



Biotech Daily

Wednesday February 5, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: USCOM UP 50%; OPTISCAN DOWN 9%**
- * **FEDERAL \$32m FOR RESEARCH INNOVATION PARTNERSHIPS**
- * **AZURE UP-TO \$10m FOR INVICTUS BACKDOOR LISTING**
- * **ZELIRA PLACEMENT RAISES \$4.6m**
- * **PROBIOTEC: 'H1 REVENUE UP 34% TO \$44m, EBITDA UP 68% TO \$6m'**
- * **CRESO TAKES \$17.5m L1 CAPITAL CONVERTIBLE NOTE**
- * **VISIONEERING 1st NATURALVUE SINGAPORE SALE**
- * **MEMPHASYS: 'FELIX SPERM SEPARATOR POSITIVE KOL FEEDBACK'**
- * **ORTHOCELL CANADA, JAPAN CELGRO SOFT TISSUE PATENTS**
- * **PYXIS, MAPLETREE BELOW 5% IN NEUROTECH**

MARKET REPORT

The Australian stock market was up 0.39 percent on Wednesday February 5, 2020, with the ASX200 up 27.4 points to 6,976.1 points. Nineteen of the Biotech Daily Top 40 stocks were up, 16 fell, four traded unchanged and one was untraded. All three Big Caps rose.

Uscom was the best for the second day in a row on no news, up nine cents or 50 percent to 27 cents, with 2.8 million shares traded. Its cardiac monitoring equipment is sold in China and was used in the sudden acute respiratory syndrome (SARS) pandemic.

Proteomics climbed 7.7 percent; Oncosil and Patrys were up more than five percent; Immutep and Telix improved more than four percent; LBT was up 3.2 percent; Avita, Cyclopharm, Orthocell and Pro Medicus rose more than two percent; Amplia, Compumedics, Cynata, Ellex, Opthea, Polynovo and Resmed were up one percent or more; with Cochlear, CSL, Mesoblast and Next Science up by less than one percent.

Optiscan led the falls, down 0.3 cents or 8.6 percent to 3.2 cents, with 175,706 shares traded. Impedimed, Kazia, Osprey, Pharmaxis and Resonance fell four percent or more; Genetic Signatures was down 3.75 percent; Actinogen Clinuvel and Starpharma shed more than two percent; Antisense and Medical Developments were down more than one percent; with Nanosonics, Neuren, Paradigm and Volpara down by less than one percent.

FEDERAL GOVERNMENT

The Federal Government says it will provide \$32 million over four years for medical research partnerships with industry.

A media release from Federal Health Minister Greg Hunt said the Researcher Exchange and Development within Industry (REDI) partnerships would “boost Australia’s success in turning innovative health and medical research ideas into commercial reality ... [by ensuring that] research and ideas are successfully translated into products and practices that save and improve lives”.

The Government said the funds would enable more researchers to have “access to the training, skills development, mentors, internships and fellowships to make breakthroughs that transform health and health care”.

The media release said the REDI initiative was funded through the \$20 billion Medical Research Future Fund.

For more information, go to: <https://bit.ly/31rmxLk>.

AZURE HEALTH TECHNOLOGY, INVICTUS BIOPHARMA

Azure says it hopes to raise up to \$10 million for a backdoor listing of Invictus Biopharma’s tocotrienols food additive and supplements business.

Last year, Azure said it would acquire Invictus for up to 35 million of its shares, issue options exercisable at 47.9 cents each and would assume up to \$1.2 million in debt for its food additive and supplements assets (BD: Nov 8, 2019).

Today, the company said it hoped to raise between \$7 and \$10 million through a capital raising at 20 cents a share, as well as lend Invictus up to \$550,000 through a convertible note and provide up to \$300,000 to fund ongoing expenditure.

Azure said Invictus executive chairman Dr Glenn Tong would become the company’s managing director and chief executive officer, Avita chairman and Sonic director Lou Panaccio would be its non-executive chairman, Richard Estalella would become Invictus Nutraceuticals Inc’s chief executive officer and Steven Jiayi Yu, Wei Jiang and Weidong Chen would be directors.

The company said that Sydney’s Viriathus Capital would be lead manager to the capital raise and the funds would be used for its US food additive business, non-alcoholic fatty liver disease clinical program, pancreatic cancer pre-clinical program, for costs of the offer, for existing Invictus creditor repayments and Invictus borrowings, to develop the AHW business, and for additional working capital.

Azure said it hoped to re-list the company on the ASX on April 1, 2020.

The company an extraordinary general meeting would vote to consolidate capital on a 2.57-to-one basis on March 6, 2020, change the nature and scale of its activities to an early stage health and biopharma company, acquire Invictus, and for an employee share option plan.

The company said it would vote to issue up to 50,000,000 shares on a post consolidation basis at 20 cents a share to investors under the offer, 35,000,000 consideration shares to Invictus shareholders and 6,081,228 consideration options to Invictus employees.

Azure said it would vote to issue up to 3,000,000 options to Mr Panaccio and up to 1,500,000 options each to Dr Tong and directors Aiden Jiang, Kevin Chen, Steven Yu and Greg Starr.

The meeting will be held at Suite 3, Level 45, 19-29 Martin Place, Sydney on March 6, 2020 at 10am (AEDT).

Azure was in a suspension with Commsec saying its last price was 0.0 cents.

Invictus is a public unlisted company.

ZELIRA THERAPEUTICS (FORMERLY ZELDA THERAPEUTICS)

Zelira says it has commitments to raise \$4,588,500 in a fully-subscribed placement to sophisticated investors at five cents a share.

Zelira said managing-director Dr Richard Hopkins committed to subscribe for \$50,000 in the placement, subject to shareholder approval.

The company said the funds would be used to accelerate its plans to launch multiple marijuana products in global markets and to progress its clinical programs, including its insomnia and opioid-sparing trials.

Zelira said CPS Capital was the lead manager to the placement and would be paid a six percent fee.

The company said that director Jason Peterson was a director and shareholder of CPS Capital.

Zelira fell 1.1 cents or 16.9 percent to 5.4 cents with 7.1 million shares traded.

PROBIOTEC

Probiotec says that it expects revenue from its continuing operations for the six months to December 31, 2019 to be up 34 percent to \$44.1 million.

Probiotec said that it expected earnings before interest, tax, depreciation and amortisation (Ebitda) to be up 68 percent to \$6.2 million for the period.

Probiotec said that in the absence of unforeseen events and subject to normal trading conditions, its full year forecast of revenues would exceed \$100 million, with Ebitda of between \$16 and \$17 million.

Probiotec chief executive officer Wes Stringer said the company was “pleased that we have continued to execute with respect to the delivery on the existing portfolio of the business as well as the ongoing integration of our recent acquisitions”.

Probiotec was up 15 cents or 6.8 percent to \$2.37.

CRESO PHARMA

Creso says it has a new convertible note agreement with L1 Capital Global Opportunities Master Fund for up to \$17,482,500.

Creso said it would be able to request an initial \$1,750,000 advance in two equal tranches but must issue 9,000,000 shares as collateral shares prior to receiving the first tranche, pay L1 Capital a four percent fee of the advance, subject to shareholder approval, and may be required to issue an additional 11,000,000 collateral shares.

The company said the funds would be used for operations and working capital.

Creso said Everblu Capital was lead manager to the debt raising, and would be paid a \$200,000 cash fee and issued 4,000,000 shares and 4,000,000 options, subject to shareholder approval and exercisable at 25 cents a share within three years.

The company said Everblu would be paid a six percent cash fee on the face value of the funds actually drawn down and would be issued one share for every \$5 of the face value actually drawn down.

Creso said it would issue Mozaik Asset Management 1,000,000 shares in consideration for the termination and settlement of the original convertible note agreement and 222,222 tranche one convertible notes would no longer be issued to Mozaik.

Creso director Adam Blumenthal is the chairman of Everblu.

Creso fell half a cent or 3.2 percent to 15 cents.

VISIONEERING TECHNOLOGIES

Visioneering says it has sold its Naturalvue multi-focal, one-day contact lenses for paediatric myopia and presbyopia in Singapore.

Visioneering said Singapore had “very high rates of myopia”, affecting more than 65 percent of 11-year olds and 83 percent of young adults.

The company said it was identifying and holding discussions with potential sales partners in Singapore.

Visioneering was up 0.1 cents or 2.6 percent to four cents.

MEMPHASYS

Memphasys says “key opinion leaders” in Japan, India, Canada, the US and Iran have provided positive feedback on the use of its Felix sperm separation device.

Memphasys said initial shipments to the first key opinion leader sites were delivered in late December 2019 and early January 2020, and a key opinion leader agreement had been signed with a New Zealand-based IVF clinic.

The company said an additional six consoles and 320 cartridges were dispatched by the end of December 2019 and it had begun verification and validation of the Felix device, expected to be completed by July 2020.

Memphasys executive chairman Alison Coutts said the company was “confident on how the Felix device would perform, but to see how easily and quickly it was able to be used and that it performed exactly as expected in various commercial [in-vitro fertilization] settings was extremely satisfying”.

“We are now eagerly anticipating their commencement of the protocol A assessments, which they have indicated will commence within weeks,” Ms Coutts said.

Memphasys was up 1.6 cents or 34.0 percent to 6.3 cents with 2.2 million shares traded.

ORTHOCELL

Orthocell says it has been granted Canadian and Japanese divisional patents for its Celgro collagen scaffold for wound repair.

Orthocell said the patents, entitled ‘Method for Producing a Collagen Membrane and Uses Thereof’ would protect its intellectual property until June 2033.

The company said the patents covered the Celgro platform as a method of manufacture of collagen medical devices and as an aid in the surgical repair of soft tissue injuries.

Orthocell was up one cent or 2.1 percent to 49.5 cents.

NEUROTECH INTERNATIONAL

The Perth-based Pyxis Holdings, for the Mapletree account, says it has ceased to be a substantial shareholder in Neurotech.

Last year, Pyxis said it became a substantial shareholder in Neurotech with 7,499,999 shares or 5.53 percent of the company, acquiring the shares in a rights issue that raised \$783,689 of a hoped-for \$3.3 million at three cents a share (BD: Feb 28, 2019).

Today, Pyxis said that on January 31, 2020 it sold 5,299,999 shares for \$56,028 or 1.06 cents a share.

Neurotech was up 0.1 cents or 12.5 percent to 0.9 cents with 2.0 million shares traded.