



# Biotech Daily

Tuesday July 30, 2019

*Daily news on ASX-listed biotechnology companies*

- \* ASX, BIOTECH UP: PRESCIENT UP 12%; ALTERITY (PRANA) DOWN 20%
- \* EUROPEAN PATENT FOR OPTHEA OPT-302
- \* MEDIBIO, COMPASS PARTNER FOR MENTAL HEALTH TRIAL
- \* MGC: 'ADDITIONAL INFORMATION CANNABINOIDS AND BRAIN CANCER'
- \* BIOTECH DAILY APPENDIX 4C REPORTS POLICY
- \* ELIXINOL RECEIPTS UP 18% TO \$16.4m
- \* VOLPARA Q1 RECEIPTS UP 137% TO \$2.2m
- \* MEDADVISOR RECEIPTS UP 24% TO \$8m, 2 QUARTERS CASH, JUST
- \* MEDLAB RECEIPTS UP 24% TO \$5.8m
- \* PROTEOMICS RECEIPTS UP 111% TO \$1.7m, ALMOST 2 QUARTERS CASH
- \* CANN RECEIPTS UP 140% TO \$1.5m
- \* RESPIRI HAS 2 QUARTERS CASH, WITH \$3.4m PLACEMENT
- \* RECCE HAS CASH WITH EXPECTED CAPITAL RAISING
- \* STEMCELL HAS TWO QUARTERS CASH
- \* IMAGION HAS LESS THAN 2 QUARTERS CASH; 'WILL RAISE CAPITAL'
- \* BOTANIX REQUESTS CAPITAL RAISING TRADING HALT
- \* NEUROSCIENTIFIC REQUESTS 'R&D PROGRAM' TRADING HALT
- \* REGENEUS REQUESTS CAPITAL RAISING TRADING HALT
- \* HYPERION TAKES 5% OF COCHLEAR
- \* GENETIC TECHNOLOGIES TO APPEAL NASDAQ NOTICE
- \* CLARITY APPOINTS EX-VIRALYTICS ROBERT VICKERY CFO

## MARKET REPORT

The Australian stock market was up 0.28 percent on Tuesday July 30, 2019, with the ASX200 up 19.3 points to 6,845.1 points.

Twelve of the Biotech Daily Top 40 stocks were up, 19 fell, seven traded unchanged and two were untraded. All three Big Caps were up.

Prescient was the best, up 0.5 cents or 11.6 percent to 4.8 cents with 6.9 million shares traded.

Optiscan climbed 10.9 percent; Avita was up 7.6 percent; Volpara improved 6.15 percent; Antisense, Benitec and Patrys were up four percent or more; Telix was up 3.1 percent; Osprey rose 2.9 percent; with Cochlear, CSL, Cynata, Ellex, Pro Medicus and Resmed up by less than one percent.

Yesterday's 9.4 percent best, Alterity (Prana), led the falls, down 0.7 cents or 20 percent to 2.8 cents with 2.1 million shares traded.

Cyclopharm lost 10 percent; Kazia was down 7.5 percent; Amplia (Innate) and Genetic Signatures fell four percent or more; Oncosil, Opthea and Orthocell were down more than three percent; Mesoblast, Paradigm and Pharmaxis shed more than two percent; Clinuvel, Medical Developments, Neuren, Polynovo, Proteomics and Resonance were down one percent or more; with Compumedics and Nanosonics down by less than one percent.

## OPTHEA

Opthea says it has been granted a European patent covering OPT-302 for a range of diseases, including wet age-related macular degeneration and diabetic macular oedema. Opthea said the patent, titled 'Ligand Binding Molecules and Uses Thereof', covered OPT302 and compositions containing OPT-302 until February 13, 2034.

The company said it had patents covering OPT-302 in the US, Japan, Australia, South Africa and Singapore and had applications accepted for grant by the European patent office, in Malaysia and in Russia, with patent applications pending in a further 11 countries.

Opthea fell three cents or 3.7 percent to 79 cents.

## MEDIBIO

Medibio says it will partner with the Chersey, Surrey-based Compass Group Plc to trial its Ilumen mental health product on up to 300 employees of Compass Group Australia.

Medibio said Ilumen would provide participants with a system for the early screening of symptoms of depression, anxiety and stress and the program would commence in July 2019.

The company said that Compass was a UK food service company and would trial the software as part of its strategy to ensure the mental wellbeing and physical health of its employees.

Medibio was unchanged at 2.2 cents with 35.6 million shares traded.

## MGC PHARMA

Slovenia's National Institute of Biology says it "cannot conclude" that glioblastoma stem cells are more susceptible to marijuana derivatives than glioblastoma cells.

In a report commissioned by MGC, the Institute said the results were obtained from MGC's preparation on 10 patients' tumor samples and were "in the range of the published data by several other authors".

"At present we cannot conclude that [glioblastoma stem cells] are more susceptible for [tetrahydrocannabinol/cannabidiol] versus differentiated [glioblastoma] cells, where on the basis [of] previous data we suspected that this would be the case," the report said.

The report said "the cannabinoid effects in [glioblastoma stem cells] was measured in 3-D cultures where the diffusion rate in the cells is lower than in 2-D cultures".

In a media release to the ASX, titled 'Additional Information: Ground-breaking MGC Pharma Research Highlights Effectiveness of Cannabinoids on Brain Cancers' MGC said the "report confirms that cannabinoid preparations can successfully inhibit tumor viability and also cause a significant fraction of glioblastoma cells to die [that is] apoptosis after a short time following their application".

MGC managing-director Roby Zomer said the research was "a major breakthrough for the treatment of tumors with cannabinoid-based compounded formulations and has wider implications on different cancer treatments".

"The full research report successfully shows that compounded cannabinoid formulations can have a positive effect on the treatment of glioblastoma, reducing the growth of a tumor cell and killing the cancerous stem cells, superior to single cannabinoid preparation," Mr Zomer said.

The Ljubljana-based National Institute of Biology said it was a "service provider" and MGC the "contracting entity" and since March 1, it had received 10 patient tumor samples from the Department of Neurosurgery, Medical Centre Ljubljana.

The report summary said the results were presented at the Medical Cannabis and Cannabinoids Conference in Barcelona, May 23 to 24, 2019 as a poster, titled 'Influence of cannabinoids on glioblastoma with differentially expressed receptors CB1 and CB2'.

The summary said that genetic analyses on cannabinoid receptors and glioblastoma subtyping had been performed, "but the data are still [being] analyzed by bioinformatics tools [and protein analyses [of] CB1 and CB2 receptors expression has been performed, showing variability the receptors expression in [glioblastoma] patients and their cells ... as was expected," the summary said. "Molecular markers of [glioblastoma] (histology, oncogenes) are analyzed at Pathology Department and will be available by next reporting period" with primary glioblastoma and glioblastoma stem cells cell lines being established from glioblastoma tumors.

The summary said that cannabinoids CBD and THC "significantly reduce viability of U373 GB cells" and inhibitory concentration-50, or IC50 values, a measure of in-vitro potency, were determined in the control established cell lines.

"At present we cannot conclude that the GSC cells are more susceptible for THC /CBD vs differentiated cells, possibly die to different culture conditions and this need to be further explored," (sic) the summary said.

The Institute said the aim of the project was to develop formulations and to define the protocols for the treatment of high-grade brain tumors with cannabinoids alone or as adjuvant therapeutics in-vitro with the goal of in-vivo translation to clinics.

It said the specific aim of the first reporting period was to "set up methodology for testing the influence of natural cannabinoids on cell viability of the primary GB cells and GB cancer stem cells, derived from patients, and from the control, established GB cell lines".

MGC fell 0.1 cents or 1.85 percent to 5.3 cents with 2.5 million shares traded.

## 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.

Biotech Daily has been reporting companies citing more than \$1 million in receipts from customers in one quarter, half year or full year.

Initially, this applied to very few companies, but we are very pleased to note that as the years have progressed it is a mark of the success of our sector that these reports are increasing significantly.

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

**David Langsam, Editor**

## ELIXINOL GLOBAL

Elixinol says that customer receipts for the six-months to June 30, 2019 were up 17.7 percent to \$16,446,000 compared to previous corresponding period.

Elixinol said that receipts from its marijuana-derived food additive and cosmetic products for the three months to June 30, 2019 were up 3.2 percent to \$8,350,000 compared to previous corresponding period.

Elixinol said it had a cash burn for the three months to June 30 of \$19,302,000, with cash and cash equivalents of \$48,141,000 at June 30, and an expected cash outflow for the coming three months of \$25,563,000 to September 30, 2019.

Elixinol was up three cents or 0.9 percent to \$3.48 with 559,712 shares traded.

## VOLPARA HEALTH TECHNOLOGIES

Volpara says its three-month receipts from customers to June 30, 2019 was up 137.4 percent to \$NZ2,343,000 (\$A2,249,825) compared to previous corresponding period.

Volpara said that its annual recurring revenue for the 12 months to March 31, 2019 was up 85.7 percent to \$NZ6,630,000 (\$A6,290,680) (BD: Apr 8, 2019).

The company said it had a cash burn for the three months to June 30 of \$NZ2,981,000 with cash and cash equivalents of \$NZ39,913,000 at June 30, and an expected estimated outflow for the three months to September 30 of \$NZ9,010,000.

Volpara was up 9.5 cents or 6.15 percent to \$1.64 with 1.1 million shares traded.

## MEDADVISOR

Medadvisor says that receipts from customers for the year to June 30, 2019 were up 23.9 percent to \$7,997,000 compared to the previous year.

Medadvisor said receipts from customers for its medication management software for the three months to June 30, 2019 rose 15.9 percent to \$2,058,000 compared to the previous corresponding period, with a cash burn of \$1,282,000 for the three months to June 30.

The company said it had cash and cash equivalents at June 30 of \$4,515,000 with an expected outflow of \$4,169,000 for the three months to September 30, 2019.

Medadvisor was unchanged at 4.5 cents with 1.15 million shares traded.

### MEDLAB CLINICAL

Medlab says that customer receipts for the year to June 30, 2019 were up 23.9 percent to \$5,832,000 compared to previous corresponding period.

Medlab said that receipts from its food additive products for the three months to June 30, 2019 were up 98.2 percent to \$2,589,000 compared to previous corresponding period.

Medlab said it had a cash burn for the three months to June 30 of \$3,001,000, with cash and cash equivalents of \$11,442,000 at June 30 and an expected cash outflow for the three months to September 30 of \$3,960,000.

Medlab was up half a cent or 1.2 percent to 43.5 cents.

### PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics says that receipts from customers for the 12 months to June 30, 2019 were up 111.4% percent to \$1,729,000 compared to the previous year.

Proteomics said that receipts from customers for its Promarkerd diabetic kidney disease diagnostic for the three months to June 30 were up 9.4 percent to \$245,000, with a cash burn of \$1,063,000 for the three months to June 30.

Proteomics said that “there was a larger than usual net operating cash outflow for the June quarter” and expected expenditures to be reduced in coming quarters.

The company said it had cash and equivalents at June 30 of \$1,511,000 with an expected outflow of \$995,000 for the three months to September 30, 2019, and a Federal Government Research and Development Incentive of \$1,100,000 by January 1, 2020.

Proteomics fell half a cent or 1.5 percent to 32.5 cents.

### CANN GROUP

Cann says its maiden customer receipts from sales of its medicinal marijuana resin to the Victorian Government the year to June 30, 2019 were up 140.0 percent to \$1,466,000.

Last year, Cann said it had a supply contract with the Victoria Department of Health and Human Services Office of Medicinal Cannabis to supply resin for the paediatric epilepsy program until June 30, 2020 (BD: Oct 29, 2018).

Today, the company said its receipts from customers for the three months to June 30, 2019 were up 137.5 percent to \$1,463,000 with a cash burn of \$2,081,000 for the period.

Cann said it had cash and cash equivalents at June 30 of \$46,473,000 with an expected outflow of \$13,760,000 for the three months to September 30, 2019.

Cann was up three cents or 1.4 percent to \$2.18 with 547,392 shares traded.

### RESPIRI

Respiri says its net operating cash burn for the three months to June 30, 2019 was \$2,024,000 with cash at June 30 of \$309,000.

Respiri said it expected a cash burn for the coming three months to September 30 of \$1,664,000.

Today, Respiri said it had raised \$3.4 million in a placement at 10 cents each.

Respiri chief executive officer Mario Gattino said the “new equity will allow us to increase our focus on first sales to India and to complete our clinical studies”.

The company said that Fawkner Capital was the lead manager for the placement.

In April, Respiri said it had a loan of up to \$1.4 million which anticipated the forecast Federal Government Research and Development Tax Incentive (BD: Apr 30, 2019).

Respiri fell one cent or 8.3 percent to 11 cents.

### RECCE PHARMACEUTICALS

Recce says its net operating cash burn for the three months to June 30, 2019 was \$749,814, with cash and cash equivalents of \$403,384 at June 30.

Recce said it had an expected cash outflow for the three months to September 30, 2019 of \$1,700,000.

The company said it intended to have a capital raising for about \$2,298,000 and expected a Federal Research and Development Tax Incentive of about \$1,120,000.

Recce fell one cent or 4.55 percent to 21 cents.

### STEMCELL UNITED

Stemcell says its net operating cash burn for the three months to June 30, 2019 was \$290,000 with cash at the end of the quarter of \$1,901,000.

Stemcell said it had an expected outflow of \$1,255,000 for the three months to September 30, 2019, of which \$580,000 was the balance for the acquisition of 51 percent of Yunnan Huafang Industrial Hemp Co (BD: Dec 5, 2018; May 20, 2019).

The company said its receipts from customers for its traditional Chinese medicine, including *Daemonorops draco blume* or Dragon's Blood, were up 71.7 percent for the 12 months to June 30, 2019 to \$1,384,000, but were down 38.9 percent for the three months to June 30 to \$129,000.

Stemcell provided no further information.

Stemcell was unchanged at 1.8 cents.

### IMAGION BIOSYSTEMS

Imagion says it spent \$1,781,000 in the three months to June 30, had \$1,140,000 in cash at June 30, 2019.

Imagion said it expected a cash outflow for the three months to September 30 of \$2,122,000.

In its Appendix 4C, the company said it had receipts for the three months to June 30 of \$120,000, and had received a \$2,061,918 Federal Government Research and Development Tax Incentive subsequent to the end of the quarter (BD: Jul 25, 2019).

Imagion executive chairman Bob Proulx told Biotech Daily that the board was confident that it had the ability to raise capital following the recent announcements on 'breakthrough device designation' for its Magsense HER2 breast cancer staging test (BD: July 18, 2019).

Imagion was unchanged at 4.3 cents.

### BOTANIX PHARMACEUTICALS

Botanix has requested a trading halt pending an "announcement to the market in relation to a capital raising".

Trading will resume on August 1, 2019 or on an earlier announcement

Botanix last traded at 26 cents.

### NEUROSCIENTIFIC BIOPHARMACEUTICALS

Neuroscientific has requested a trading halt pending an "announcement relating to its research and development program".

Trading will resume on August 1, 2019 or on an earlier announcement

Neuroscientific last traded at 30 cents.



## REGENEUS

Regeneus has requested a trading halt pending an “announcement to the market in relation to a potential capital raising”.

Trading will resume on August 1, 2019 or on an earlier announcement

Regeneus last traded at 8.5 cents.

## COCHLEAR

The Brisbane-based Hyperion Asset Management says it has become a substantial shareholder in Cochlear with 2,908,566 shares, or 5.04 percent of the company.

Hyperion said the registered holders included BNP Paribas, Bank of New York Mellon, Citicorp Nominees, JP Morgan Chase Nominees, National Nominees, RBC Investor Services and State Street Australia.

The company said between July 12 and 25, 2019 it bought and sold shares, with the single largest purchase 30,524 shares for \$6,797,892 or \$222.71 a share.

Cochlear was up \$1.17 or 0.5 percent to \$225.13 with 69,598 shares traded.

## GENETIC TECHNOLOGIES

Genetic Technologies says it will appeal a Nasdaq delisting notice it received after not regaining compliance with the Nasdaq \$US1.00 minimum bid price requirement.

In January, Genetic Technologies said it had received its third Nasdaq non-compliance letter, which gave the company until July 22, 2019 to regain compliance, with the minimum bid price at or above \$US1.00 for 10 consecutive business days (BD: Jan 29, 2019).

Today, the company said it intended to appeal the delisting determination which would stay the delisting of its American depository receipts (ADRs) pending the appeal hearing.

Genetic Technologies said it would regain compliance by adjusting the ratio of its American depository receipts which currently represented 150 Australian shares.

The company said it had submitted a plan to regain compliance with the \$US2,500,000 minimum equity rule, but there could “be no assurance the company will be successful in that regard” (BD: May 3, 2019).

Genetic Technologies fell 0.1 cents or 16.7 percent to 0.5 cents with 13.6 million shares traded.

## CLARITY PHARMACEUTICALS

Clarity says it has appointed former Viralytics chief financial officer Robert Vickery as its chief financial officer.

Last year, Merck acquired Viralytics for \$502 million (BD: Feb 22, 2018).

Today, Clarity said that Mr Vickery had more than 30 years of experience in life sciences and early stage businesses including transactions.

The company said that Mr Vickery led Viralytics finance for more than six years and was a member of the due diligence team during the trade sale negotiations with Merck.

Clarity said that Mr Vickery held a Bachelor of Commerce from the University of New South Wales.

Clarity is a public unlisted company.