



Biotech Daily

Tuesday July 9, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: OPTISCAN UP 10%; IMMUTEP DOWN 12%**
- * **IMMUTEP PLACEMENT, 1-FOR-11.8 RIGHTS TO RAISE \$10m**
- * **USCOM: 'RECORD USCOM1A, BP+, SPIROSONIC SALES'**
- * **INVEX \$12m IPO FOR EXENATIDE FOR RAISED INTRACRANIAL PRESSURE**
- * **MACH7 SOFTWARE DEAL WITH ADVOCATE AURORA HEALTH**
- * **MEMPHASYS \$4.2m PLACEMENT FOR FELIX DEVICE MANUFACTURE**
- * **AIRXPANDERS: Q2 REVENUE UP 14% TO \$2.6m**
- * **THC WINS SOUTHPORT MARIJUANA FACILITY LICENCE**
- * **MEDIBIO TAKES 'CAPITAL RAISING' TRADING HALT TO SUSPENSION**
- * **UNISUPER BELOW 5% IN IMPEDIMED**
- * **MASON STEVENS 'BELOW 5% IN PATRYS'**
- * **RECCE: DR PRENDERGAST CHAIR; DR MELROSE, DR WARD DIRECTORS**
- * **GENETIC TECHNOLOGIES LOSES DIRECTOR SAM LEE**

MARKET REPORT

The Australian stock market slipped 0.1 percent on Tuesday July 9, 2019, with the ASX200 down 6.5 points to 6,665.7 points. Fourteen of the Biotech Daily Top 40 stocks were up, 19 fell and seven traded unchanged.

Optiscan was the best, up half a cent or 9.8 percent to 5.6 cents, with 283,034 shares traded. Kazia and Neuren climbed more than eight percent; Uscom was up 7.7 percent; Avita and Patrys improved more than four percent; Orthocell and Polynovo were up more than three percent; Pharmaxis and Universal Biosensors rose more than two percent; Paradigm was up 1.3 percent; with Cochlear, Cyclopharm, Cynata and Genetic Signatures up by less than one percent.

Immutep led the falls, down 0.3 cents or 12 percent to 2.2 cents, with 16.9 million shares traded. Both LBT and Impedimed fell 7.4 percent; Imugene lost 6.25 percent; Compumedics, Mesoblast, Oncosil and Volpara were down more than three percent; Medical Developments, Prescient, Starpharma and Telix shed more than two percent; Amplia, Clinuvel, Nanosonics, Opthea, Osprey and Proteomics were down more than one percent; with CSL, Pro Medicus and Resmed down by less than one percent.

IMMUTEP

Immutep says it will raise \$10 million through a \$4 million placement and a fully-underwritten one-for-11.8 entitlement offer, at 2.1 cents a share.

Immutep said \$4 million was raised through the placement to new and existing shareholders including Australian Ethical Investment, Platinum Investment Management and Altium Capital Management.

The company said the placement price of 2.1 cents a share was a 16.7 percent discount to the five-day volume weighted average price to July 4, 2019.

Immutep said the funds would be used for its immune-oncology and autoimmune disease programs, including lead product IMP321, or eftilagimod alpha, and strengthen the balance sheet ahead of the “potentially pivotal Aipac phase IIb metastatic breast cancer trial readout expected by April, 2020.

The company said it expected to raise \$6 million in the entitlement offer, which was fully underwritten by Bell Potter Securities, which was the lead manager to the placement and rights offer.

Immutep said the record date for the rights issue would be July 12, with the offer opening on July 16 and closing on July 30, 2019.

Immutep fell 0.3 cents or 12 percent to 2.2 cents with 16.9 million shares traded.

USCOM

Uscom says it has “record monthly manufacturing and sales of Uscom 1A devices and record annual manufacturing and sales of BP+ and Spirosonic devices”.

Uscom executive chairman Prof Rob Phillips told Biotech Daily that the company had not provided revenue figures which would be released following auditing, but sales of each of the three products was the best on record.

The company said it manufactured and sold 26 Uscom 1A ultra-sonic cardiac output monitors in June, and 109 for the year to June 30, up 17 percent on the previous year.

Uscom said it had manufactured and shipped 119 Uscom BP+ devices for the year, an increase of 143 percent over the previous year, with the manufacture and sales of 750 digital spirometers, up 74 percent on the previous year.

The company said the sales were “a significant growth in orders for Uscom products in advance of our China [National Medical Products Administration] applications which are rapidly approaching approval phase”.

Uscom said the BP+ sales were “predominantly research driven with two significant multi-centre blood pressure studies in the US, partnering with one of the world’s leading technology companies, and in New Zealand in a national public health project”.

Prof Phillips said that 2019 was a year “of consolidation as we build out our manufacturing capabilities in Europe and Australia to ensure supply once we receive China [National Medical Products Administration] approvals and orders from China dealers for BP+ and Spirosonic”

“We also expanded and re-structured Uscom Kft, our wholly owned Budapest operation, to meet the anticipated demand from China for our sector leading digital ultrasonic Spirosonic devices once we receive our China [National Medical Products Administration] approval,” Prof Phillips said. “Despite a three to 12-month disruption of re-approvals and sales into Europe, the US, Middle East and South East Asia associated with the relocation, Uscom Kft, increased annual manufacturing by 74 percent over 2018-’19.”

“China remains our strategic growth platform and all applications are in, or are progressing to the approval phase, but precise approval dates remain inconclusive,” Prof Phillips said.

Uscom was up one cent or 7.7 percent to 14 cents.

INVEX THERAPEUTICS

Invex says it has raised \$12 million at 40 cents share to list on the ASX under the code IXC and develop Exenatide for conditions involving raised intracranial pressure.

An Invex presentation said that the intellectual property was acquired from England's University of Birmingham, with founder Prof Alexandra Sinclair the company's executive director and chief scientific officer.

The company said Dr Jason Loveridge was the company's chairman and directors included former Neurodiscovery founder and executive director David McAuliffe as a non-executive director, with Narelle Warren its company secretary and non-executive director. In 2013, Neurodiscovery became Oncosil (BD: Feb 7, Jun 3, 2013)

Invex said that directors and management held 20 percent of the company with Andrew Forrest's Minderoo Group holding 9.1 percent.

The company said that Kim Hogan, Tony Grist and Tom Henderson each held 7.3 percent of the company with Jason Peterson holding 4.5 percent and the University of Birmingham with 3.6 percent.

Invex said it had completed proof-of-concept pre-clinical in-vitro and in-vivo studies, with data published and the company had orphan drug designations granted for as idiopathic intracranial hypertension in Europe and the US.

The company said that a 16-patient, phase II, proof-of-concept study in idiopathic intracranial hypertension was currently underway.

The company said that key patent applications were filed in 2014 and assigned to Invex from the University of Birmingham.

Invex was up 7.5 cents or 7.7 percent to \$1.05 with 1.2 million shares traded.

MACH7 TECHNOLOGIES

Mach7 says it has a \$5.7 million, five-year software and services agreement with Advocate Aurora Health for its Enterprise imaging platform.

Mach7 said the agreement the Milwaukee, Wisconsin-based Advocate Aurora would add \$550,000 to its revenue each year, taking the total revenue to \$8.4 million a year.

The company said Advocate Aurora Health would use its imaging platform to store and manage images across its healthcare network.

Mach 7 said Advocate Aurora Health had also purchased the company's migration engine to move up to 3.5 petabytes of data.

Mach 7 was up 4.5 cents or 7.0 percent to 69 cents with 2.2 million shares traded.

MEMPHASYS

Memphasys says it is arranging a \$4.2 million placement, in part to fund W & S Plastics manufacture of disposable cartridges for its Felix sperm separation device.

Memphis said W & S Plastics was one of the largest plastic injection moulding companies in Australia and had recommended a strategy to produce cartridges for regulatory approval and devised a plan for the first 12 to 18 months of sales.

The company said it had appointed Paterson's Securities as lead manager for a \$4.2 million two-tranche placement of 182,608,696 shares at 2.3 cents a share to "ensure the business is suitably funded into the first commercial sales ... of the Felix device".

Memphasys said that Peters Investments had committed to \$2 million of the placement, with director Andrew Goodall providing \$850,000 including about \$300,000 in debt conversion.

Memphasys was up 0.1 cents or 3.2 percent to 3.2 cents with 1.6 million shares traded.

[AIRXPANDERS](#)

Airxpanders says US revenue for the three months to June 30, 2019 is up 14 percent from the previous quarter to \$US1.79 million (\$A2,572,946).

Airxpanders said the revenue came from the sale and distribution of its Aerofoam post-mastectomy breast tissue expander system.

In February, the company said that revenue for the 12 months to December 31, 2018 was up 100.1 percent to \$US7,817,000 (\$A10,942,784) compared to the previous corresponding period (BD: Feb 28, 2019).

Last year, Airxpanders said that receipts from customers for the six months to June 30, 2018 was up 649.3 percent to \$US4,241,000 (\$A5,721,530) compared to the previous corresponding period (BD: Aug 1, 2018).

Today, Airxpanders chief executive officer Frank Grillo said the business grew “with a notably smaller sales team versus prior quarters”.

“In addition, we came very close to matching our all-time high for patients treated with Aerofoam in a single quarter,” Mr Grillo said.

Airxpanders was in an extended suspension and last traded at 3.5 cents.

[THC GLOBAL GROUP \(FORMERLY HYDROPONICS GROUP\)](#)

THC says it says received a manufacturing licence from the Federal Office of Drug Control for its Southport, Gold Coast-based manufacturing facility.

THC said it expected the Southport facility to produce more than 12,000 kilograms of good manufacturing practice compliant active pharmaceutical ingredient isolates and supply patients with medical marijuana by early 2020.

THC chief executive officer Ken Charteris said the licence was the “most significant” to date in Australia and the company held “the largest bio-pharma extraction facility in the southern hemisphere”, but did not state the size of the facility.

THC was up 2.5 cents or 5.95 percent to 44.5 cents with 2.9 million shares traded.

[MEDIBIO](#)

Medibio has requested a voluntary suspension to follow the trading halt requested last week “pending an announcement ... in relation to a capital raising” (BD: Jul 4, 2019).

Today, Medibio said it expected trading to resume on July 10, 2019, or at an earlier announcement.

Medibio last traded last traded at 1.9 cents.

[IMPEDIMED](#)

Unisuper says it has ceased its substantial shareholding in Impedimed, selling 2,190,884 shares for \$254,053 or 11.6 cents a share.

The Unisuper substantial shareholder notice said that on July 1 and 2 it sold 2,190,884 shares for \$254,053 or an average of 11.6 cents a share.

Last week, Unisuper said it had reduced its substantial holding in Impediment to 20,777,986 shares (5.47%) (BD: Jul 2, 2019).

Biotech Daily calculates Unisuper holds 18,587,102 Impedimed shares (3.67%).

Impedimed fell one cent or 7.4 percent to 12.5 cents.

PATRYS

Mason Stevens says it has ceased its substantial shareholding in Patrys, buying and selling shares in more than 70 transactions between August 2018 and July 2019.

The Sydney-based Mason Stevens notice said that between August 31, 2018 and June 11, 2019 Mason Stevens bought, sold and transferred shares, with the single largest purchase 1,507,783 shares for \$40,710 or 2.7 cents a share and the single largest sale 300,579 shares for \$6,367 or 2.12 cents a share.

The notice said that on July 5, 2019 Mason Stevens bought tens of millions of shares in more than 50 transactions with the single largest purchase 4,335,069 shares for \$101,874 or 2.35 cents a share; and sold 98,093 shares for \$100,929 or \$1.02 a share.

The notice said "at the time of this notice Mason Stevens is advised of consolidated holdings (not specific trade information including consideration for each trade) from Bond Street Custodians (the custodian for Macquarie Investment Management) for securities that Mason Stevens Asset Management may acquire or dispose of as an investment manager".

Patrys was up 0.1 cents or 4.35 percent to 2.4 cents.

RECCE PHARMACEUTICALS

Recce says Dr John Prendergast will replace Dr Graham Melrose as chair, with principal chemist Dr Justin Ward appointed an executive director, effective from today.

Recce said that founder Dr Melrose would continue as an executive director and chief research officer leading the technical development of the synthetic antibiotic Recce-327.

The company said that the US-based Dr Prendergast had been a Recce director since April 2018 and was "a highly experienced director and chairman".

Recce said that Dr Prendergast was currently the chairman of Palatin Technologies Inc and a director of Heat Biologics Inc.

The company said that Dr Ward joined the company in 2016 and would continue as principal quality chemist.

Recce fell one cent or 4.35 percent to 22 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says non-executive director Sam Lee has resigned as director of the company effective immediately.

Genetic Technologies did not give a reason for Mr Lee's resignation.

Last month, the company told the ASX that Mr Lee failed to tell the company until June 3, 2019 that during a closed period on May 13, 2019 he had sold all his 59,594,850 company shares (2.19%) as 397,299 American depositary receipts (ADRs) for \$US478,916 (\$A684,166) or 1.14 cents a share (BD: Jun 11, 2019).

The company said it had "a standing agenda item in each monthly board meeting to remind directors to disclose and declare all interests to [the company]" and that Mr Lee's failure to seek prior clearance suggested "that the directors may require further training on corporate governance matters" (BD: Jun 11, 2019).

Genetic Technologies was unchanged at 0.7 cents with 2.9 million shares traded.