



Biotech Daily

Monday May 11, 2020

Daily news on ASX-listed biotechnology companies

- * ASX, BIOTECH UP: OSPREY, RESONANCE UP 11%; AMPLIA DOWN 12%
- * MICRO-X 'UNDERWRITTEN' RIGHTS RAISE \$1.8m OF \$6.25m
- * RHINOMED 1-FOR-2 RIGHTS OFFER FOR \$6.5m
- * MESOBLAST REQUESTS 'FINANCING' TRADING HALT
- * COCHLEAR: 60% APRIL SALES FALL, SOME REOPENING, KIDS FIRST
- * EMERALD DATA PLATFORM EARNS \$100k FOR COVID-19 ANALYSES
- * ADMEDUS IMPLANTS 2nd SAVR HEART VALVE TRIAL PATIENT
- * QUEENSLAND CLINIC EVALUATES RESAPDX-EU RESPIRATORY TEST
- * PRESCIENT GAINS IP RIGHTS TO CARINA CAR-T CELL
- * CELLMID TAKES 'MEDIA ARTICLE' TRADING HALT TO SUSPENSION
- * BIONOMICS: \$10.4m LOAN REPAYMENTS DEFERRED 6 MONTHS
- * AVITA: COURT APPROVES MOVE TO US EGM
- * KARST PEAK, ADAM LEITZES, VERMILLION BELOW 5% IN AVITA
- * FIL TAKES 8% OF GENETIC SIGNATURES
- * WALKER REDUCES TO 8% OF ATOMO
- * ALLAN GRAY REDUCES TO 11% OF IMPEDIMED
- * FIL INCREASES, DILUTED TO 9.5% OF RESAPP
- * CRESO STARTS CANADA MARIJUANA SALES; TRADING HALT
- * ELIXINOL: PRODUCT LABEL CLASS-ACTION DISMISSED
- * LITTLE GREEN TO BEGIN MARIJUANA EXTRACT PRODUCTION
- * MGC TAKES 'DISTRIBUTION AGREEMENT' HALT TO SUSPENSION
- * IMAGION APPOINTS DIANNE ANGUS DIRECTOR
- * PATRYS APPOINTS DR PETER ORDENTLICH ADVISOR

MARKET REPORT

The Australian stock market was up 1.3 percent on Monday May 11, 2020, with the ASX200 up 70.1 points to 5,461.2 points. Nineteen of the Biotech Daily Top 40 stocks were up, 14 fell, five traded unchanged and two were untraded.

Osprey and Resonance were equal best, up 11.1 percent to one cent and 15 cents, respectively, with 5.1 million and 1.7 million shares traded, respectively. Oncosil and Optiscan climbed more than nine percent; Proteomics was up 7.6 percent; Cochlear and Impedimed rose five percent or more; Antisense, Compumedics, Neuren, Opthea and Orthocell were up more than four percent; both Immutep and Imugene rose 3.6 percent; Avita and Telix climbed more than two percent; Polynovo, Nanosonics and Volpara were up more than one percent; with CSL and Medical Developments up less than one percent.

Amplia led the falls for the second trading day in a row, down 1.1 cents or 11.6 percent to 8.4 cents, with 311,606 shares traded. Dimerix lost 9.1 percent; both Patrys and Genetic Signatures were down 7.7 percent; Universal Biosensors shed 6.8 percent; Cynata and Uscom fell more than four percent; Kazia, Paradigm, Pharmaxis and Starpharma were down more than three percent; Clinuvel and Prescient shed more than two percent; with Pro Medicus and Resmed down by less than one percent.

MICRO-X

Micro-X says its “underwritten”, one-for-5.6 rights offer at 14 cents a share has raised \$1,802,402 and it expects to raise a further \$4.45 million in the shortfall placement. Last month, Micro-X said it had raised \$8.75 million in a placement and hoped to raise a further \$6.25 million in the rights offer (BD: Apr 17, 2020).

Today, Micro-X said that joint lead managers and underwriters, Bell Potter Securities and Morgans Corporate, would place the shortfall shares.

Micro-X was up half a cent or 3.7 percent to 14 cents with one million shares traded.

RHINOMED

Rhinomed says it expects its fully-underwritten, one-for-two rights offer at 7.7 cents a share to raise about \$6.5 million.

Rhinomed said the offer price was a 2.3 percent discount to the 10-day volume weighted average price to May 4, 2020.

The company said the offer was underwritten by the Carlsbad, California-based W Whitney George, subject to Australian Foreign Investment Review Board approval.

Rhinomed said the funds would be used to drive growth, support its nasal airway products including Mute Snoring, Pronto Sleep and Pronto Clear, and provide working capital.

The company said the record date was May 14, the offer would open on May 19 and close on June 2, 2020.

Rhinomed was up 0.1 cents or 1.3 percent to eight cents.

MESOBLAST

Mesoblast has requested a trading halt “pending an announcement by the company in relation to a proposed equity financing”.

Trading will resume on May 13, 2020 or on an earlier announcement.

Mesoblast last traded at \$3.44.

COCHLEAR

Cochlear says US and Western European deferred surgeries have led to a 60 percent fall in April sales revenue, with China surgeries continuing to recover throughout April. Cochlear said that the revenue decline, compared to April 2019, saw cochlear and acoustic implants most severely affected, with implant unit sales down by about 80 percent across developed markets, with most elective surgeries postponed across the US and Western Europe.

The company said that, in many countries ear nose and throat surgeons, as well as personal protective equipment had been diverted to help treat Covid-19 patients. Cochlear said that elective surgeries continued in South Korea and, until recently, Japan, where surgeries slowed in late April following a growing number of Covid-19 infections. The company said that in China, surgeries, mainly for children, were “close to pre-virus run rates despite Beijing, the largest centre, remaining largely closed to elective surgery”. Cochlear said its services business was about 30 percent of business-as-usual revenue was down about 30 percent in April.

“While many recipients have been able to access sound processor upgrades remotely, clinic closures have delayed access to sound processor upgrades,” the company said. Cochlear said its remote servicing capability, with tools including Cochlear Link and Remote Check, were assisting clinicians and recipients with performance and troubleshooting in markets where they are approved.

The company said that, in recognition of the importance of providing support, the US Food and Drug Administration fast-tracked approval of Remote Check in April.

Cochlear said it had “significantly reduced non-essential spending and capital expenditure until there [was] a sustained increase in surgeries”, along with a hiring freeze, and temporary pay reductions for the board and senior management.

The company said it expected to participate in government subsidies, including Jobkeeper in Australia and similar subsidies in a number of Western European countries.

Cochlear said its supply chain was “largely intact with no supply shortages expected for components over the coming months ... [and it had] adequate levels of inventory for most components” with customer servicing largely unaffected.

The company said its manufacturing and service and repair centres had been deemed as essential services and continued to operate.

Cochlear said its liquidity had been strengthened through the \$1.1 billion capital raising and \$225 million increase in debt facilities.

The company said that implant surgeries were restarting in some major developed markets including the US, Germany and Australia, but it was too early to understand the rate of recovery with the recommencement of surgery expected to differ by country, hospital and surgeon.

Cochlear chief executive officer Dig Howitt said that “the rapid adoption of online tools across the business and with Cochlear’s professional partners, candidates and recipients, is to be commended and has ensured that we can continue to provide valuable education and support throughout the pandemic”.

“We continue to expect that many of the delayed surgeries will progress once hospitals resume normal operations, although the pace of the recovery is unclear,” Mr Howitt said. “At this early stage, we are expecting a gradual recovery with expectations that hospitals will proceed cautiously with the resumption of elective surgery, while prioritizing the case load,” Mr Howitt said. “Based on current feedback from surgeons, cochlear implants for children are expected to be prioritized given the long-term impacts on developmental outcomes from delaying surgery,” Mr Howitt said.

Cochlear was up \$9.34 or 5.1 percent to \$191.00 with 301,520 shares traded.

EMERALD CLINICS

Emerald says it will be paid \$100,000 to act as program manager and use its data platform for a national Clinical Data Analytics Platform for Covid-19 analysis.

Emerald said the Clinical Data Analytics Platform (CDAP) would launch on May 11, 2020 and was a partnership between New South Wales Health, Queensland Health, the Brisbane-based Queensland University of Technology, the University of Sydney, and Melbourne's Monash University.

University of Sydney epidemiologist and infectious diseases expert Prof Tom Snelling said that medical professionals were "working with incomplete and inaccurate information, and we expect CDAP to provide a clear, national data picture on the stages of Covid-19, the impact of the disease on the individual, as well as their care and recovery needs".

Emerald chief executive officer Dr Michael Winlo that he was previously the chief executive officer of Perth's Linear Clinical Research where he collaborated with Prof Tim Snelling who was then at Perth's Telethon Kids Institute.

Dr Winlo said that Emerald's data system could collect, quantify and analyze patient data. The Emerald media release said that it would collect clinical data from confirmed Covid-19 patients and analyze the data to inform predictive models to support point-of-care decision-making by clinicians regarding disease progression and treatment options, to support clinical trials of Covid-19, as well as provide forecasts of the likely demand on health services.

In January, Emerald Clinics said it raised \$6 million of up to \$8 million at 20 cents a share to list on the ASX to operate marijuana clinics and capture related "real world evidence", operating across four medical marijuana clinics in Sydney, Perth and Melbourne with about 1,000 patients (BD: Jan 23, 2020).

Today, the company said its data platform was designed to capture, analyse and provide new insights into "real-world" issues and deliver this data on a subscription payment, or data acquisition model, to pharmaceutical companies, regulators and other health industry stakeholders

Emerald said its data platform could be used to collect evidence around the safe and effective use of medicines to improve patient care, to identify novel uses of existing or new therapeutics and to explore the post-approval performance of certain medicines.

Dr Winlo said the company was "pleased to be chosen to help co-ordinate the development of [the Clinical Data Analytics Platform], as it is a recognition of Emerald's unique expertise in real-world evidence and building learning health systems."

Emerald was up 0.8 cents or 13.1 percent to 6.9 cents.

ADMEDUS

Admedus says that a second patient has been implanted with an Adapt-treated Duravr, three-dimensional, single-piece aortic valve.

Admedus said that the surgery at Belgium's University Hospitals Leuven was part of its first-in-human surgical aortic valve replacement (SAVR) study (BD: Mar 27, 2020).

Admedus chief executive officer Wayne Paterson said that the first patient was "doing well, over a month post implantation and patient two is recovering as expected".

The company said that 15 patients would be enrolled in this study, and followed up for six months after implantation.

Admedus was up eight cents or 1.1 percent to \$7.61.

RESAPP HEALTH

Resapp says its Resappdx-EU mobile telephone respiratory test has been under evaluation at a general practitioner clinic near Brisbane for the past month.

Resapp chief executive officer Dr Tony Keating told Biotech Daily that the Health Hub Doctors clinic at Morayfield, 40km north of Brisbane, had a separate respiratory clinic, with a separate entry to its general practitioner clinic.

Resapp said it had provided a license for the use of Resappdx-EU at no cost until September 1, 2020 to Health Hub Doctors Morayfield.

The company said that Health Hub Doctors Morayfield “was the first respiratory clinic established with Federal Government funding to take pressure off local hospitals by treating mild [to] moderate respiratory illnesses and assessing patients requiring Covid-19 testing”.

Resapp said the clinic had up to 300 patients a day, with 65 general practitioners on staff and its Resappdx-EU was being used to triage patients who presented with respiratory symptoms, helping identify illnesses such as lower respiratory tract infections, pneumonia, asthma exacerbations and chronic obstructive pulmonary disease exacerbations.

Health Hub director Dr Evan Jones said that his colleagues “have found Resappdx-EU invaluable in helping them make differential diagnoses of respiratory disease”.

“Being a non-contact diagnostic aid, Resappdx-EU is especially useful when assessing patients in the difficult conditions associated with managing possible Covid-19 cases,” Dr Jones said.

Resapp has previously said that its diagnostic differentiated cough sounds to assess respiratory illnesses.

Resapp was up 2.5 cents or 15.6 percent to 18.5 cents with 5.8 million shares traded.

PRESCIENT THERAPEUTICS

Prescient says it will have the exclusive rights to any intellectual property from its research collaboration with Carina Biotech and will fund the project on its own.

Last year, Prescient said it would work with the Adelaide-based Carina to develop chimeric antigen receptor-T cell (CAR-T cell) combination therapies for cancer by combining its targeted therapies with Carina’s cell therapies and it would share any resulting intellectual property from the collaboration (BD: Nov 18, 2019).

Today, the company said the collaboration terms had been amended and Prescient would be the owner of new intellectual property and cover the cost of the collaboration, which remained “well within its current budget”.

Prescient managing-director Steven Yatomi-Clarke said the collaboration with Carina “still combines the expertise of both companies to generate new CAR-T technologies”.

“However, this amendment results in a clearer and more favorable position for Prescient,” Dr Yatomi-Clarke said.

“It is also consistent with our broader strategic objectives in the exciting CAR-T space,” Dr Yatomi-Clarke said.

Prescient fell 0.1 cents or 2.1 percent to 4.6 cents with 8.6 million shares traded.

CELLMID

Cellmid has requested a voluntary suspension to follow the trading halt requested on May 7, “whilst the company considers its response to a media article published [that] morning” (BD: May 7, 2020).

Cellmid last traded at 18.5 cents.

BIONOMICS

Bionomics says repayments of its \$US6,818,182 (\$A10,406,040) loan from Silicon Valley Bank and Oxford Finance LLC have been deferred until November 2020.

Bionomics said the maturity date of the loan had been extended by six months to January 1, 2020.

The company said in exchange for the extension it had granted further security over its intellectual property portfolio to the Santa Clara, California-based Silicon Valley Bank and the Alexandria, Virginia-based Oxford Finance LLC.

Bionomics executive chairman Dr Errol De Souza said the company was "pleased to have reached this accommodation with our lenders at a time when Covid-19 makes sourcing capital markets difficult and puts undue downward pressure on our share price".

"This extension will allow us to continue development of BNC210 for the treatment of [post-traumatic stress disorder] while securing our funding requirements in an orderly manner," Dr De Souza said.

Bionomics was up 0.2 cents or 4.55 percent to 4.6 cents.

AVITA MEDICAL

Avita says the Federal Court of Australia has approved the scheme meeting for shareholders to vote on the proposed move to the US.

Avita said that shareholders would vote on the Delaware incorporated Avita Therapeutics Inc to be the parent company.

The company said that meeting would be held on June 15, 2020 at 9am (AEST).

Avita said that if shareholders approved the scheme it expected the last date of shares trading on the ASX to be June 23, Avita US Chess depository instruments (CDIs) would begin trading on the ASX on June 24 and the company would list on the Nasdaq with shares trading "promptly from the implementation date" of June 29, 2020.

Avita was up one cent or 2.2 percent to 47 cents with 13.5 million shares traded.

AVITA MEDICAL

Karst Peak Capital, Adam Gregory Leitzes and Vermillion Peak Master Fund say they have ceased their substantial holding in Avita.

In January, The Hong Kong and Cayman Islands-based Karst Peak, Mr Leitzes and Vermillion Peak said they held 128,305,459 shares or 6.06 percent of the company (BD: Jan 19, 2020).

Today, Karst Peak said the group sold shares between January 9 and May 6, 2020 with the single largest sale of 2,777,929 shares for \$1,782,597 or 64.2 cents a share.

GENETIC SIGNATURES

FIL Limited says it has increased its substantial holding in Genetic Signatures from 9,533,056 shares (6.70%) to 10,984,948 shares (7.70%).

The Hong Kong, London and Sydney-based FIL said that between January 22 and May 6, 2020 it bought 1,451,892 shares at prices ranging from 98.2 cents to \$1.97 a share.

Genetic Signatures fell 16 cents or 7.7 percent to \$1.92.

ATOMO DIAGNOSTICS

Walker Group Holdings Pty Ltd said it has reduced its substantial shareholding in Atomo from 58,285,720 shares (10.39%) to 46,660,718 shares (8.32%).

The Sydney-based Walker Group said that between April 16 and May 7, 2020 it bought 920,000 shares for \$414,000 or 45 cents a share and sold 12,545,002 shares for \$5,782,966 or an average of 46.1 cents a share.

Atomo said that Lang Walker was a major investor in the April initial public offer at 20 cents a share (BD: Apr 16, 2020).

Atomo fell two cents or 4.65 percent to 41 cents with 9.7 million shares traded.

IMPEDIMED

Allan Gray Australia says it has reduced its substantial shareholding in Impedimed from 124,661,287 shares (12.45%) to 112,495,141 shares (11.23%).

The Sydney-based Allan Gray said that between April 30 and May 6, 2020 it sold 12,166,146 shares for \$477,450 or an average of 3.9 cents a share.

Impedimed was up 0.2 cents or five percent to 4.2 cents with 1.9 million shares traded.

RESAPP HEALTH

FIL Limited says it has increased and been diluted in Resapp from 69,313,051 shares (10.52%) to 69,720,439 shares (9.48%).

The Hong Kong, London and Sydney-based FIL, formerly Fidelity, said that between September 19, 2018 and February 24, 2020 it bought and sold shares at prices ranging from 20 cents to 27.9 cents.

In February, Resapp said it raised \$5 million in a placement to institutional and sophisticated investors at 20 cents a share (BD: Feb 21, 2020).

CRESO PHARMA

Creso says wholly-owned subsidiary, Mernova Medicinal Inc will sell dried and fresh marijuana for medical purposes in Canada.

The announcement was made before the market opened this morning and was followed by a 1.36pm 'pause in trade' and a 2.24pm trading halt "pending additional information". Creso said the Nova Scotia, Canada-based Mernova had received a sales licence from Health Canada which allowed it to distribute medicinal marijuana to authorized retailer and holders of a licence from May 8, 2020 until February 2022.

Creso chief executive officer Dr Miri Halperin Wernli said the sales licence was "a tremendous development for Mernova and provides an exciting opportunity to quickly establish and expand our retail footprint in these profitable markets.

"With the surge in demand for on-line cannabis purchases across Canada, the launch of Mernova's retail products comes at a perfect time to showcase its range of high quality cannabis products and establish a large network of local customers from which to build," Dr Halperin said.

Creso last traded up 0.8 cents or 12.7 percent to 7.1 cents with 5.9 million shares traded.

ELIXINOL GLOBAL

Elixinol says the class-action lawsuit against its US parent company, Elixinol LLC, regarding allegedly misleading product labels has been voluntarily dismissed.

Last year, Elixinol said the lawsuit alleged that the company's products were mislabelled as dietary supplements and could be misleading (BD: Dec 6, 2019).

Today, the company said the plaintiffs had filed a notice of voluntary dismissal to the US District Court for the Northern District of California on May 8, 2020

Elixinol said that "the withdrawal of the class-action suit is vindication of the company's position that its products are accurately labelled and that the plaintiffs' misleading conduct claims were without merit".

Elixinol was up 15 cents or 46.15 percent to 47.5 cents with 1.5 million shares traded.

LITTLE GREEN PHARMA

Little Green says it has been granted a manufacturing permit by the Australian Office of Drug Control to produce marijuana extracts for medicinal purposes.

Little Green said it would begin manufacturing following the next crop harvesting.

The company said the permit was valid to March 10, 2021, and would reduce manufacturing costs and improve manufacturing efficiencies.

Little Green was up 5.5 cents or 16.4 percent to 39 cents.

MGC (MEDICAL GRADE CANNABIS) PHARMACEUTICALS

MGC has requested a voluntary suspension to follow its trading halt requested on May 7, 2020 "in relation to a distribution agreement" (BD: May 7, 2020).

In March and April, MGC requested seven extensions to a voluntary suspension following a trading halt requested on March 19, 2020 for a Covid-19-related joint venture (BD: Mar 19, 23, 24, 25, 26, 27, 31; Apr 2, 3, 2020).

MGC was eventually suspended by the ASX and emerged saying the trading halt and suspension had Nothing to do with Covid-19, before making a further announcement that the joint venture with Swiss company Micelle Technology AG was to repurpose malaria compound Artemic for Covid-19 (BD: Apr 15, 17, 2020)

Today, MGC said it expected the suspension to last until May 12, 2020.

MGC last traded at 2.6 cents.

IMAGION BIOSYSTEMS

Imagion says it has appointed Dianne Angus as a non-executive director, effective from May 8, 2020.

Imagion said Ms Angus had 18 years' experience in the biotechnology, bio-pharmaceutical and healthcare industries and had previously worked for Neuren Pharmaceuticals and Alterity Therapeutics, then Prana Biotechnology.

Imagion said that Ms Angus was a registered patent attorney.

A spokesperson for the company told Biotech Daily that Ms Angus held a Bachelor of Science and Graduate Diploma of Intellectual Property Law from the University of Melbourne and a Master of Biotechnology from Melbourne's Monash University.

Imagion was up 0.4 cents or 21.05 percent to 2.3 cents with 66.7 million shares traded.

PATRY'S

Patry's says it had appointed Dr Peter Ordentlich to its scientific advisory board.

Patry's said Dr Ordentlich was the chief scientific officer and co-founder of Syndax Pharmaceuticals and had previously worked for X-Cepto Therapeutics.

The company said Dr Ordentlich held a Doctor of Philosophy from Philadelphia's University of Pennsylvania and was a post-doctoral fellow at the La Jolla, California-based Salk Institute.

Patry's fell 0.1 cents or 7.7 percent to 1.2 cents.