



Biotech Daily

Monday March 2, 2020

Daily news on ASX-listed biotechnology companies

- * FEBRUARY BDI-40 DOWN 14%, ASX200 DOWN 8%, BIG CAPS UP 0.3%
- * TODAY: ASX DOWN, BIOTECH UP: USCOM UP 29%; ALTERITY DOWN 14%
- * COMPUMEDICS H1 REVENUE DOWN 2% TO \$18m, PROFIT DOWN TO \$161k
- * ADMEDUS REVENUE DOWN 33% TO \$17m, LOSS DOWN 75% TO \$6m
- * IQ3 H1 REVENUE UP 46% TO \$4.3m, PROFIT TO \$950k LOSS
- * G MEDICAL REVENUE UP 81% TO \$8m, LOSS DOWN 8% TO \$23m
- * THC REVENUE UP 80% TO \$4.8m, LOSS UP 36% TO \$11.7m
- * AVECHO REVENUE UP 204% TO \$4.2m, LOSS TO \$850k PROFIT
- * CRESO REVENUE UP 550% TO \$3.6m, LOSS DOWN 9% TO \$15m
- * TBG REVENUE UP 6% TO \$3.3m, LOSS TO \$620k PROFIT
- * RHINOMED H1 REVENUE UP 24% TO \$1.7m, LOSS UP 85% TO \$5.3m
- * USCOM H1 REVENUE UP 4% TO \$1.5m, LOSS UP 97% TO \$1.5m
- * ANTEOTECH RIGHTS OFFER FOR \$3.2m
- * REGENEUS, KYOCERA \$1.4m PROGENZA DEAL, \$4m DIRECTORS LOAN
- * PATRYS PAT-DX1-NP ACROSS BLOOD BRAIN BARRIER IN MICE
- * ADALTA: DOSE RANGE CONFIRMED FOR PHASE I AD-214 STUDY
- * HERAMED: HERACARE TO BEGIN PILOT, CLINICAL TRIALS
- * LITTLE GREEN LAUNCHES 4th MARIJUANA OIL PRODUCT CBD 50
- * GI DYNAMICS APPOINTS DR PRAVEEN TYLE DIRECTOR
- * JONATHAN HART REPLACES HERAMED CO-SEC STEPHEN BUCKLEY

MARKET REPORT

The Australian stock market fell 0.77 percent on Monday March 2, 2020, with the ASX200 down 49.7 points to 6,391.5 points. Twenty-one of the Biotech Daily Top 40 stocks were up, 16 fell, and three traded unchanged. All three Big Caps fell.

Uscom was the best, up nine cents or 29.0 percent to 40 cents with 8.9 million shares traded.

Patryst climbed 23.1 percent; Imugene improved 13.0 percent; Oncosil was up 12 percent; Pharmaxis rose 11.9 percent; LBT and Next Science were up more than nine percent; Immutep, Polynovo and Proteomics recovered more than seven percent; both Impedimed and Orthocell improved five percent; Actinogen, Antisense and Dimerix climbed more than four percent; Cyclopharm was up 3.1 percent; Paradigm and Pro Medicus rose more than two percent; Mesoblast and Volpara were up more than one percent; with Telix up 0.4 percent.

Alterity (Prana) led the falls, down 0.2 cents or 14.3 percent to 1.2 cents, with 983,886 shares traded.

Optiscan lost 11.1 percent; Compumedics retreated 8.8 percent; Neuren and Resonance were down more than six percent; Ellex fell five percent; Cynata was down 4.3 percent; Clinuvel and Nanosonics fell three percent or more; Medical Developments, Prescient and Starpharma shed more than two percent; Amplia, CSL, Genetic Signatures, Kazia and Opthea were down more than one percent; with Cochlear and Resmed down by less than one percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

The Biotech Daily Top-40 Index (BDI-40) fell to its lowest level in six months, but the benchmark ASX200 was at a 9-month low, while CSL dragged the three Big Caps up.

The three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) climbed 0.3 percent in February to a collective market capitalization of \$191,338 million – up 61.6 percent for the year to February 29, 2020.

The Magic Pudding, CSL, put on 2.3 percent in February to \$144,108 million – and none of it is coronavirus-linked. CSL is assisting the University of Queensland in developing a potential vaccine, but on a humanitarian basis. Resmed retreated 2.4 percent from last month's record high to a market capitalization of \$35,152 million, but Cochlear cited coronavirus as delaying surgical procedures and fell 12.4 percent to \$12,078 million.

For the year to February 29, the BDI-40 was up 73.5 percent, the Big Caps rose 61.6 percent and the ASX200 improved 4.4 percent.

The Nasdaq Biotechnology Index surprised by climbing 0.3 percent in February and 1.1 percent for the year.

The Covid-19 coronavirus scare hit Australian markets, including the biotechnology sector, for no logical reason. Some companies may have temporary supply chain issues, but few in our sector. We are not foreign fee-paying student or tourist-dependent.

Panic selling by nervous gamblers, retail investors and myopic fund managers dragged the market down, while some went looking for bargains or the potential to profit in a time of misery.

The biggest beneficiary was Uscom, which has a diagnostic for the treatment of very sick people. Uscom climbed 142.1 percent to a record high of \$46 million. Avita was second best up 2.4 percent, with Compumedics up 0.8 percent to \$120 million. Amplia looked good unchanged at \$5 million.

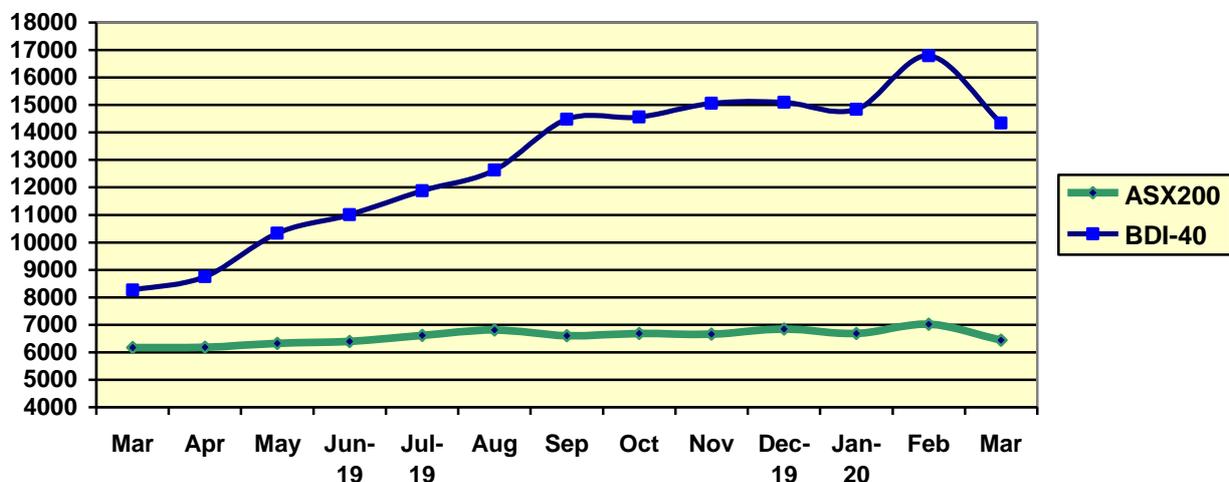
Impedimed was the worst of the 36 companies which fell, down 37.9 percent to \$41 million, with no obvious Covid-19 connection. Eight other companies in the Second 20 fell 30 percent or more (Orthocell, Osprey, Oncosil, Alterity, Next Science, Actinogen, Imugene and Patrys), but the big falls were in the BDI-20, led by Neuren losing 35.7 percent and followed down by Paradigm (32.1%), Clinuvel lost the most in dollar terms (\$345 million or 25.9%) and Volpara (23.6%).

Outside the Top 40, Biotron jumped 50 percent to \$84 million on highly qualified claims (ignored by speculators) that it was at the very earliest stage of thinking about an anti-viral, and just a tad behind all the others, like multi-billion-dollar pharmaceutical companies. An Israeli company made similar claims, as did the remnants of our own Biota, now a sub-division of San Francisco's Vaxxart, which also spiked on the claims.

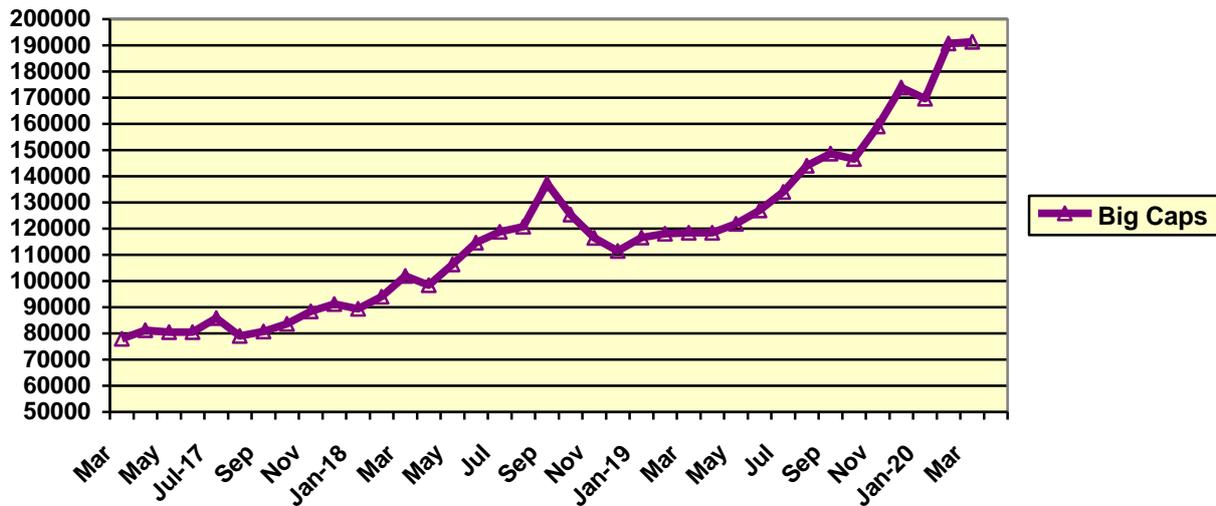
Genetic Signatures says it can adapt its respiratory diagnostic for coronavirus and didn't fall too much.

And finally, we arrive at Cactus ... er ... Cannabis Corner. Despite adding two new companies to the index, the collective market capitalization of the medical marijuana stocks fell 28.8 percent to \$763 million, its lowest since October 1, 2017, 60.0 percent below the August 1, 2019 high of \$1,909 million and down 45.5 percent for the year.

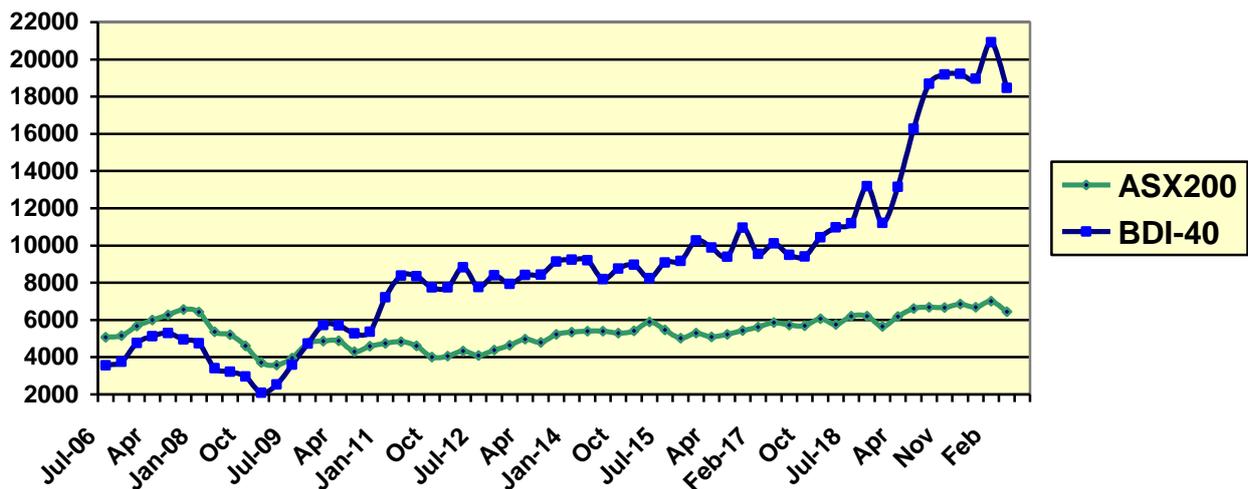
BDI-40 (\$m) v S&P ASX 200 – Feb 28, 2019 – Feb 29, 2020 (current, raw data)



Big Caps \$m (Cochlear, CSL, Resmed) Feb 28, 2017 – Feb 29, 2020



BDI-40 v ASX200 Jun 30, 2006 to Feb 28, 2020- Adjusted



[COMPUMEDICS](#)

Compumedics says revenue for the six months to December 31, 2019 was down 2.1 percent to \$18,310,000 with net profit after tax down 80.1 percent to \$161,000.

Compumedics said revenue came from sales of its brain monitoring equipment and related services, with Asia-based revenue up by seven percent, US-based revenue down by 14 percent, and German-based revenue remaining the same.

The company said the fall in profit related to a shortfall in sales, particularly in the uS and lower gross margins.

The company said diluted earnings per share was down 80.0 percent from 0.5 cents to 0.1 cents, with net tangible assets per share down 17.5 percent to 8.9 cents.

Compumedics said it had cash and cash equivalents of \$3,349,000 at December 31, 2019 compared to \$4,287,000 at December 31, 2018.

Compumedics fell six cents or 8.8 percent to 62 cents.

ADMEDUS

Admedus says revenue for the year to December 31, 2019 was down 33.3 percent to \$17,075,383 with net loss after tax down 75.0 percent to \$6,181,382.

Admedus said revenue came from the \$6.3 million sale of its hospital infusion business in May 2019 to BTC Health and the sale of the distribution rights of the Cardiocel and Vascucel product range in October 2019 to Lemaitre Vascular for up to \$36.2 million, of which \$21.2 million was upfront (BD: May 31; Oct 14, 15, 2019).

The company said that Admedus Vaccines was placed into administration in April 2019, which represented a loss of \$2,920,634 (BD: Apr 15, 27, 2019).

Admedus said basic loss per share fell 87.5 percent to 0.99 cents a share, net tangible asset backing per share was down 22.2 percent to 2.1 cents, with cash and equivalents of \$8,968,389 at December 31, 2019 compared to \$12,036,301 at December 31, 2018.

Admedus was untraded as it conducts a 100-to-one consolidation from 6.2 cents to \$6.20.

IQ3 CORP

IQ3 says revenue for the six months to December 31, 2018 was up 46.4 percent to \$4,282,321 with net profit after tax turned to a loss of \$949,764.

IQ3 said revenue came from the "provision of capital raising and corporate advisory services to listed and unlisted companies in the life sciences industry".

The company said diluted earnings per share of 0.31 cents last year turned to a diluted loss per share of 0.91 cents, net tangible assets per share was down from 1.96 cents to negative 0.03 cents a share and it had cash and equivalents of \$453,488 at December 31, 2019 compared to \$190,243 at December 31, 2018.

IQ3 was untraded at 20 cents.

G MEDICAL INNOVATIONS

G Medical says revenue for the year to December 31, 2018 was up 80.5 percent to \$US5,526,000 (\$A8,456,918) with net loss after tax down by 7.7 percent to \$US15,013,000 (\$A22,957,699).

G Medical said revenue was up primarily due to an increase sales of vital signs monitoring services in the US, with patients increasing by 94.5 percent.

The company said basic loss per share was down 20.0 percent to 4.0 US cents with negative net tangible assets per share increased 63.2 from negative 1.9 US cents to negative 3.1 US cents at December 31, 2018, it had nil cash and equivalents at December 31, 2019, compared to \$US2,634,000 at December 31, 2018, but did have a \$US10 million loan facility from chief executive officer Dr Yacov Geva.

G Medical fell 0.4 cents or 5.3 percent to 7.2 cents.

THC GLOBAL GROUP

THC says revenue for the year to December 31, 2019 was up 79.9 percent to \$4,792,258 with net loss after tax up 35.6 percent to \$11,679,182.

THC said revenue was primarily from an increase in Canadian sales of its hydroponic equipment for growing marijuana and other plant material.

The company said net tangible asset backing per share fell 26.3 percent to 14 cents, with basic loss per share up 26.7 percent to 8.78 cents, and it had cash and cash equivalents of \$3,551,595 at December 31, 2019 compared to \$6,333,540 at December 31, 2018.

THC was untraded at 31 cents.

AVECHO BIOTECHNOLOGY (FORMERLY PHOSPHAGENICS)

Avecho says revenue for the year to December 31, 2019 was up 204.0 percent to \$4,238,113 with last year's \$3,991,020 loss turned to a net profit after tax of \$849,955. Avecho said revenue was mainly attributable to a \$3.6 million licence fee from the Covington, Kentucky-based Ashland Global for the manufacturing rights to Vital ET and tocopheryl phosphate mixture (BD: Jun 20, 2019).

The company said that last year's diluted loss per share of 25 cents turned to diluted earnings per share of five cents, with net tangible assets up 56.25 percent to 0.25 cents at December 31, 2019.

Avecho said it had cash and cash equivalents of \$3,210,540 at December 31, 2019 compared to \$2,111,171 at December 31, 2018.

Avecho was unchanged at 0.3 cents with 12.1 million shares traded.

CRESO PHARMA

Creso says revenue for the year to December 31, 2019 was up 549.5 percent to \$3,626,427 with net loss after tax down 8.9 percent to \$15,339,772.

Creso said the revenue was from sales of its marijuana-based human and animal health food supplements and sales through its subsidiary Halifax, Nova Scotia-based medical marijuana producer Mernova Medical, which sold its first harvest of dried marijuana flowers in July 2019 (BD: Feb 19, 2018; Jul 2, 2019).

The company said diluted loss per share was down 29.7 percent to 10.47 cents, with net tangible assets per share down 38.5 percent to 8.0 cents at December 31, 2019.

Creso said it had cash and cash equivalents of \$2,800,318 at December 31, 2019 compared to \$6,390,538 at December 31, 2018.

Creso fell 0.6 cents or seven percent to eight cents with 2.5 million shares traded.

TBG DIAGNOSTICS

TBG says revenue for the year to December 31, 2019 was up 6.1 percent to \$3,345,592 with last year's \$4,393,330 loss turned to a net profit after tax of \$620,137.

TBG said revenue came from sales of its technical services and molecular diagnostics products, primarily for sequence-based typing and sequence specific primer.

The company said net tangible asset backing per share was up 11.3 percent to 5.9 cents with diluted loss per share down 40.0 percent to 1.2 cents a share at December 31, 2019.

TBG said it had cash and cash equivalents of \$5,205,131 compared to \$5,647,021 at December 31, 2018.

TBG was untraded at 2.6 cents.

RHINOMED

Rhinomed says revenue for the six months to December 31, 2018, was up 23.7 percent to \$1,667,360 with net loss after tax up 84.9 percent to \$5,299,181.

Rhinomed said its revenue came from sales its Mute and Pronto nasal dilators, with the Mute nasal strip US market share up by 79 percent.

The company said that net tangible assets per share fell 49.7 percent to 1.66 cents, with diluted loss per share was up 47.0 percent to 3.38 cents at December 31, 2019.

Rhinomed said that cash and cash equivalents of \$3,513,221 at December 31, 2019 compared to \$3,818,169 at December 31, 2018.

Rhinomed was unchanged at 15 cents.

USCOM

Uscom says revenue for the six months to December 31, 2019 was down 35.1 percent to \$964,185 with net loss after tax up 97.4 percent to \$1,496,352.

Uscom said that the half year to December 31, 2019 “was focused on a significant restructure in China as Uscom commissioned the new Uscom China subsidiary in Beijing” which delayed revenue for the period.

The company said it expected future revenue to increase following “the new Chinese National Coronavirus Guidelines and International SCCM Pediatric Sepsis Guidelines recommending Uscom 1A use in treatment of severe coronavirus and sepsis cases”.

Uscom said diluted loss per share was up 120.0 percent to 1.1 cents with net tangible assets down 31.3 percent to 1.5 cents at December 31, 2019.

The company said it had cash and cash equivalents of \$1,480,811 at December 31, 2019 compared to \$2,182,670 at December 31, 2018.

Uscom was up nine cents or 29.0 percent to 40 cents with 8.9 million shares traded.

ANTEOTECH (FORMERLY ANTEO DIAGNOSTICS)

Anteotech says it hopes to raise up to \$3.2 million in partly-underwritten one-for-seven rights offer at 1.5 cents a share.

Anteotech said the offer price was 46 percent discount to the 30-day volume-weighted average price and for every two new shares investors would receive on attaching option exercisable at 3.0 cents each within three years.

The company said the offer was underwritten to \$1.5 million by Mahe Capital and sub-underwritten by chair Dr Jack Hamilton and director Chris Parker for \$140,000.

Anteotech said the funds would support its battery and life sciences divisions.

The company said the record date would be March 5, the offer would open on March 9 and close on March 24, 2020.

Anteotech fell 0.7 cents or 28.0 percent to 1.8 cents with 7.2 million shares traded.

REGENEUS

Regeneus says the Tokyo’s Kyocera Corp will pay JPY100,000,000 (\$A1.4 million) upfront for the exclusive negotiation rights of its Progenza for knee osteoarthritis.

Separately, Regeneus said it had a \$4 million directors’ loan facility to support negotiations to licence and commercialize Progenza for knee osteoarthritis in Japan.

Regeneus said it had a memorandum of understanding with Kyocera until July 31, 2020, for a conditional commercial agreement and it would give Kyocera access to confidential aspects of Progenza manufacturing, technical knowhow and clinical data.

Regeneus said Kyocera would pay a further JPY100,000,000 following the completion of due diligence, expected within 45 days of receiving the documentation, with that payment refundable if the criteria for due diligence were not met.

Regeneus chief executive officer Leo Lee said that the memorandum of understanding with Kyocera was “an important step ... for Progenza osteoarthritis in Japan”.

The company said Mr Lee would provide \$2 million and chairman Barry Sechos would provide the remaining \$2 million through related entity Paddington St Finance.

Regeneus said the loans would be repaid within 12 months from the date of the signed loan agreement or within five business days after Regeneus receives an upfront payment in connection with a licencing transaction to commercialize Progenza in Japan, with an interest rate of 12 percent per annum.

Regeneus was up one cent or 18.9 percent to 6.3 cents.

PATRY

Patrys says its PAT-DX1-NP is able to cross the blood brain barrier and target triple-negative breast cancer brain metastases in mice.

Patrys said PAT-DX1-NP was a nanoparticle-conjugated form of its PAT-DX1, a humanized form of DNA damage-repair antibody Deoxymab 3E10.

The company said that a study at the Yale School of Medicine found that PAT-DX1-NP administered by tail vein injection improved delivery of nanoparticles across the blood brain barrier by 260 percent compared to the unconjugated nanoparticles.

Patrys said the data showed that PAT-DX1-NPs “were specifically targeting regions of the brain where more metastatic tissue was localized, reinforcing the potential use of this technology for therapeutic targeting”.

Patrys was up 0.3 cents or 23.1 percent to 1.6 cents with 4.1 million shares traded.

ADALTA

Adalta says that AD-214 slows the progression of idiopathic pulmonary fibrosis in mice and it hopes to begin phase I human trials by “mid-year”.

Adalta said that a study in mouse model of idiopathic pulmonary fibrosis (IPF) “evaluated a range of other fibrosis parameters and concluded that a number of different AD-214 dosing regimens can be used and that 10mg/kg intravenously every second day shows effectiveness”.

In a separate announcement, the company said that pre-clinical and pharmacokinetic and pharmacodynamic data had confirmed the dose range for the trial and determined the highest planned dose of 20mg/kg.

Adalta chief executive officer Dr Tim Oldham said that “in January this year, Adalta communicated that an additional pre-clinical study was required in lieu of a second half 2019 study that was not completed due to non-drug related technical issues”.

“The data reported today is the result of a thorough investigation of the conduct of the previous study,” Dr Oldham said.

“Technical issues relating to the handling and scoring of lung tissue samples were corrected and the Ashcroft Scoring repeated on new samples by both the contract research organization and an independent laboratory,” Dr Oldham said.

“The additional pre-clinical in-vitro efficacy study is still planned in order to investigate mechanism of action and support partnering efforts however we believe this is no longer a pre-requisite to commencing human clinical studies,” Dr Oldham said.

Adalta fell 0.4 cents or five percent to 7.6 cents.

HERAMED

Heramed says its Heracare in-home holistic pregnancy management platform is fully functional and will “shortly commence pilot testing and clinical trials”.

Heramed said Heracare used its Herabeat foetal and maternal heart rate monitor to manage pregnancy, predict potential scenarios and decrease the number of pre and post-natal complications.

The company said the trial details would “be announced when the trial structure [had] been determined”.

Heramed was up 2.5 cents or 23.8 percent to 13 cents.

LITTLE GREEN PHARMA

Little Green says it has released its fourth marijuana oil product Classic CBD 50 a whole plant oil extract containing 50mg/mL cannabidiol and no tetrahydrocannabinol.

Little Green said it was “the first Australian made whole plant [cannabidiol] cannabis oil product for the Australian market”.

The company said that as a Schedule 4 medicine Classic CBD 50 only required Australian Therapeutic Goods Administration approval, “simplifying the prescription pathway for healthcare practitioners”.

Little Green said that Classic 20:5 had a higher tetrahydrocannabinol (THC) ratio, Classic 10:10 was a balanced THC and CBD ratio and Classic 1:20, had a higher cannabidiol (CBD) ratio.

Little Green managing-director Fleeta Solomon said the launch of CBD 50 was “another major milestone for the company”.

Little Green Pharma fell two cents or five percent to 38 cents.

GI DYNAMICS

GI Dynamics says it has appointed Dr Praveen Tyle as a class III director to serve until the 2020 annual general meeting and then accordance to the company’s constitution.

GI Dynamics said that Dr Tyle was the head of research and development for Lexicon Pharmaceuticals Inc since May 2016 and was previously an executive at Osmotica Pharmaceutical Corp including as chief executive officer and director of Eyegate Pharmaceuticals Inc and Orient Europharma Ltd.

The company said that Dr Tyle held a Bachelor of Pharmacy from the Uttar Pradesh-based Indian Institute of Technology, Banaras Hindu University and a Doctor of Philosophy from the Ohio State University.

GI Dynamics said Dr Tyle would be paid \$US50,000 a year plus any annual committee fees and grant him 30,000 options exercisable at “equal to the fair market value per share as of the grant date”.

GI Dynamics was up 0.1 cents or 16.7 percent to 0.7 cents.

HERAMED

Heramed says Jonathan Hart will replace company secretary Stephen Buckley, effective March 2, 2020.

Heramed said Mr Hart was a director of Appsvillage Australia and company secretary for Mayur Resources.

Mr Hart’s LinkedIn page said he held a Bachelor of Laws and a Bachelor of Commerce from Perth’s Murdoch University.

Biotech Daily Top 40 with Market Capitalization At February 29, 2020

Company \$Am	Mar-19	Feb-20	Mar-20
Cochlear	9,841	13,781	12,078
CSL	87,771	140,926	144,108
Resmed	20,790	36,014	35,152
BDI-20			
Avita	252	1,355	1,387
Clinuvel	1,279	1,330	985
Compumedics	58	119	120
Cyclopharm	81	94	76
Cynata	161	112	97
Ellex	79	122	101
Genetic Signatures	95	165	159
Immutep	105	131	129
Medical Developments	268	657	548
Mesoblast	616	1,595	1,311
Nanosonics	1,245	2,055	2,043
Neuren	114	283	182
Opthea	183	926	781
Paradigm	161	831	564
Pharmaxis	103	45	33
Polynovo	522	1,950	1,633
Pro Medicus	1,425	2,483	2,159
Starpharma	401	434	414
Telix	156	375	332
Volpara	193	394	301
Second 20			
Actinogen	63	39	27
Alterity (Prana)	22	18	12
Amplia (Innate)	5	5	5
Antisense	14	33	29
Dimerix	14	25	22
Impedimed	95	66	41
Imugene	72	143	99
Kazia	33	46	43
LBT Innovations	14	37	26
Next Science	179	484	330
Oncosil	114	123	79
Optiscan	22	15	13
Orthocell	12	88	55
Osprey	43	11	7
Patrys	25	20	14
Prescient	14	21	17
Proteomics	26	25	24
Resonance	31	82	65
Universal Biosensors	40	32	27
Uscom	17	19	46

* Biotech Daily editor, David Langsam, owns shares in Acrux, Alcidion, Alterity, Amplia, Cynata, Mesoblast, Nanosonics, Neuren, Patrys, Polynovo, Telix, Volpara and non-biotechnology stocks. Through Australian Ethical Superannuation he has an indirect interest in other biotechnology companies: <http://www.australianethical.com.au/who-we-invest-in>. These holdings are liable to change.

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