



# Biotech Daily

Thursday August 15, 2019

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: USCOM UP 5%; RESONANCE DOWN 8%**
- \* **PHARMAXIS REVENUE DOWN 74% TO \$13m, PROFIT TO \$20m LOSS**
- \* **STARPHARMA: 1<sup>st</sup> SE ASIAN VIVAGEL BV APPROVALS**
- \* **FEDERAL \$3m FOR SDI DENTAL AMALGAM ALTERNATIVES**
- \* **OVENTUS: 2 MORE US SLEEP GROUPS ADOPT O2VENT**
- \* **CYNATA TALKS TAKE-OVER, CYP-001 WITH SUMITOMO, FUJIFILM**
- \* **NOXOPHARM'S NYRADA HOPES FOR \$8m ASX IPO**
- \* **KIFIN TAKES 5% OF OPTHEA**
- \* **WALKER GROUP SELLS 14m BTC SHARES TO LHC**
- \* **LHC CAPITAL TAKES 11% OF BTC**
- \* **SG HISCOCK TAKES 6% OF BOD AUSTRALIA**
- \* **PHARMAXIS ISSUES CEO GARY PHILLIPS 927k OPTIONS**

## MARKET REPORT

The Australian stock market tumbled 2.85 percent on Thursday August 15, with the ASX200 down 187.8 points to 6,408.1 points. Just four of the Biotech Daily Top 40 stocks were up, 27 fell, eight traded unchanged and one was untraded. All three Big Caps fell.

Uscom was the best of the few, up half a cent or 4.8 percent to 11 cents, with 282,323 shares traded. Compumedics, LBT and Opthea were up more than one percent.

Resonance led the falls, down one cent or eight percent to 11.5 cents, with 1.8 million shares traded. Antisense lost seven percent; Optiscan, Prescient and Pro Medicus shed more than six percent; Actinogen and Clinuvel were down more than five percent; Cynata, Mesoblast, Nanosonics, Pharmaxis, Polynovo, Telix and Volpara fell four percent or more; CSL, Medical Developments, Oncosil, Orthocell and Osprey lost more than three percent; Amplia, Kazia, Neuren and Resmed shed more than two percent; Dimerix, Next Science, Paradigm and Proteomics were down more than one percent; with Cochlear, Ellex and Genetic Signatures down by less than one percent.

## PHARMAXIS

Pharmaxis says revenue for the year to June 30, 2019 was down 74.3 percent to \$13,080,000 following last year's \$42.1 million milestone, turning the previous \$6,428,000 profit to a \$20,058,000 loss.

Pharmaxis said revenue from sales of its lung function test Aridol for asthma and its inhaled dry powder Bronchitol for cystic fibrosis fell 6.9 percent to \$5,676 million.

The company said Bronchitol sales were down 37.2 percent from \$4,084,000 million in the previous corresponding period to \$2,564,000 for the year to June 30, 2019, while sales of Aridol were up 54.8 percent to \$3,112,000 for the year to June 30.

Pharmaxis said that net tangible assets per share was up 33.3 percent to 4.0 cents, with diluted loss per share of 5.0 cents compared to last year's 2.0 cents diluted profit per share.

The company said it had cash and cash equivalents of \$31,124,000 at June 30, 2019 compared to \$31,073,000 at June 30, 2018.

Pharmaxis fell one cent or 4.9 percent to 19.5 cents with 1.2 million shares traded.

## STARPHARMA

Starpharma says it has its first regulatory approvals for Vivagel BV for bacterial vaginosis in South East Asia, triggering "a small milestone payment" from Mundipharma.

Starpharma did not disclose the specific countries of the 11 nations of South East Asia which had approved Vivagel BV.

The company said that "one of these initial regulatory approvals triggers a small milestone payment to Starpharma under Mundipharma's licence with further milestones payable for other key countries".

Starpharma said it was eligible to earn total milestones up to \$US24.7 million, plus revenue share, for all territories under the distribution licence to the Singapore-based Mundipharma.

The company said that Mundipharma would roll-out the product in Asia under the brand name Betadine BV Gel, with the first launch expected "in the coming months".

Starpharma said that with Mundipharma it had submitted further regulatory submissions in countries across Asia and other Mundipharma regions.

The company said that Vivagel BV was a non-antibiotic therapy for the treatment of bacterial vaginosis and prevention of recurrent bacterial vaginosis, which was "the most common vaginal condition worldwide and twice as common as thrush".

Starpharma said that one in three women would experience bacterial vaginosis and half of these women would have recurrent bacterial vaginosis, which caused "unpleasant vaginal odor and discharge symptoms that have significant social impact for women".

The company said that bacterial vaginosis was "associated with a range of other serious reproductive health-related medical problems".

Starpharma chief executive officer Dr Jackie Fairley said the company was "very pleased to receive our first regulatory approvals of Vivagel BV in Asia".

"These approvals will positively impact further regulatory activities across the region and Starpharma continues to work closely with Mundipharma to secure approvals and achieve market launch as quickly as possible," Dr Fairley said.

Mundipharma chief executive officer Raman Singh said he was "very delighted that we have our first regulatory approvals in Asia to introduce this true innovation in the management of bacterial vaginosis".

Starpharma was untraded at \$1.24.

### [SDI \(FORMERLY SOUTHERN DENTAL INDUSTRIES\)](#)

SDI says it has received a \$3 million federal grant to develop materials that provide an alternative to dental amalgam restoratives.

SDI said the grant was for a University of New South Wales, University of Sydney and the University of Wollongong collaboration and was part of the Federal Government's Cooperative Research Centres Projects Program.

The company said it was the lead partner for the collaboration and would be supported by the Melbourne-based Dentalk and Bestech.

SDI said that the project, titled 'Dentistry without mercury - Glass fibre reinforced flowable dental composite restorative materials' was designed to develop alternative materials to the mercury-based amalgam that provided the strength and characteristics of amalgam but were aesthetic in nature, low cost and easy to use by dentists.

SDI fell five cents or 6.4 percent to 73 cents.

### [OVENTUS MEDICAL](#)

Oventus says it will deliver its O2Vent platform for obstructive sleep apnoea to 10 Delaware Sleep Disorder Centres and Reliable Respiratory facilities.

Oventus said the agreements require the supply of a minimum of 20 O2Vent devices per site at the Newark, Delaware-based Delaware Sleep Disorder Centres and the Norwood, Massachusetts-based Reliable Respiratory.

The company said the distribution would be launched when it had US Food and Drug Administration clearance for the O2vent Optima oral device, which it expected by December 31, 2019.

Oventus chief executive officer Dr Chris Hart said, "it is very encouraging to see strong continued interest from US sleep centres keen to deliver Oventus' highly efficacious sleep treatment platform to patients".

"Once we receive FDA clearance for our flagship device, the O2vent Optima, these agreements will operate under our 'lab in lab' business model," Dr Hart said.

"With the support of our recent capital raising, we are in a strong position to deliver on more agreements like these across our key markets of the US, Canada and Australia," Dr Hart said.

Oventus was up 2.5 cents or 5.4 percent to 49 cents.

### [CYNATA THERAPEUTICS](#)

Cynata says it is continuing discussions with Japan's Sumitomo Dainippon Pharma on a proposed take-over bid and with Fujifilm for a licence option on CYP-001.

Last month, Cynata said Sumitomo offered it \$2.00 a share to acquire the company for \$203,770,106 in a non-binding, incomplete and conditional proposal and it had commenced secondary discussions (BD: Jul 19, Jul 24, 2019).

Today, the company said it continued to discuss terms for a final proposal to implement a scheme of arrangement with Sumitomo, but nothing was final.

Cynata said separate discussions with Fujifilm to exercise a licence option for its mesenchymal stem cell product CYP-001 for graft-versus-host disease were progressing and Fujifilm had until September 19, 2019 for the option to expire.

Cynata fell 7.5 cents or 4.4 percent to \$1.625.

## [NOXOPHARM](#)

Noxopharm says it has appointed Alto Capital as lead manager to raise \$8 million in an initial public offering to list its US subsidiary Nyrada on the ASX.

Noxopharm said it would issue Chess depositary interests (CDIs) to raise funds to develop three of its first-in-class drug programs NYX-330, NYX-104 and NYX-205.

The company said NYX-330 was an oral pro-protein convertase subtilisin/kexin type 9 (PCSK9)-inhibiting drug to lower blood cholesterol, NYX-104 was a neuroprotectant drug to protect the brain from secondary damage or excitotoxicity related to stroke and traumatic brain injury and NYX-205 was an anti-inflammatory drug to provide pain relief for peripheral nerve crush injury (BD: Nov 29, 2017, Aug 27, 2018).

Noxopharm was up two cents or five percent to 42 cents.

## [OPTHEA](#)

Kifin Limited says it has become a substantial shareholder in Opthea with 13,360,137 shares or 5.36 percent.

The Tortola, British Virgin Islands-based Kifin said that between January 19, 2017 and August 7, 2019, it acquired the shares for \$9,924,121 or an average of 74.3 cents a share, with the single largest purchase on February 12, 2019 of 1,989,925 shares for \$1,499,260 or 75.3 cents a share.

Opthea was up three cents or 1.15 percent to \$2.63.

## [BTC HEALTH](#)

Walker Group Holdings says it has sold its entire 13,784,910 shareholding (5.62%) in BTC for 10 cents a share.

Last month, Walker Group said it was diluted from 8.50 percent to 5.64 percent in BTC's \$9,189,700 capital raising at eight cents a share (BD: Jul 2, 2019).

Biotech Daily believes the shares were sold in an off-market crossing to LHC Capital Partners (see below).

BTC was up 1.3 cents or 13.4 percent to 11 cents.

## [BTC HEALTH](#)

The Sydney-based LHC Capital Partners says it has become a substantial shareholder in BTC with 26,284,910 shares or 10.72 percent.

LHC filed two becoming substantial notices in BTC, the first saying it has acquired 13,784,910 shares (5.26%), but failed to state the price paid for the shares as required under the Corporations Act 2001.

The company filed an amended notice saying it held 26,284,910 shares or 10.72 percent, but again failed to state the price paid for the shares as required under the Corporations Act 2001.

## [BOD AUSTRALIA](#)

SG Hiscock says it has become a substantial shareholder in Bod with 4,875,00 shares or 5.79 percent.

The Sydney-based SG Hiscock said that between July 19 and August 13, 2019 it acquired 1,000,000 shares at 52 cents a share.

Bod fell five cents or 8.8 percent to 52 cents.

## PHARMAXIS

Pharmaxis says it will issue chief executive officer Gary Phillips 927,000 options at an exercise price of zero cents a share, pending shareholder approval.

Pharmaxis said the shares would vest pending performance objectives after June 30, 2020 with the remainder vesting in equal amounts on June 30, 2021 and June 30, 2022.