



Biotech Daily

Thursday May 2, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: ONCOSIL UP 21%; ACTINOGEN DOWN 8%**
- * **POLYNOVO: 'APRIL REVENUE \$1m, CLOSE TO BREAK-EVEN'**
- * **AIRXPANDERS CUTS 45% OF WORKFORCE, 33% OF CASH EXPENDITURE**
- * **ADALTA CONFIRMS AD-214 MANUFACTURE**
- * **MGC SIGNS HEALTH HOUSE, CANNVALATE AUSTRALIA DISTRIBUTORS**
- * **NOXOPHARM CLAIMS 8 OF 14 PROSTATE CANCER 'PROGRESSION FREE'**
- * **AUSTRALIAN ETHICAL TAKES 15% OF PRESCIENT**
- * **REGAL FUNDS TAKE 6% IN PRESCIENT**
- * **SPILL CALL INVESTORS TAKE 14% OF FACTOR**

MARKET REPORT

The Australian stock market fell 0.59 percent on Thursday May 2, 2019, with the ASX200 down 37.5 points to 6,338.4 points. Eighteen of the Biotech Daily Top 40 stocks were up, 16 fell, two traded unchanged and four were untraded.

Oncosil was the best on no news, recovering 1.1 cents or 21.15 percent to 6.3 cents, with 5.9 million shares traded.

Impedimed climbed 12.5 percent; Prescient was up 9.1 percent; Compumedics improved 6.8 percent; Avita, Kazia, Paradigm and Polynovo were up four percent or more; Immutep, LBT and Proteomics were up more than three percent; Optiscan and Starpharma rose two percent or more; Cochlear, Dimerix, Telix and Volpara were up one percent or more; with CSL, Neuren and Opthea up by less than one percent.

Actinogen led the falls, down 0.4 cents or 7.7 percent to 4.8 cents, with 4.0 million shares traded.

Genetic Signatures and Imugene lost more than five percent; Cyclopharm, Mesoblast and Orthocell fell more than four percent; Antisense, Benitec, Medical Developments and Osprey were down more than three percent; Clinuvel and Uscom shed two percent or more; Cynata and Pharmaxis were down more than one percent; with Nanosonics, Pro Medicus and Resmed down by less than one percent.

POLYNOVO

Polynovo says it is close to breaking even, with revenue from Novosorb biodegradable temporizing matrix (BTM) at more than \$1 million for April 2019.

Polynovo reported that chairman David Williams said at its annual general meeting last year, that “a million-dollar revenue per month was a rough indicator the company was at or close to break-even”.

Today, the company said that Novosorb BTM revenue was more than \$1 million for April, compared to \$321,363 in the April 2018.

Polynovo said that Australia and New Zealand sales were more than \$1 million for the year to April 30, 2019 compared to \$66,048 in the previous corresponding period.

Mr Williams said that “coming from a standing start, sales are still lumpy as new customers come on board ... [but] the business base is growing steadily and as it does, we expect more predictability in month-to-month revenues”.

Polynovo chief executive officer Paul Brennan said the company was “focused on direct market penetration in the US and elsewhere”.

“Our sales teams are driving the expansion of our hospital customer base and there are reasons to believe we will have many more new customers in the near term,” Mr Brennan said. “Polynovo is growing its geographic footprint and to that end expects [European Union] approval in the near future”.

“We see expanded product use with interest in BTM for medical indications where dermal scaffolds are often avoided,” Mr Brennan said.

Polynovo was up 4.5 cents or 4.4 percent to \$1.07 with 4.9 million shares traded.

AIRXPANDERS

Airxpanders says it will reduce its workforce by about 45 percent, cutting total expenditure by 33 percent in a restructure to reduce costs and increase sales.

Airxpanders said it would incur one-time restructuring charges of about \$US200,000 (\$A284,780) for the three months to June 30, 2019.

The company said the restructure would ensure the continued adoption of its Aeroform post-mastectomy breast tissue expander system, which it would continue selling through its US direct sales force.

Airxpanders said its Australian operations would remain unchanged.

The company said it was actively pursuing capital raising opportunities and recently filed a preliminary document to the US Securities and Exchange Commission.

Airxpanders was in a suspension and last traded at 3.5 cents.

ADALTA

Adalta says it has completed a confirmation run for manufacturing of its lead candidate AD-214 for idiopathic pulmonary fibrosis.

In January, Adalta said it had improved cell line expression results for AD-214 from one to three grams per litre (BD: Jan 29, 2019).

Today, the company said the confirmation run was seen for cell-line expression at a 50-litre scale and purification, combined into a single manufacturing process.

Adalta chief operating officer Dallas Hartman said the company was “on-track with the development of the manufacturing process for AD-214 ... for our four-week non-human primate toxicology study” expected to begin in July 2019 and be completed this year, followed by a phase I human study in January 2020.

Adalta fell half a cent or 2.7 percent to 18 cents.

MGC PHARMACEUTICALS

MGC says it has agreements with Health House International and Cannvalate to distribute its marijuana-derived medicines in Australia.

MGC said it had a distribution agreement with the Perth-based Health House and a wholesale and logistics agreement with Melbourne's Cannvalate to offer Cannepil, Cognicann, MXP100 and MXC1:1 to a network of Australian clinics and pharmacies.

The company said Health House had a network of medical professionals who assisted doctors and Cannvalate had a network of more than 1,000 doctors and 600 pharmacies. The company said the agreement covered Cannepil for epilepsy, Cognicann for dementia and Alzheimer's disease, the cannabidiol MXP100 and MXC1:1 which was an equal dose of tetrahydrocannabinol with cannabidiol for the relief from symptoms of spasticity and inflammatory pain.

MGC was up 0.6 cents or 14.3 percent to 4.8 cents with 8.6 million shares traded.

NOXOPHARM

Noxopharm says six-month data from its 14-patient trial of Veyonda, or NOX66, for prostate cancer shows that eight of 14 patients were progression free.

Noxopharm said 14 men were given a single 15-day dose of NOX66 and low-dose radiotherapy to treat a single lesion in its direct and abscopal response to radiotherapy (Darrt-1) trial.

In February, the company said 12-week data showed reduced prostate specific antigen (PSA) levels, pain and aggregate lesion sizes (BD: Feb 6, 2019).

Today, Noxopharm said five of 14 patients showed a PSA fall of greater than 50 percent and of the seven patients with reduced pain at 12 weeks, five had reduced pain at six months, with two patients pain-free.

Noxopharm fell seven cents or 10.8 percent to 58 cents.

PRESCIENT THERAPEUTICS

Australian Ethical Investment says it has increased its holding in Prescient from 27,690,861 shares (11.20%) to 44,141,543 shares (15.24%).

The Sydney-based Australian Ethical said that on April 30, 2019 it acquired 16,450,682 shares for \$822,534 or 5.0 cents a share

In April, Prescient said it had raised \$9.1 million in a placement and rights issue at five cents a share (BD: Apr 26, 2019).

Prescient was up 0.4 cents or 9.1 percent to 4.8 cents.

PRESCIENT THERAPEUTICS

Regal Funds Management says it has returned to a substantial shareholding in Prescient with 16,752,422 shares or 5.79 percent.

In April, Regal said it reduced below five percent selling 1,890,128 shares, with the largest sale 723,000 shares for \$42,079 or 5.82 cents a share and was diluted in the placement.

Biotech Daily calculated that Regal held 12,220,250 shares (4.8%) (BD: Apr 4, 2019).

Today, the company said that on April 30, 2019 it bought 4,532,172 shares for \$226,609 or five cents a share (see above).

FACTOR THERAPEUTICS

The shareholders who called for a Factor board spill say they have increased their holding from 129,183,121 shares (12.39%) to 149,183,121 shares (14.31%).

In February, the shareholders, including the Sydney-based Pure Vida Energy and Fresher Pty Ltd, the Perth-based Canadian Nickel Corp and associated shareholders requested a board spill to replace chair Dr Cherrell Hirst and directors Tim Hughes and John Michailidis with Bruce Lane and David Sanders (BD: Feb 5, Feb 22, 2019).

In March, Factor survived the spill call with about 57 percent against and about 43 percent in favor (BD: Mar 27, 2019).

Today, the substantial shareholder notice signed by David Sanders as director of the association of Pure Vida, Fresher and Canadian Nickel said that on April 29 and 30, 2019, Pure Vida bought 20,000,000 shares for \$101,128 or 0.51 cents per share.

Factor was untraded at 0.4 cents.