



Biotech Daily

Wednesday February 26, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: CYCLOPHARM UP 2%; POLYNOVO DOWN 21%**
- * **NANOSONICS H1 REVENUE UP 19% TO \$49m, PROFIT DOWN 20% TO \$6m**
- * **COGSTATE H1 REVENUE DOWN 13% TO \$15m, LOSS UP 5% TO \$3m**
- * **POLYNOVO H1 REVENUE UP 80% TO \$10.2m, LOSS UP 26% TO \$2.4m**
- * **CLINUVEL H1 REVENUE UP 11% TO \$10m, PROFIT DOWN 74% TO \$1.1m**
- * **GENETIC SIGS H1 REVENUE \$3.7m, \$2.3m LOSS; COVID-19 TEST**
- * **CYCLOPHARM REVENUE UP 5% TO \$14m, LOSS UP TO \$2.9m**
- * **CELLMID H1 REVENUE UP 6% TO \$3.7m, LOSS DOWN 60% TO \$1.4m**
- * **UNIVERSAL BIOSENSORS REVENUE DOWN 90% TO \$6.9m, \$4.8m LOSS**
- * **MEDLAB H1 REVENUE DOWN 18% TO \$2.5m, LOSS UP 89% TO \$7.1m**
- * **ALTHEA H1 REVENUE \$1.9m, LOSS UP 253% TO \$8.4m**
- * **IMMURON H1 REVENUE UP 59% TO \$1.6m, LOSS DOWN 6% TO \$1.5m**
- * **REDHILL \$174m HEALTHCARE ROYALTY LOAN FOR AZ'S MOVANTI**
- * **SIMAVITA RAISES \$2.9m**
- * **IMAGION NANOPARTICLES FOR HER2 BREAST CANCER TRIAL**
- * **ADMEDUS EGM: 78% OPPOSE SIO SHARES**
- * **ADMEDUS 2nd CONSOLIDATION – 100-TO-1**
- * **MGC SUPPLIES MARIJUANA FOR POLISH RESEARCH**
- * **ELIXXER TAKES 23% OF LITTLE GREEN PHARMA**

MARKET REPORT

The Australian stock market fell 2.31 percent on Wednesday February 26, 2020, with the ASX200 down 158.5 points to 6708.1 points. Four of the Biotech Daily Top 40 stocks were up, 33 fell, one traded unchanged and two were untraded. All three Big Caps fell.

Cyclopharm was the best of the four, up two cents or two percent to \$1.02 with 16,260 shares traded. Genetic Signatures (see below) and Uscom improved more than one percent; with Ellex up 0.7 percent.

Polynovo led the falls, down 62 cents or 20.5 percent to \$2.40 with 14.7 million shares traded.

Imugene and Oncosil lost 10 percent or more; Orthocell fell 9.3 percent; Impedimed was down 8.6 percent; Actinogen, Clinuvel, Compumedics, Paradigm and Proteomics were down more than seven percent; Antisense, Mesoblast and Patrys shed more than six percent; Avita, Immutep, Neuren, Osprey, Prescient, Telix, Universal Biosensors and Volpara were down more than five percent; CSL, Pharmaxis and Pro Medicus fell more than four percent; Dimerix, LBT, Resmed and Resonance were down more than three percent; Cochlear, Cynata, Medical Developments and Opthea shed more than two percent; with Kazia, Nanosonics, Next Science and Starpharma down by more than one percent.

NANOSONICS

Nanosonics says revenue for the six months to December 31, 2019 was up 19.3 percent to \$48,527,000 with net profit after tax down 19.6 percent to \$5,711,000.

Nanosonics said revenue was from the installed base of its Trophon EPR ultrasound probe cleaning systems, with total unit sales up by 1,570 units to 22,500 units, including 1,360 new units in North America taking the total to 19,930 units.

The company said diluted earnings per share was down 20.0 percent to 1.88 cents and net tangible asset backing per share was up 13.4 percent to 34.11 cents.

Nanosonics said it had cash and cash equivalents of \$81,965,000 at December 31, 2019 compared to \$71,256,000 at December 31, 2018.

Nanosonics fell eight cents or 1.2 percent to \$6.57 with 3.7 million shares traded.

COGSTATE

Cogstate says revenue for the six months to December 31, 2019 was down 12.8 percent to \$US9,699,164 (\$A14,711,303.99) with net loss after tax up 4.6 percent to \$US2,064,278 (\$A3,131,104.30).

Cogstate said revenue included \$US8,252,878 in clinical trials revenue, down 24.8 percent, \$US1,298,315 in healthcare revenue, up 457.5 percent, and \$US136,109 in research revenue, up 16.4 percent.

The company said it had received a \$US1 million upfront royalty payment from the Tokyo, Japan-based Eisai (BD: Aug 28, 2019).

Cogstate said diluted loss per share was down 17.6 percent to 1.4 US cents, net tangible asset backing per share was down 66.7 percent to 0.01 US cents and it had cash and cash equivalents of \$US7,200,450 at December 31, 2019 compared to \$US4,064,926 at December 31, 2018.

Cogstate fell 4.5 cents or 9.5 percent to 43 cents.

POLYNOVO

Polynovo says revenue for the six months to December 31, 2019 was up 79.7 percent to \$10,179,120 with net loss after tax up 26.1 percent to \$2,418,557.

Polynovo said revenue included \$8.57 million from sales of its Novosorb biodegradable temporizing matrix (BTM) and \$1.61 million in Biomedical Advanced Research and Development Authority (BARDA) clinical trial program revenue.

The company said diluted loss per share was up 27.6 percent to 0.37 cents, with net tangible asset backing per share down 7.5 percent to 3.7 cents.

Polynovo said it had cash and cash equivalents of \$8,144,298 at December 31, 2019 compared to \$20,814,360 at December 31, 2018.

Polynovo fell 62 cents or 20.5 percent to \$2.40 with 14.7 million shares traded.

CLINUVEL PHARMACEUTICALS

Clinuvel says revenue for the six months to December 31, 2019 was up 11.0 percent to \$9,971,065 with net profit after tax down 74.0 percent to \$1,059,248.

Clinuvel said revenue in Europe and Switzerland included \$2,576,774 from sales reimbursements and \$7,394,291 from commercial sales of goods, including Scenesse for erythropoietic protoporphyria (EPP) and for the skin depigmentation disorder, vitiligo.

The company said diluted earnings per share was down 74.4 percent to 2.1 cents, with net tangible asset backing per share up 31.1 percent to \$1.18.

Clinuvel said it had cash and cash equivalents of \$57,431,850 at December 31, 2019 compared to \$42,826,297 at December 31, 2018.

Clinuvel fell \$1.68 or 7.25 percent to \$21.50 with 285,784 shares traded.

GENETIC SIGNATURES

Genetic Signatures says revenue for the six months to December 31, 2019 was up 7.2 percent to \$3,704,000 with net loss after tax up 34.1 percent to \$2,346,000.

Genetic Signatures said revenue included \$2,532,000 from sales of its Easyscreen diagnostics for gut microbial infections, sexually transmitted infections and respiratory disease, including \$2,442,000 from the Asia Pacific region and \$90,000 from Europe, the Middle East and Africa, and \$1,172,000 was from other revenue.

The company said it previously announced its Easyscreen respiratory pathogen targets included an assay for all known coronaviruses, including the new strain that originated from China and now known as SARS-CoV-2, previously 2019-nCoV, and more recently Covid-19.

Genetic Signatures said the new virus could be detected without changes to its existing assay but did not distinguish the infection from other coronavirus infections such as sudden acute respiratory syndrome (SARS).

The company said that it had supplemented the test to identify the presence of SARS-CoV-2 and expedited a validation program, collaborating with local and international parties, to obtain the data required for international approvals as rapidly as possible.

The company said diluted loss per share was up 25.0 percent to 2.10 cents, net tangible assets was up 166.7 percent to 30.4 cents, and it had cash and cash equivalents of \$40,441,000 at December 31, 2019 compared to \$8,820,729 at December 31, 2018.

Genetic Signatures was up two cents or 1.7 percent to \$1.19.

CYCLOPHARM

Cyclopharm says revenue for the year to December 31, 2019 was up 5.0 percent to \$14,078,801 with net loss after tax up 8,114.2 percent to \$2,912,440.

Cyclopharm said revenue included \$3.47 million from Technegas Plus generator sales, services revenue of \$1.3 million, and \$10.61 million from patient administration sets.

The company said it had an unfranked dividend of 0.5 cents for the record date of March 31 would be payable on April 7, 2020.

Cyclopharm said diluted loss per share was up from 0.05 cents to 4.28 cents, net tangible assets per share was up 27.8 percent to 23 cents and it had cash and cash equivalents of \$12,660,323 at December 31, 2019 compared to \$5,854,959 at December 31, 2018.

Cyclopharm was up two cents or two percent to \$1.02.

CELLMID

Cellmid says revenue for the six months to December 31, 2019 was up 5.5 percent to \$3,658,992 with net loss after tax down 60.2 percent to \$1,395,375.

Cellmid said revenue was from sales of its hair growth products in Australia, Japan and the US, and included \$2,604,102 from its heritage hair loss brands, including Jo-Ju and Lexilis, \$468,987 from its Èvolis pharmacy range, \$567,852 from its Èvolis professional range and \$18,051 from its midkine diagnostics.

The company said net tangible assets per share fell 40.4 percent to 4.55 cents, diluted loss per share was down 66.7 percent to 1.59 cents and it had cash and equivalents of \$3,883,627 at December 31, 2019 compared to \$5,412,207 at December 31, 2018.

Cellmid was unchanged at 16.5 cents.

UNIVERSAL BIOSENSORS

Universal Biosensors says revenue for the year to December 31, 2019 was down 90.1 percent to \$6,897,199 with the previous \$37.6 million profit turned to a loss of \$4,846,285. Universal Biosensors said that the fall in revenue was due primarily to a \$44.6 million one-off lump sum service fee from Lifescan in 2018 to buy-out its obligations to pay future quarterly service fees (BD: Sep 26, 2018).

The company said revenue included \$4,863,347 from sales of its Xprecia Stride coagulation test strip and \$2,033,852 from quarterly service fees and other services.

The company said net tangible assets per share fell 41.4 percent to 17 cents, diluted earnings of 21.0 cents was turned to a loss of 3.0 cents and it had cash and equivalents of \$30,229,530 at December 31, 2019 compared to \$11,797,789 at December 31, 2018.

Universal Biosensors fell one cent or 5.6 percent to 17 cents.

MEDLAB CLINICAL

Medlab says revenue for the six months to December 31, 2019 was down 18.1 percent to \$2,521,294 with net loss after tax up 89.2 percent to \$7,138,966.

Medlab said revenue was from its Nanabis blend of cannabidiol (CBD) and tetrahydrocannabinol (THC) and from its over-the-counter food additives, including its NRGbiotic.

The company said that net tangible assets per share fell 37.9 percent to 5.4 cents, diluted loss per share was up 88.5 percent to 3.28 cents and it had cash and cash equivalents of \$9,689,136 at December 31, 2019 compared to \$16,116,190 at December 31, 2018.

Medlab fell 1.5 cents or 5.4 percent to 26.5 cents.

ALTHEA GROUP HOLDINGS

Althea says revenue for the six months to December 31, 2019 was up 963.8 percent to \$1,851,000 with net loss after tax up 253.0 percent to \$8,351,000.

Althea said revenue came for its sales and distribution of medical marijuana products in Australia and the UK, along with \$178,000 in interest and \$1,000 in other revenue.

The company said diluted loss per share was up 78.6 percent to 3.68 cents, net tangible asset backing per share was up 79.4 percent to 14.37 cents and it had cash and cash equivalents of \$22,361,000 at December 31, 2019 compared to \$14,874,000 at December 31, 2018.

Althea fell 2.5 cents or 7.7 percent to 30 cents with 1.1 million shares traded.

IMMURON

Immuron says revenue for the six months to December 31, 2019 was up 59.1 percent to \$1,556,623 with net loss after tax down 5.8 percent to \$1,490,249.

Immuron said Australian sales of Travelan for traveller's diarrhoea were up 37.6 percent to \$798,885, US Travelan sales were up 39.0 percent to \$513,554 and other sales were up from zero to \$217,169.

The company said that Australian sales of Protectyn for digestive function were down 2.1 percent to \$27,015 and other Protectyn sales were down from \$364 to zero.

Immuron said diluted loss per share was down 33.3 percent to 0.8 cents, net tangible asset backing per share was down 23.8 percent to 3.82 cents and it had cash and cash equivalents of \$4,839,868 at December 31, 2019 compared to \$4,190,259 at December 31, 2018.

Immuron fell half a cent or 3.6 percent to 13.5 cents.

REDHILL BIOPHARMA

Redhill says it will take a \$US115 million (\$A174.4 million) "non-dilutive" six-year loan from the Stamford Connecticut-based Healthcare Royalty Partners.

In 2010, Israel's Redhill bought Myoconda (RHB-104), Heliconda (RHB-105) and Picoconda (RHB-106) from Sydney's Giaconda (BD: Aug 17, 2010).

Last year the US Food and Drug Administration approved Talicia (formerly Heliconda or RHB-105) for Helicobacter pylori infections (BD: Nov 5, 2019).

Redhill said it would receive \$US30 million to support its commercial operations, including the planned launch of Talicia by April 2020 and the ongoing promotion of Aemcolo.

The company said it would receive an additional \$US50 million to fund the acquisition of rights to Movantik for opioid-induced constipation from Astrazeneca, with two additional tranches totaling \$35 million to support its commercial operations and provide additional financing for the Movantik acquisition.

Redhill said that Healthcare Royalty would receive royalties "in the low-single digits based on Redhill's worldwide net revenues, subject to a cap, as well as interest on the outstanding term loan to be computed as the three-month [London interbank offered rate] plus a single-digit interest rate, depending on revenues generated".

The company said that the loan could be prepaid at its discretion, subject to customary pre-payment fees, certain of which decrease over time.

Redhill said SVB Leerink was its financial advisor and Cravath, Swaine & Moore LLP were the transaction counsel to Redhill with Cooley LLP the as transaction counsel to HCR.

On the Nasdaq, Redhill fell 18 US cents or 3.83 percent to \$US4.52 (\$A6.85) with 395,921 shares traded.

SIMAVITA

Simavita says it has raised \$2,920,000 through a private placement to new and existing sophisticated investors at 2.0 cents per Chess depository interest (CDI).

Simavita said the issue price was equal to the closing price on February 21, 2020 and \$1,025,000 of CDIs were subject to shareholder approval.

Simavita said the funds would be used to advance commercialization in North America and Europe, for working capital and for corporate restructuring activities.

Simavita was up 0.1 cents or five percent to 2.1 cents.

IMAGION BIOSYSTEMS

Imagion says it will begin manufacturing nanoparticles for its first human epidermal growth factor receptor 2 (HER2) metastatic breast cancer human study.

Imagion said it had bought the equipment and supplies and completed all necessary vendor qualifications and audits required for manufacturing of medical devices and pharmaceutical products used in human clinical studies and to confirm compliance with good manufacturing practice.

The company said it would begin manufacturing the nanoparticle formulation and hoped to begin the study this year.

In 2017, Imagion raised \$12 million to develop its Magsense tests (BD: Jun 7, 22, 2017).

Imagion fell 0.1 cents or 3.6 percent to 2.7 cents with 3.2 million shares traded.

MGC PHARMACEUTICALS

MGC says it will supply medical marijuana products to Poland's Cannabis House Association and the University of Łódź Faculty of Law and Administration.

MGC said it would supply its phyto-cannabinoid products and scientific support for a large-scale commercial research study, collecting data on medical marijuana users and products in Poland through 50 pharmacies within nine months.

The company said the products would be based on Cannepil, Cognicann and the Mercury Pharma line.

MGC was unchanged at 2.6 cents with 2.8 million shares traded.

ADMEDUS

Admedus says 77.9 percent of votes at its extraordinary general meeting opposed the issues of shares to SIO Partners with other resolutions facing more modest dissent.

Admedus said that the resolution to issue 61,969,857 loan shares to SIO Partners had 65,571,974 votes (77.92%) against and 18,577,792 votes (22.08%) in favor.

The company said that the issue of 6,000,000 options to director John Seaberg and 2,500,000 options to director Stephen Denaro were opposed by 15.75 percent and 15.35 percent, respectively, meeting with 35,000,000 options for chief executive officer Wayne Paterson opposed by 10.37 percent of the meeting.

Admedus said that the 100-to-one consolidation was supported by 186,886,805 votes (86.49%) and opposed by 29,180,621 votes (13.51%).

According to the company's most recent Appendix 3B new share issue announcement the company had 590,842,817 shares on issue, meaning the votes against the share issue to SIO Partners amounted to 11.1 percent of the company - sufficient to requisition extraordinary general meetings

Admedus was up 0.2 cents or 2.9 percent to 7.1 cents.

ADMEDUS

Admedus has told the ASX it proposes to hold a 100-to-one share consolidation reducing its shares on issue from 590,842,817 shares to 5,908,428 shares.

Admedus said that other stock including 237,050,750 listed options, unlisted options and warrants would be similarly reduced at the 100-to-one ratio.

The consolidation would increase the current share price of about 7.0 cents to about \$7.00.

In 2014, Admedus appointed now chief executive officer Wayne Paterson as a director when the company was trading at 13 cents a share (BD: Oct 10, 2014).

In 2015, the share price had fallen to 6.7 cents and the company conducted a 10-to-one consolidation, raising the share price to 67 cents (BD: Oct 14, Nov 16, 2015).

In 2016, Mr Paterson was appointed chairman with the share price at 62 cents.

In 2017, Mr Paterson was appointed chief executive officer on \$787,000 a year when the share price was 34 cents (Mar 14, 2017).

Last year, Admedus attempted to divest its Prof Ian Fraser vaccines business, but said the deal had been terminated; sold its hospital infusion business to BTC Health for \$6.3 million; and said the Burlington, Massachusetts-based Lemaitre Vascular would pay up to \$36.2 million for the distribution rights for Adapt tissue products Cardiocel and Vascucel (BD: Apr 23, May 13, 31, Oct 14, 15, 2019).

Earlier this year, Admedus sold its Adapt tissue treatment sterilization technology to the Brooklyn Park, Minnesota-based 4C Medical for \$1.49 million (BD: Feb 4, 2020).

LITTLE GREEN PHARMA

Elixer says it has become a substantial shareholder in Little Green Pharma with 30,826,533 shares or 23.09 percent of the company.

The Montreal, Canada-based Elixer said that between December 19, 2017 and August 2, 2019 it acquired the shares for \$7,800,000 in cash or an average of 25.3 cents a share and for \$3,293,385 in non-cash.

Little Green Pharma fell 2.5 cents or 5.8 percent to 40.5 cents.