



Biotech Daily

Tuesday February 11, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ONCOSIL UP 8%; USCOM DOWN 23%**
- * **COCHLEAR: 'UP TO 7% CORONAVIRUS PROFIT WARNING'**
- * **FEDERAL \$300k FOR MELBOURNE INNOVATION SUMMIT**
- * **USCOM TO ASX: 'CHINA ORDERS UP 124% FROM 17 TO 38 UNITS'**
- * **STARPHARMA RECEIVES \$4.5m ASTRAZENECA MILESTONE**
- * **NYRADA: '3F REDUCES CHOLESTEROL IN MICE'**
- * **G MEDICAL HOPES TO RAISE \$10m, CANCEL \$5m MAGNA NOTES**
- * **INVITROCUE BRAZIL JOINT VENTURE**
- * **CRESO TO LAUNCH MARIJUANA HORSE FEED**
- * **BOD LICENCE TO IMPORT ADDITIONAL MARIJUANA CBD ISOLATES**
- * **OPYL, HUUMUN DIGITAL PRODUCTS DEAL**
- * **UNISUPER BELOW 5% IN IMPEDIMED**
- * **LBT CFO RAY RIDGE REPLACES CO-SEC DAN HILL**
- * **DIRECTOR MATT CALLAHAN RETURNS TO BOTANIX, ORTHOCELL**
- * **RESPIRI LOSES DIRECTOR PROF BRUCE THOMPSON**

MARKET REPORT

The Australian stock market was up 0.61 percent on Tuesday February 11, 2020, with the ASX200 up 42.8 points to 7,055.3 points. Nineteen of the Biotech Daily Top 40 stocks were up, 13 fell and eight traded unchanged.

Oncosil was the best, up 1.5 cents or 7.9 percent to 20.5 cents with 6.8 million shares traded. Avita and Osprey climbed more than five percent; Paradigm and Polynovo improved more than four percent, with Polynovo briefly passing the \$2 billion market capitalization level; Antisense and Kazia were up more than three percent; Compumedics, Medical Developments, Opthea, Prescient and Pro Medicus rose more than two percent; Amplia, Clinuvel, Nanosonics and Resmed were up more than one percent; with CSL, Cyclopharm, Genetic Signatures, Telix and Volpara up by less than one percent.

The past week's best, Uscom, led the falls, retreating 11 cents or 22.9 percent to 37 cents with 11.2 million shares traded. Impedimed lost 8.3 percent; Resonance was down 7.1 percent; Actinogen and Universal Biosensors were down more than five percent; Next Science fell 4.3 percent; Cochlear, Cynata, LBT and Starpharma were down more than three percent; Orthocell shed two percent; Ellex and Immutep were down more than one percent; with Mesoblast down 0.35 percent.

COCHLEAR

Cochlear says the impact of the coronavirus has reduced its expected earnings for the year to June 30, 2020 from \$290-300 million to \$270-290 million, or 3.3 to 6.9 percent. Last year, Cochlear said it expected an increase in earnings for the 12 months to June 30, 2020 to be up to 13 percent to \$300 million (BD: Aug 16, 2019).

Today, the company revised the forecast downwards to up to nine percent saying that hospitals in China, Hong Kong and Taiwan were deferring surgeries, including cochlear implants, to limit the risk of infection from coronavirus.

Cochlear chief executive officer Dig Howitt said that "limiting the risk of exposure to the virus is an appropriate precaution".

"While we cannot predict how long surgeries will be delayed, the low end of guidance factors in a significant decline in sales for Greater China for the second half [of the financial year]," Mr Howitt said.

"During the [severe acute respiratory syndrome] epidemic, Cochlear experienced a material reduction in sales in China over a three-month period, followed by an uplift as the backlog of delayed surgeries cleared," Mr Howitt said.

"We are confident that many of the delayed surgeries will progress once hospitals resume normal operations," Mr Howitt said.

"No allowance has been made for any impact on sales outside Greater China," Mr Howitt said.

Mr Howitt said the company assumed there would not be "any material disruption to the supply chain, including the importation of components from China".

"Our Chinese suppliers are expected to resume production of components, which are used primarily for our sound processors and accessories, after the Lunar New Year shutdown," Mr Howitt said.

"We have at least three months inventory of most components and at this stage do not expect any disruption to our ability to supply products to our customers," Mr Howitt said. Cochlear fell \$8.29 or 3.4 percent to \$236.47 with 319,643 shares traded.

FEDERAL GOVERNMENT

The Federal Government says it has committed \$300,000 for the Global Innovation Summit in Melbourne this year, focusing on humanity, technology and health.

A media release from Federal Health Minister Greg Hunt said that the summit was run by the Global Federation of Competitiveness Councils (GFCC) and would be held in Melbourne between November 18 and 19, 2020.

Mr Hunt said that the summit would "bring together leaders and innovative thinkers from numerous countries, and across the business, industry, academia and government sectors".

The release said the summit program would cover topics such as genomics, robotics, 5G technology, private and public partnerships and artificial intelligence.

Mr Hunt said that the summit would "allow Australia to create new partnership opportunities and work with other global leaders to develop innovative health solutions to current and future problems".

The release said that the GFCC was a group of stake-holder organizations from more than 30 countries, promoting innovation, productivity and mutual learning between countries as a way of supporting the ongoing success of a range of sectors, including health.

USCOM

Uscom has told the ASX that Chinese orders of its Uscom 1A were up 123.5% in the first five weeks of 2020, compared to the first two months of 2019.

Yesterday Uscom said it would increase the manufacturing of Uscom 1A by 121 percent on 10-year average outputs to meet the anticipated demand for the six months to June 30, 2020 (BD: Feb 10, 2020).

Today, the company clarified that it had 38 Uscom 1A orders in the first five weeks of 2020 compared to 17 orders in the first two months of 2019.

The ASX suspended Uscom yesterday and lifted the suspension today.

Last week, Uscom responded to an ASX query regarding a 58.8 percent rise in its trading price from 17.0 cents to 27.0 cents on February 5, 2020 and a significant increase in trading volumes, saying that there has been speculation in online investment forums about the applicability of its Uscom 1A device to monitor coronavirus patients (BD: Feb 6, 2020). Uscom fell 11 cents or 22.9 percent to 37 cents with 11.2 million shares traded.

STARPHARMA

Starpharma says it has received a \$US3 million (\$A4.48 million) milestone payment from AstraZeneca following the dosing of the first patient in its phase I ASD0466 trial.

In December, Starpharma said it had commenced the trial of AZD0466 for cancer and dosed the first patient (BD: Jan 19, 2020).

Starpharma fell 3.5 cents or three percent to \$1.125.

NYRADA

Nyrada says its compound "3f" binds to the PCSK9 protein, reducing total blood cholesterol levels in mice.

Nyrada said that it identified a small molecule that inhibited the production of PCSK9 as well as restoring low-density lipoprotein (LDL) uptake by liver cells, providing in-vitro proof-of-concept of the lowering of cholesterol.

The company said the research paper titled "A small molecule inhibitor of PCSK9 that antagonizes LDL receptor binding via interaction with a cryptic PCSK9 binding groove" was published in *Bioorganic and Medical Chemistry* on January 31, 2020 and was at: <https://www.sciencedirect.com/science/article/pii/S0968089620301346>.

Nyrada scientific advisory board member and publication co-author Prof Gilles Lambert of the Paris-based Laboratoire Inserm said that "the paper confirms that Nyrada PCSK9 [inhibitor] compounds lower blood cholesterol levels in an in-vivo model and restore LDL-cholesterol capture by human cells."

"This provides proof-of-concept that a small molecule inhibitor against PCSK9 is therapeutically viable," Prof Lambert said.

The paper cited Noxopharm executive chairman and Nyrada director Dr Graham Kelly and Noxopharm director Dr Ian Dixon as co-authors.

Nyrada said that since submitting the paper for publication, it had identified further small molecules with greater potency than the compound described in the paper.

The company said the next step in the PCSK9 inhibitor program was to confirm the lead candidate based on PCSK9-binding potency and oral bioavailability, which would be the candidate to be taken through to the clinic.

Nyrada was up one cent or 4.8 percent to 22 cents.

G (GEVA) MEDICAL INNOVATIONS

G Medical says it hopes to raise up to \$10,000,000 in a placement and pay New York's Magna Equities (MEF I LP) \$US3,425,665 (\$A5,108,865) to cancel convertible notes. G Medical said the placement share price would "be determined following the completion of a bookbuild and investor communications process undertaken for the placement, scheduled to occur following the general meeting".

The company said the funds would be used to repay debt to Magna, expand its US sales team, increase research and development, process regulatory approvals and working capital.

G Medical chief executive officer Dr Yacov Geva said that "settling the company's debt with Magna and progressing a capital raising to allow for additional working capital for the company, will allow G Medical the financial flexibility to pursue its next phase of growth".

G Medical fell 1.1 cents or 10.5 percent to 9.4 cents with 4.1 million shares traded.

INVITROCUE

Invitrocue says it has an agreement with Felipe Eduardo de Almeida e Silva to establish a joint venture company, Invitrocue Brazil.

Invitrocue said it had a memorandum of understanding with Mr de Almeida e Silva through its Singapore-based subsidiary Invitrocue Pte which was valid for one year, or until the execution of a definitive agreement.

The company said Invitrocue Singapore would hold 51 percent of Invitrocue Brazil, with the remaining 49 percent held by "MontBrillant SL, a company formed by [Invitrocue]'s partners in Brazil, led by Mr de Almeida e Silva".

Invitrocue said Invitrocue Singapore would licence its Onco-PDO oncology test to Invitrocue Brazil for use in Brazil and Latin America.

The company said that Invitrocue Singapore's Brazilian partners would commit to an average annual volume ranging from 3,000 to 7,000 tests over a five-year period.

Invitrocue said that Mr de Almeida e Silva would be paid referral fees of 16.67 percent of the sale price of the test, payable for every 1,000 tests.

The company said a laboratory would be set up in Brazil for private-paying patients in Latin America which would be financed by Invitrocue's Brazilian partners.

Invitrocue said that three years from the date of the agreements, Invitrocue Singapore would have the right to purchase all securities in Invitrocue Brazil for an amount equivalent to three times Invitrocue Brazil gross revenue in the previous 12 months.

Invitrocue was in a suspension and last traded at six cents.

CRESO PHARMA

Creso said it will launch Anibidiol Equi, a hemp-based animal health product for horses and large animals in Latin America, Asia Pacific and Europe this year.

Creso said that Anibidiol Equi was an edible "flavored micro-milled hemp plant product" which would "reduce stress and pain, and support fast mobility recovery".

The company said the product contained natural hemp compounds which are recognized as traditional feed components, and represented "an additional pathway to market for the company's hemp-based complementary feed products without the need for regulatory approval".

Creso was unchanged at 15 cents with one million shares traded.

BOD AUSTRALIA

Bod says it has been granted an import licence for cannabidiol isolates in 2.5 and 10 percent strengths for its Medicabilis medical marijuana range.

Bod said the New South Wales Department of Health and the Federal Office of Drug Control granted the licence.

The company said the licence would allow it to target up to an “additional 32 percent of the total medicinal cannabis prescription market in Australia”.

Bod said the 2.5 percent and 10 percent Medicabilis would be available through the special access scheme and authorized prescribers.

Bod was up one cent or 3.7 percent to 28 cents.

OPYL

Opyl says it has a non-exclusive, two-year collaboration agreement with the Bracknell, England-based Huumun for digital health strategy.

Opyl said that Huumun was a “sales, marketing and medical communications company” that developed and used digital technologies.

The company said that the collaboration allowed the companies to provide an “end-to-end sales and marketing offering across traditional and digital platforms”.

Opyl fell one cent or 6.7 percent to 14 cents.

IMPEDIMED

Unisuper says it has ceased its substantial shareholding in Impedimed, after becoming substantial with 25,586,596 shares (5.04%) last year (BD: Sep 11, 2019).

Melbourne’s Unisuper said that between February 3 and 4, 2020 it sold 564,627 shares for \$67,606 or 12.0 cents a share.

Biotech Daily calculates that Unisuper 4.9 percent of the company.

Impedimed fell one cent or 8.3 percent to 11 cents with 5.1 million shares traded.

LBT INNOVATIONS

LBT says chief financial officer Ray Ridge will replace Dan Hill as company secretary, effective today.

LBT said that Mr Hill had been with the company for five years and had stepped down “to pursue his own business interests”.

The company said that Mr Ridge previously acted as company secretary for LBT and other ASX listed companies.

LBT fell half a cent or 3.45 percent to 14 cents with 1.3 million shares traded.

BOTANIX PHARMACEUTICALS, ORTHOCELL

Botanix and Orthocell say that Matthew Callahan has returned to their boards as a director, with Rob Towner stepping down as a non-executive director from Botanix.

Last year, the companies said that Botanix executive director and Orthocell director Mr Callahan was taking temporary leave “for personal reasons” (BD: Aug 23, 2019).

Today, Botanix said Mr Towner had been with the company since 2016 and his resignation was effective from February 11, 2020.

Botanix was unchanged at 8.7 cents with 1.8 million shares traded.

Orthocell fell one cent or two percent to 48 cents.

RESPIRI

Respiri says that Prof Bruce Thompson has resigned as a director, effective from February 10, 2020, but will continue as chairman of the medical advisory committee.

Respiri said it would continue to “work with Prof Thompson and the Swinburne University of Technology on the current wheeze rate correlation clinical trial”.

Respiri fell 0.1 cents or 1.2 percent to 8.3 cents.