enrolment in its 114-patient, phase IIa trial of PXS-4728A, or BI 1467335, for non-alcoholic steato-hepatitis.

Pharmaxis said that the trial would be assessing BI 1467335, an oral inhibitor of amine oxidase, copper containing 3 (AOC3), that worked by blocking leucocyte adhesion and tissue infiltration in inflammatory processes underlying non-alcoholic steato-hepatitis (NASH).

The company said that PXS-4728A was acquired in May 2015 and was also in an ongoing Boehringer Ingelheim phase IIa trial for diabetic retinopathy.

Pharmaxis said the phase IIa NASH trial was a multi-centre, double-blind design being conducted in nine countries across North America and Europe, with the primary objectives to establish proof-of-clinical-principle, investigate suitable dosing and to evaluate the safety of BI 1467335, with patients randomized to one of four doses or placebo for a 12-week treatment period followed by a 4-week observation period.

The company said the trial was expected to report by the end of 2019 and a subsequent phase IIb study would seek to confirm and extend the findings.

In 2017, Pharmaxis said the start of the then 150-patient trial triggered a EUR18 million (\$A26.9 million) milestone payment (BD: Aug 25, 2017).

Today, the company told Biotech Daily that the number of patients required for the trial had been reduced from 150 to 114 patients.

Pharmaxis chief executive officer Gary Phillips said the company was “delighted to see the progress made on this study ... [and] whilst we do not receive any milestone payments under our contract with Boehringer Ingelheim for a positive trial result, this will still be the first proof-of-clinical-principle of the Pharmaxis drug acquired in 2015”.

“A positive result will increase the likelihood of receiving future milestones with the next one being triggered by the start of a phase III study,” Mr Phillips said

Pharmaxis was up half a cent or 1.9 percent to 27 cents.

REVA MEDICAL

Reva says it has requested an extension for its voluntary suspension pending an announcement of “an accurate update on its capital raising efforts”.

Last week, Reva requested a voluntary suspension following its February 18, 2019 capital raising trading halt (BD: Feb 18, 2019).

The company said it expected the suspension to last until March 6, 2019 or on the release of an earlier announcement.

Reva last traded at 17 cents.

TPI (TASMANIAN POPPY INDUSTRIES) ENTERPRISES

TPI says it is disputing the validity of Tasmanian Alkaloids high codeine poppy patents following Tasmanian Alkaloids taking infringement action against TPI.

TPI said the Federal Court of Australia set the trial for the Tasmanian Alkaloids infringement claim and its cross claim for invalidity for a hearing in October 2019.

The company said it would “strongly pursue its claim for invalidity of the patents and defend the infringement claim against it”.

TPI said that “to avoid unnecessary costs [it] has provided undertakings imposing conditions on [its] sale of seed from high codeine poppies until the resolution of the infringement and invalidity proceedings and restricting [its] use of straw from high codeine poppies until April 30, 2019”.

The company said that Tasmanian Alkaloids had “provided undertakings to pay compensation to [it], in respect of the conditions and restrictions imposed on [it] by the undertakings, if [Tasmanian Alkaloids’] infringement claim is unsuccessful”.

TPI said it would be required to inform Tasmanian Alkaloids by April 8 if it was willing to extend the undertakings for the straw beyond April 30, 2019.

The company said if undertakings were not extended, Tasmanian Alkaloids could seek an injunction to prevent the use of high codeine poppies after that date, but it could oppose the injunction application.

TPI said it would have sufficient quantities of straw from non-high codeine poppies to meet supply obligations, but the inability to process inventory of straw from high codeine poppies would “adversely affect” its working capital position.

The company said the current value of its high codeine poppy straw was about \$4.5 million.

TPI fell 10 cents or 9.5 percent to 95 cents.

TOTAL BRAIN

Total Brain says it will partner with the Atlanta, Georgia-based Onedigital Health and Benefits insurance company for its digital brain health platform.

Total Brain said that Onedigital was the “largest company solely focused on employee benefits and human resources” in the US.

The company said that 1,500 Onedigital employees and 44,000 clients would access the Total Brain platform to “assess and optimize their core brain capacities while screening for risk of a mental condition that many affect them”.

Total Brain was untraded at 2.5 cents.

MEMPHASYS

Memphasys has requested a trading halt pending “the release of an announcement relating to a material capital raising”.

Trading will resume on February 27, 2019 or on an earlier announcement.

Memphasys last traded at 2.6 cents.

AUSCANN GROUP

Auscann says it has appointed Ido Kanyon as chief executive officer, effective from May 22, 2019.

Auscann said interim chief executive officer Dr Paul MacLeman would step back to his role as executive director.

The company said Mr Kanyon had more than 15 years of pharmaceutical executive experience, most recently in quality assurance and regulatory affairs at Israel's Teva Pharmaceutical Industries.

Auscann said Mr Kanyon previously worked in agricultural research, before he joined a medical device start-up company.

Auscann said Mr Kanyon held a Bachelor of Science from the Hebrew University of Jerusalem and a Master of Business Administration from the Madrid, Spain-based Instituto de Empresa (IE) Business School.

Auscann was up two cents or 4.9 percent to 42.5 cents with 2.2 million shares traded.

RACE ONCOLOGY

Race says it has appointed Prof Roland Walter as principal investigator for its US phase II/III trial of Bisantrene for acute myeloid leukaemia.

Race said Prof Walter was a University of Washington department of medicine professor and a haematologist with the Seattle-based Fred Hutchinson Cancer Research Centre.

The company said the trial of Bisantrene for relapsed or refractory AML and would begin subject to funding and the filing of an investigational new drug application to the US Food and Drug Administration, which it hoped would be completed by the end of March 2019.

Race was up 0.4 cents or 4.8 percent to 8.8 cents.