



Biotech Daily

Friday May 1, 2020

Daily news on ASX-listed biotechnology companies

- * **BIOTECH BOUNCES BACK: APRIL BDI-40 UP 28%, ASX200 9%, BIG CAPS 3.5%**
- * **TODAY: ASX, BIOTECH FALL: AMPLIA UP 11%; ELLEX DOWN 17%**
- * **CORRECTION: ATOMO DIAGNOSTICS**
- * **FEDERAL GOVERNMENT, MINDEROO \$67m FOR CHILDHOOD CANCER**
- * **RESMED Q3 REVENUE UP 16% TO \$1,191m, PROFIT UP 47% TO \$291m**
- * **4DX, ADELAIDE UNI, SAHMRI DEVELOP COVID-19 'FIELD' VENTILATORS**
- * **TELIX SUBMITS TLX591-CDX PROSTATE CANCER EURO FILE**
- * **CLINUVEL PREPARES US SCENESSE FOR VITILIGO APPLICATION**
- * **ELLEX: 'ACCC TO REVIEW LUMBIRD ACQUISITION'**
- * **OVENTUS \$4.65m PLACEMENT, SHARE PLAN FOR \$2m MORE**
- * **G MEDICAL 'OVERSUBSCRIBED' PLACEMENT RAISES \$6m**
- * **NEUROTECH PLEADS 'COVID-19 TESTS' TO ASX 71% QUERY**
- * **OPYL RECEIVES \$201k R&D TAX INCENTIVE**
- * **MEDIGARD: 'LACK OF CASH THREATENS KUNOVUS KT009 LICENCE'**
- * **ALTHEA: NIMBUS TO SELL MARIJUANA IN GERMANY**
- * **BAILLIE GIFFORD REDUCES TO 6% OF COCHLEAR**
- * **AUS ETHICAL DILUTED TO 6% OF IMPEDIMED**
- * **PERENNIAL REDUCES TO 5% OF ATOMO**

MARKET REPORT

The Australian stock market fell 5.01 percent on Friday May 1, 2020, with the ASX200 down 276.5 points to 5,245.9 points. Eight of the Biotech Daily Top 40 stocks were up, 27 fell, four traded unchanged and one was untraded.

Amplia was the best, up 0.9 cents or 11.25 percent to 8.9 cents, with 88,578 shares traded. Uscom climbed 6.25 percent; Cynata, Resmed and Starpharma were up more than three percent; Compumedics and Universal Biosensors rose more than two percent; with Neuren and Proteomics up one percent or more.

Ellex led the falls, down 10.5 cents or 16.7 percent to 52.5 cents, with 607,815 shares traded. Immutep fell 14.3 percent; Cyclopharm lost 12.5 percent; Next Science shed 11.5 percent; Paradigm was down 10.3 percent; Kazia, Osprey and Polynovo lost more than eight percent; Optiscan, Patrys and Prescient fell seven percent or more; Avita, Telix and Volpara were down more than five percent; Actinogen, LBT and Nanosonics fell more than four percent; CSL, Imugene, Medical Developments, Mesoblast, Orthocell, Pro Medicus and Resonance retreated three percent or more; Cochlear, Dimerix and Pharmaxis shed more than two percent; with Clinuvel and Genetic Signatures down more than one percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

The Biotech Daily Top-40 Index (which does not include the three Big Caps of Cochlear, CSL and Resmed) recovered most of its Covid-19 pandemic global downturn losses in April, up 28.0 percent to \$14,100 million - above its then August 1, 2019 record level.

The benchmark ASX-200 was up 8.8 percent in April - apart from last month, its lowest level since Nov 30, 2016.

The collective market capitalization of the three Big Caps was up 3.5 percent in April to \$188,657, almost reaching its January 30, 2020 level and its third highest on record.

While some companies have been hurt by travel and other restrictions, others have continued work, some unaffected, and some even benefitting from the production of Sars-Cov-2 and Covid-19 diagnostics. Mesoblast is the leader of several seeing a share price rise on the back of drug or diagnostic development to treat or test the virus.

For the year to April 30, the collective market capitalization of the three Big Caps of Cochlear, CSL and Resmed was up 54.9 percent, the BDI-40 climbed 36.5 percent, with the ASX down 13.3 percent compared to April 30, 2019. In the US, the Nasdaq Biotechnology Index (NBI) was up 15.0 percent in April to 3,900 points, up 16.7 percent for the 12 months.

CSL rose 6.4 percent in April to \$143,298 million, its second highest market capitalization on record. Resmed fell 5.2 percent to \$33,642 million, with Cochlear up 2.5 percent to \$11,717 million, despite its \$1.1 billion placement and share plan.

Thirty-two of the BDI-40 companies were up (29 by more than 10 percent), six fell (three by more than 10 percent) and two were unchanged. In the BDI-20, 17 were up, with just three falls.

Mesoblast was the leader of the April BDI-20 pack, up \$954 million or 128.2 percent to \$1,698 million, followed by Neuren (51.5%), Compumedics (50.0%), Medical Developments (41.8%), Telix (34.9%), Starpharma (33.8%), Paradigm (33.2%), Cyclopharm (32.1%), Immutep (31.4%), Pro Medicus (29.0%) Polynovo (28.4%), Volpara (27.5%), Opthea (20.8%), Nanosonics (20.0%), Ellex (17.3%), and Clinuvel (11.4%).

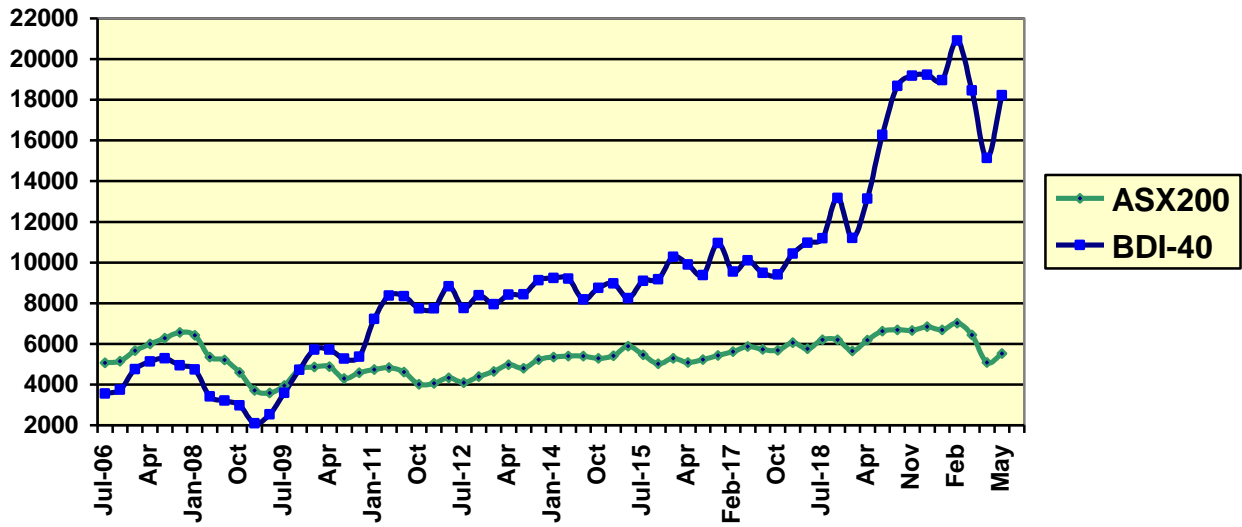
Many in the Second 20 recovered from lower bases, led by Impedimed up 95 percent to \$39 million, followed by Optiscan (80.0%), Prescient (63.6%) and Next Science (42.4%).

Oncosil led the very few significant falls in the BDI-40, down \$17 million or 20 percent to \$68 million, followed by Osprey (16.7%) and Avita (14.7%).

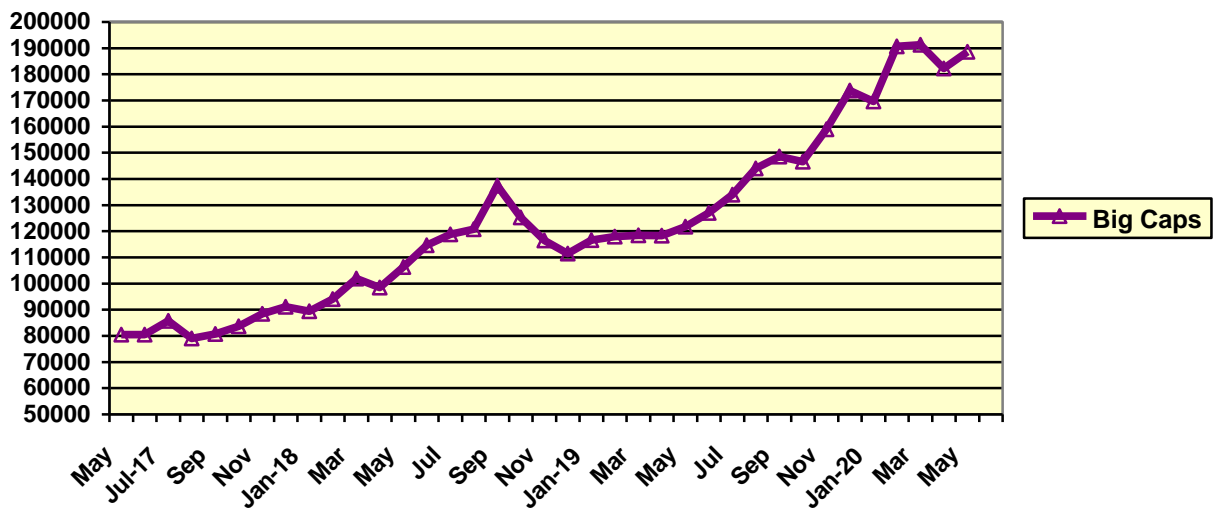
Outside the BDI-40, Sienna jumped 144.4 percent to \$22 million and Atomo ended April at \$269 million - 140.2 percent above its expected post-IPO level of \$112 million.

Even Cannabis Corner was higher in April, recovering 32.4 percent from its all-time low to \$788 million – but far below its July 31, 2019 peak of \$1,909 million. Botanix recovered 100 percent to \$44 million and Cann Group improved 33.7 percent to \$131 million.

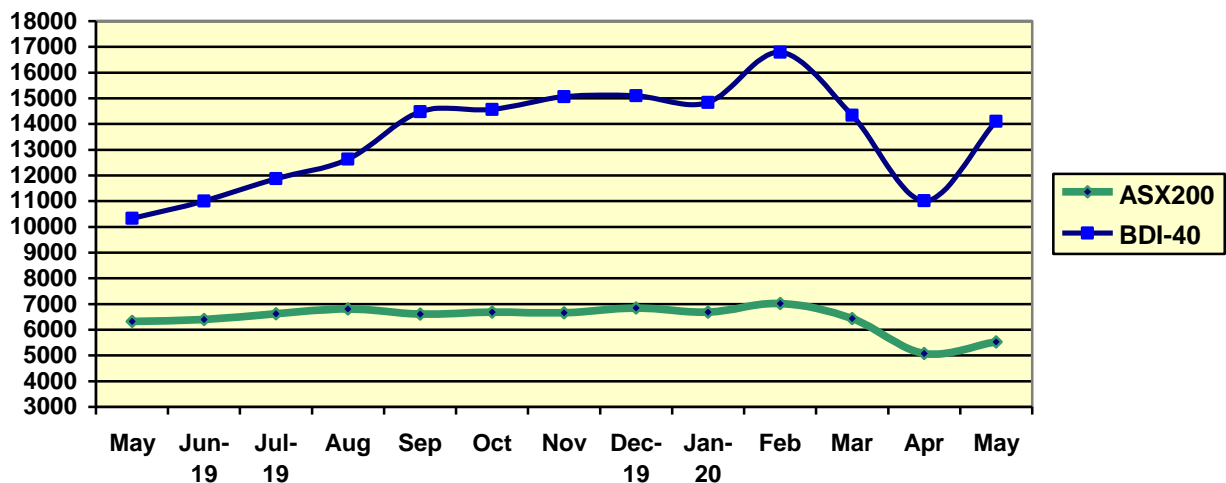
BDI-40 v ASX200 Jun 30, 2006 to Apr 30, 2020- Adjusted



Big Caps \$m (Cochlear, CSL, Resmed) Apr 30, 2017 – Apr 30, 2020



BDI-40 (\$m) v S&P ASX 200 – Apr 30, 2019 – Apr 30, 2020 (current, raw data)



CORRECTION: ATOMO DIAGNOSTICS

Last night's edition reported that Atomo had listed and unlisted options and that chief executive officer John Kelly left Unilife for Resmed.

In fact, all 30.5 million options are unlisted and Mr Kelly worked at Resmed prior to Unilife. We apologize unreservedly and have kicked the Crucible sub-editor downstairs to the proof-reader's room where he will remain until the pandemic has passed.

Atomo fell four cents or 8.3 percent to 44 cents with 8.1 million shares traded.

FEDERAL GOVERNMENT

The Federal Government says that with the Minderoo Foundation it will provide \$67 million for personalized, genomically-guided cancer treatments for children.

A media release from Federal Health Minister Greg Hunt said the Government would provide \$54.8 million through the Medical Research Future Fund and the Minderoo Foundation would provide \$12.2 million.

The Government said the initiative was led by Sydney Cancer Hospital's Kids Cancer Centre and Children's Cancer Institute and would provide free profiling of the children's cancer cells, used to build a medical understanding of the genetic and biological causes of childhood cancers and to test new therapies.

The media release said the funding would expand the Zero Childhood Cancer National Precision Medicine Program from 150 children to 1,000 children a year.

"Cancer is always a devastating diagnosis. Each year, about 750 children aged 14 or less are diagnosed with cancer in Australia," Mr Hunt said.

"Many of these children have cancers that are very difficult to treat and have a less than 30 per cent survival rate," Mr Hunt said.

"If your child is battling cancer, you want to know that the latest research is translating into effective treatment as fast as possible, with many experts working together to achieve one common goal, save lives," Mr Hunt said.

RESMED

Resmed says revenue for the three months to March 31, 2020 was up 16.2 percent to \$US769.5 million (\$A1,191.0 million) with net profit after tax up 46.7 percent to \$US187.9 million (\$A290.8 million).

Resmed said non-GAAP diluted earnings per share were up 44.9 percent to \$US1.29 a share for the three months to March 31, 2020 and it had cash and cash equivalents of \$US352,861,000 at March 31, 2020 compared to \$US146,513,000 at March 31, 2019.

Resmed chief executive officer Mike Farrell said "we are operating during unprecedented times, and I am extremely proud of the way our global Resmed team has responded to the Covid-19 crisis".

"Our primary goals are the safety and well-being of our team members, and the preservation of life - helping people breathe when their immune system fights this coronavirus," Mr Farrell said.

"We have rapidly pivoted our business to respond by ramping up production of life support ventilators, non-invasive ventilators, and ventilation mask systems for the people who need them most, wherever they live," Mr Farrell said.

"As we progress through the global Covid-19 pandemic, we are delivering world-leading solutions to governments, health authorities, hospitals, physicians, providers, and, most importantly, to patients," Mr Farrell said.

Resmed was up 76 cents or 3.25 percent to \$24.16 with 2.3 million shares traded.

[4DX](#)

4DX says it has developed “a field ventilator” for developing countries with the University of Adelaide and the South Australian Health and Medical Research Institute.

4DX said the ventilator was simple to operate, easy to train staff to use and could be used outside a traditional hospital intensive care units (ICUs).

The company said the ventilator would cost \$2,000 compared to the \$16,000 for an ICU-standard ventilator and was designed for developing countries affected by the Covid-19 pandemic due to the potential shortage of hospital and ICU beds.

4DX said the initiative was self-funded following an initial \$25,000 grant from the South Australian charity, the Hospital Research Foundation.

The company said the group were members of the Australian Lung Health Initiative for Australian respiratory health researchers and were previously awarded a stage one Medical Research Future Fund grant to develop a lung function scanner using 4DX's XV technology to diagnose and treat lung disease.

4DX is a public unlisted company.

[TELIX PHARMACEUTICALS](#)

Telix says it has filed a European marketing authorization application for its TLX591-CDx prostate cancer imaging product to the Danish Medicines Agency (DKMA).

Telix said the DKMA would lead the evaluation of the application on behalf of Denmark and a selection of European countries nominated by the company.

The company said TLX591-CDx was for patients with elevated prostate-specific antigen after radical prostatectomy or radiation therapy and used positron emission tomography.

Telix said the application was the result of “an extensive pan-European collaboration” and included clinical data obtained in more than 2,000 patients from both prospective and retrospective studies at European nuclear medicine centres. |

Telix chief executive officer Christian Behrenbruch said that “in addition to recognizing the clinical partners that have contributed to this submission, I'd like to acknowledge the outstanding pioneering work by scientists and clinicians at Heidelberg University in Germany and the Deutsches Krebsforschungszentrum (German Cancer Research Centre), whom we have to thank for the opportunity to bring this exciting technology to market for the benefit of patients”.

Telix fell eight cents or 5.8 percent to \$1.295.

[CLINUVEL PHARMACEUTICALS](#)

Clinuvel says it plans to file a supplemental new drug application to the US Food and Drug Administration for Scenesse to include vitiligo.

Last month, Clinuvel launched Sceness for erythropoietic protoporphyria (EPP) following FDA approval in 2019 (BD: Oct 9, 2019; Apr 16, 2020)

Today, the company said it had a type C meeting with the FDA to discuss a North American development program for Scenesse for vitiligo.

Clinuvel said it would finalize documentation and a clinical trial protocol to advance Scenesse as the first systemic re-pigmentation agent in North America.

Clinuvel chief scientific officer Dr Dennis Wright said it was “most pleasing” that senior managers and decision makers at the FDA were the same professionals who reviewed and approved Scenesse for erythropoietic protoporphyria in October and “thus the knowledge on Scenesse was current”.

Clinuvel fell 23 cents or one percent to \$21.80 with 155,104 shares traded.

ELLEX MEDICAL LASERS

Ellex says the Australian Competition and Consumer Commission (ACCC) will hold a public review of Lumibird Group SA's acquisition of its lasers and ultrasounds business. Last December, Ellex said the Lannion, France-based Lumibird would pay \$100 million in cash for its lasers and ultrasounds business (BD: Jan 19, 2020).

Today, the company said both Ellex and Lumibird were assisting the ACCC with its inquiries and the ACCC provided "an indicative decision date" of June 25, 2020. Ellex fell 10.5 cents or 16.7 percent to 52.5 cents.

OVENTUS MEDICAL

Oventus says it has commitments to raise \$4.65 million through a placement at 24 cents a share and hopes to raise a further \$2 million through a share purchase plan.

Oventus said that one free unlisted option would attach for every two shares acquired, exercisable at 36 cents a share by June 30, 2021, subject to shareholder approval.

The company said the issue price was an 18.4 percent discount to the five-day volume weighted average price (VWAP) and at a 17.4 percent discount to the 20-day VWAP.

Oventus said the share plan record date was April 30, it would open on May 8 and close on June 15, 2020, allow shareholders to apply for up to \$30,000 in shares.

The company said the funds would be used to support expansion of its 'Lab in Lab' business model.

Oventus said Canaccord Genuity Australia and Bell Potter Securities were lead managers to the placement and share plan.

Oventus fell two cents or seven percent to 26.5 cents.

G (GEVA) MEDICAL INNOVATIONS

G Medical says it has commitments to raise \$6 million through an "oversubscribed" placement at 7.0 cents a share.

G Medical said it would issue up to 6,000,000 unlisted options, exercisable at 25 cents a share within 18 months to those who assisted in raising funds, subject to approval.

The company said the funds would be used to repay New York's Magna Equities \$US3,180,501 (\$A4,920,331), for a portion of loan funds owed to founder Dr Yacov Geva and for working capital (BD: Feb 11, 2020).

G Medical fell 1.1 cents or 10.5 percent to 9.4 cents with 5.6 million shares traded.

NEUROTECH INTERNATIONAL

Neurotech says negotiations for a proposed collaboration to sell approved Covid-19 testing kits may have led to an increase in its share price and volume.

The ASX said the company's share price climbed 71.4 percent from 0.7 cents to 1.2 cents on April 8, 2020 and noted a significant increase in trading volumes.

Neurotech said that at the time of trading, it had not completed negotiations and had no reason to believe that confidentiality had been lost and it subsequently provided a submission to the ASX related to the proposed Covid-19 testing kits.

Neurotech has been attempting to commercialize an autism product and said the ASX required it to re-comply with Chapters one and two of the Listing Rules, but due to the regulatory burden "the proposed transaction is not able to be undertaken ... [and] negotiations between the parties have ended without an agreement being reached".

Neurotech fell 0.4 cents or 33.3 percent to 0.8 cents with 1.1 million shares traded.

OPYL

Opyl says it has received \$200,500 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Opyl said the rebate related to expenditure for the year to June 30, 2019 and a \$15,400 historic tax claim.

Opyl was untraded at seven cents.

MEDIGARD

Medigard says its licence with Kunovus to develop an injectable KT009 product for degenerative disk disease may be terminated soon due to an inability to raise funds.

Medigard said that it had planned to raise capital to fund operating expenses and progress KT009, but this was abandoned due to "the Covid-19 pandemic effect on capital markets".

The company said Kunovus licence fees and patent reimbursement costs of \$150,000 would be paid in shares and it was assessing other activities and funding arrangements.

Medigard was in a suspension and last traded at two cents.

ALTHEA GROUP

Althea says the Frankfurt, Germany-based Nimbus Health GmbH will sell and distribute its medical marijuana products in Germany following regulatory approval.

Althea said it would establish yearly sales targets, marketing and commercial strategies with Nimbus, receive payment for products, 50 percent of the net profit on sales and retain ownership of all Althea Concierge patient data.

Althea said it expected the first shipment to arrive in Germany later this year.

Althea was unchanged at 39 cents with 2.5 million shares traded.

COCHLEAR

Baillie Gifford & Co says it has reduced its substantial shareholding in Cochlear from 4,254,022 shares (7.36%) to 4,098,207 shares (6.24%).

The Edinburgh, Scotland-based Baillie Gifford said that it bought and sold shares between December 11, 2019 and April 30, 2020, with the largest sale on March 19, 2020 of 35,045 shares for GBP3,023,925 (\$A6,016,037) or \$171.67 a share.

Cochlear fell \$4.55 or 2.5 percent to \$179.95 with 255,534 shares traded.

IMPEDIMED

Australian Ethical Investment says its 59,925,691 share-holding in Impedimed has been diluted from 7.84 percent to 5.98 percent.

The Sydney-based Australian Ethical said it was diluted on March 29, 2020 following Impedimed's \$18.2 million capital raising at 3.75 cents a share (BD: Apr 3, 28, 2020).

Impedimed was unchanged at 3.9 cents with 1.2 million shares traded.

ATOMO DIAGNOSTICS

Perennial Value Management says it has reduced its substantial shareholding in Atomo from 35,937,500 shares (6.41%) to 29,884,787 shares (5.33%).

The Sydney-based Perennial said that between April 17 and 30, 2020 it sold 6,052,713 shares for \$2,960,198.38 or an average of 48.9 cents a share.

Biotech Daily Top 40 with Market Capitalization At April 30, 2020

Company \$Am	May-19	Apr-20	May-20
Cochlear	10,812	12,019	11,717
CSL	89,972	134,707	143,298
Resmed	21,019	35,497	33,642
BDI-20			
Avita	718	1,088	928
Clinuvel	1,170	944	1,052
Compumedics	87	58	87
Cyclopharm	85	78	103
Cynata	123	71	69
Ellex	85	75	88
Genetic Signatures	120	249	271
Immutep	95	51	67
Medical Developments	361	349	495
Mesoblast	818	744	1,698
Nanosonics	1,482	1,683	2,020
Neuren	119	99	150
Opthea	173	528	638
Paradigm	273	316	421
Pharmaxis	114	36	35
Polynovo	684	1,061	1,362
Pro Medicus	2,118	2,020	2,605
Starpharma	468	287	384
Telix	190	252	340
Volpara	333	236	301
Second 20			
Actinogen	58	22	23
Alterity (Prana)	35	14	17
Amplia (Innate)	6	4	5
Antisense	23	23	23
Dimerix	13	25	35
Impedimed	99	20	39
Imugene	65	86	112
Kazia	30	29	36
LBT Innovations	16	25	25
Next Science	290	231	329
Oncosil	34	85	68
Optiscan	19	10	18
Orthocell	11	46	61
Osprey	63	6	5
Patrys	24	14	15
Prescient	12	11	18
Proteomics	23	23	28
Resonance	52	49	60
Universal Biosensors	40	28	35
Uscom	23	37	34

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

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