



Biotech Daily

Tuesday August 18, 2020

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ORTHOCELL UP 19%; OPTISCAN DOWN 6%**
- * **COCHLEAR REVENUE DOWN 6.5% TO \$1.4b, \$238m LOSS**
- * **TELIX DOSES 1st TLX250-CDX RENAL CANCER PATIENT**
- * **IMMUTEP DOSES STAGE 1, PART B IMP321, KEYTRUDA TACTI-002 STUDY**
- * **ANTEOTECH: MAHE UNDERWRITES \$3.76m OPTIONS**
- * **MEDICAL DEVELOPMENTS REQUESTS 'EU DISTRIBUTION' TRADING HALT**
- * **KFT, GJK, KEPPEL FAMILY BELOW 5% IN UNIVERSAL BIOSENSORS**
- * **REGAL FUNDS TAKES 5.2% (OR 11%) OF G MEDICAL**
- * **SG HISCOCK TAKES 7.2% OF BOD**
- * **CHRISTINE MCLOUGHLIN REPLACES COCHLEAR'S DONAL O'DWYER**
- * **DR GEOFF BROOKE REPLACES CYNATA CHAIR DR PAUL WOTTON**
- * **OSPREY LOSES DIRECTOR ANDY JANE**
- * **ANALYTICA LOSES DIRECTOR DR THOMAS LÖNNGREN**
- * **PHILLIP HAINS REPLACES SUDA CO-SEC JOSEPH OHAYON**

MARKET REPORT

The Australian stock market was up 0.77 percent on Tuesday August 18, 2020, with the ASX200 up 47.0 points to 6,123.4 points. Twenty-four of the Biotech Daily Top 40 stocks were up, six fell, nine traded unchanged and one was untraded. All three Big Caps rose.

Orthocell was the best, up seven cents or 19.4 percent to 43 cents, with 7.3 million shares traded. Next Science climbed 10.45 percent; Cochlear and Cynata were up more than nine percent; Universal Biosensors was up 8.3 percent; Telix rose 7.4 percent; Immutep and Mesoblast improved more than five percent; Actinogen, Clinuvel, CSL, Nova and Proteomics climbed more than four percent; Alterity, LBT, Nanosonics, Pro Medicus and Resmed were up more than three percent; Antisense, Avita and Starpharma rose more than two percent; Cyclopharm, Dimerix, Opthea, Prescient and Volpara were up more than one percent; with Genetic Signatures up 0.4 percent.

Optiscan led the falls, down 0.3 cents or 5.6 percent to 5.1 cents, with 488,816 shares traded. Neuren and Osprey lost more than two percent; Paradigm and Uscom were down more than one percent; with Polynovo down 0.45 percent.

COCHLEAR

Cochlear says revenue for the year to June 30, 2020 was down 6.5 percent to \$1,352,300,000 with net profit after tax turned to a loss of \$238,300,000.

Cochlear said underlying net profit, excluding patent litigation expenses of \$416,300,000 and innovation fund gains after tax of \$24,200,000, was down 42.2 percent to \$153,800,000.

The company said that elective surgeries, restricted due to the Covid-19 pandemic, had resumed in many countries, but “second waves of Covid-19 cases are likely to remain a reality for some time and may result in new restrictions to elective surgery”.

Cochlear said the pandemic had driven rapid adoption of telehealth and telemedicine, which could lead to faster than expected structural changes to healthcare delivery.

The company said that “while we believe our intervention is well-positioned, it is too early to understand what, if any, implications there will be for healthcare spending or how our products may be prioritized”.

Cochlear said services and acoustic revenue had both improved since May, with June and July revenue around 70 percent of last year and surgery volumes recovering in the US.

The company said revenue included \$817,900,000 from hearing implants, \$395,500,000 from its sound processor and remote services and \$138,900,000 from its acoustics.

Cochlear said Americas revenue was down 5.6 percent to \$650,300,000, Europe, the Middle East and Africa fell 7.6 percent to \$479,600,000 and the Asia Pacific lost 6.7 percent to \$222,400,000.

The company said research and development expenses were down 0.4 percent to \$185,100,000, which amounted to 14 percent of revenue for the year, compared to 13 percent in the previous year.

Cochlear said it had suspended its dividend in March “until trading conditions improve”.

The company said that last year’s basic earnings per share of \$4.80, turned to a loss of \$4.00 for the year to June 30, 2020.

Cochlear said net debt improved from last year’s \$103 million debt to a cash surplus of \$457 million, following this year’s \$1.1 billion capital raising (BD: Mar 26, Apr 29, 2020).

The company said that net tangible assets per share was up 188.8 percent from \$5.225 to \$15.09, and it had cash and cash equivalents of \$930.0 million at June 30, 2020 compared to \$78.6 million at June 30, 2019.

Cochlear was up \$19.44 or 9.8 percent to \$217.74 with 551,215 shares traded.

TELEX PHARMACEUTICALS

Telex says that its up-to 40-patient, phase I/II, multi-centre study of renal cancer diagnostic imaging product TLX250-CDx has dosed the first patient in Japan.

Telex said the zirconium dosing and comparison in Japan (Zirdac-JP) study aimed to confirm the safety, tolerability, sensitivity and specificity of positron emission tomography imaging with a zirconium-based diagnostic agent TLX250-CDx to detect clear cell renal cell cancer.

The head of Telex Japan Dr Shintaro Nishimura said the study was “the first commercially-sponsored clinical trial in Japan in which a zirconium-based diagnostic agent has been studied”.

“Dosing the first patient in the Zirdac-JP study represents a significant first step for the Japanese nuclear medicine community to deliver benefit to Japanese cancer patients and to pave the way for the future use of [diagnostics and therapeutics] in Japan,” Dr Nishimura said.

Telex was up 10 cents or 7.4 percent to \$1.45 with 1.2 million shares traded.

IMMUTEP

Immutep says it has completed dosing of 23 patients in stage one of part B of its phase II Tacti-002 study of eftilagimod alpha, or IMP321, with Keytruda for cancers.

Immutep said the 23 patients had non-small cell lung cancer and a total of 87 of 109 patients with first or second line non-small cell lung cancer or second line head and neck squamous cell carcinoma in total had been enrolled, with recruitment continuing for stage two of part C.

The company said the two-stage, non-comparative, open-label, single-arm, multi-centre study was being conducted at 12 study centres in the US, Europe and Australia.

Immutep said further data was expected throughout 2020.

The company said that the trial was a collaboration with the Kenilworth, New Jersey Merck & Co evaluating the IMP321 and Keytruda, or pembrolizumab combination for patients with second line head and neck squamous cell carcinoma or first and second line non-small cell lung cancer.

Immutep was up one cent or 5.3 percent to 20 cents with 2.98 million shares traded.

ANTEOTECH

Anteotech says it has a \$3.76 million option underwriting agreement with Mahe Capital Pty Ltd for its outstanding 2.0 cent options.

Anteotech said the Perth-based Mahe would exercise 188,100,000 listed options, expiring on December 6, 2020.

The company said Mahe would receive a 4.5 percent fee for underwriting, as well as the ability to include sub-underwriting.

Anteotech said the funds would allow it to ramp-up activities related to its proof-of-concept Covid-19 antigen rapid test.

Anteotech fell 0.1 cents or 1.9 percent to 5.1 cents with 12.6 million shares traded.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments has requested a trading halt pending an "announcement in relation to the distribution of Pentrox in the [European Union]".

Trading will resume on August 19, 2020 or on an earlier announcement.

Medical Developments last traded at \$6.25.

UNIVERSAL BIOSENSORS

The Melbourne-based KFT Investments as trustee for the GJK Principal Trust says it has ceased to be a substantial shareholder in Universal Biosensors.

In 2014, KFT said it had increased its substantial holding in Universal Biosensors from 9,427,185 Chess depository interests (CDIs) (5.38%) to 17,975,043 CDIs (10.24%) (BD: June 20, 2014).

Today, in a substantial shareholder notice signed by managing director Steven Kepper, KFT said that it held CDIs for GJK Principal Trust, George John Kepper, Steven George Kepper, Alan Berndt Kepper and Alexander Daniel Kepper.

KFT said that between July 8 and August 14, 2020, it disposed of 10,550,000 CDIs for \$2,793,000 or 26.5 cents each.

Biotech Daily calculates that KFT now holds 7,425,043 CDIs or 4.18 percent.

Universal Biosensors was up 2.5 cents or 8.3 percent to 32.5 cents with 1.4 million shares traded.

G MEDICAL INNOVATIONS HOLDINGS

The Sydney-based Regal Funds Management says it has become a substantial shareholder in G Medical with 43,725,642 shares or 5.21 percent.

In a substantial shareholder notice signed by Regal director Philip King, the company said that between May 8 and August 13, 2020 it acquired 91,273,606 shares (10.88%) at prices ranging from 4.3 cents to 8.5 cents a share.

Regal did not explain what happened to the missing 47,547,964 shares but told Biotech Daily it was “comfortable with our disclosure” and was “not required to include detail on any disposal of shares during that same period”.

Last week, G Medical said it had applied to delist from the ASX (BD: Aug 14, 2020). G Medical was unchanged at 4.2 cents with 4.1 million shares traded.

BOD AUSTRALIA

SG Hiscock & Company says it has increased its substantial shareholding in Bod from 4,875,000 shares (5.79%) to 6,531,766 shares (7.15%).

The Sydney-based SG Hiscock said that it bought and sold shares between August 19, 2019 and August 14, 2020, with purchases of 500,000 shares for \$144,100 or 28.8 cents a share on December 5, 2019 and for \$130,000 or 26 cents a share on August 14, 2020. Bod was up 1.5 cents or 5.8 percent to 27.5 cents.

COCHLEAR

Cochlear says the Sydney-based Christine McLoughlin will replace non-executive director Donal O’Dwyer, effective from November 1, 2020.

Cochlear said Mr O’Dwyer would retire at its October annual general meeting.

Cochlear chairman Rick Holliday-Smith said that Mr O’Dwyer had provided “invaluable counsel in his 15 years of service to the Cochlear board”.

Mr Holliday-Smith said Mr O’Dwyer’s “extensive technical expertise in the medical device and healthcare industries, along with his significant management experience globally in these industries, have contributed greatly to Cochlear’s strategic direction”.

The company said Ms McLoughlin had been a director of several ASX companies and was currently the chair of the Suncorp Group, chancellor-elect of the University of Wollongong and a non-executive director of Nib Holdings.

CYNATA THERAPEUTICS

Cynata says Dr Geoff Brooke will replace Dr Paul Wotton as chairman, effective from August 18, 2020, with Dr Wotton remaining as a non-executive director.

Cynata said that subject to shareholder approval, Dr Brooke would be granted 2,000,000 options, exercisable at 97 cents each within five years and vesting in monthly tranches, and would receive an annual fee of \$110,000 as chairman, including superannuation.

Cynata said Dr Brooke had 30 years’ experience in the healthcare and venture capital industries and was the chairman of Actinogen and a non-executive director of Acrux.

The company said he was the founder and previous managing director of venture capital firms GBS Ventures and Medvest Inc.

Cynata said Dr Brooke held a Bachelor of Medicine and Bachelor of Surgery from the University of Melbourne and a Master of Business Administration from the Lausanne, Switzerland-based International Institute for Management Development.

Cynata was up seven cents or 9.7 percent to 79 cents with 1.6 million shares traded.

OSPREY MEDICAL

Osprey says director Andy Jane has resigned and it will appoint an additional independent director "in the near term".

Osprey said Mr Jane had been a director since November 2012 and was a managing director for Talu Ventures, formerly CM Capital Investments.

Osprey fell 0.1 cents or 2.9 percent to 3.4 cents with four million shares traded.

ANALYTICA

Analytica says non-executive director Dr Thomas Lönngren has resigned effective from today.

In 2015, Analytica said it had appointed former European Medicines Agency head Dr Lönngren as a non-executive director (BD: Aug 10, 2015).

Analytica was untraded at 0.3 cents.

SUDA PHARMACEUTICALS

Suda says Phillip Hains has replaced Joseph Ohayon as company secretary.

Suda said Mr Hains was a chartered accountant for The CFO Solution, with more than 25 years' experience and was appointed joint company secretary on July 1, 2020.

The company said Mr Hains held a Master of Business Administration from the Royal Melbourne Institute of Technology and a Public Practice Certificate from the Institute of Chartered Accountants.

Suda said Mr Ohayon would leave the company at the end of September, after joining in July 2010 and had been company secretary since March 2011 and a director since December 2012.

Suda was up 0.4 cents or 9.1 percent to 4.8 cents with 9.1 million shares traded.