Biotech Daily

Thursday August 20, 2020

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH DOWN: KAZIA UP 36%; PHARMAXIS DOWN 13%**

*** PRO MEDICUS REVENUE UP 13% TO $57m, PROFIT UP 21% TO $23m**

*** MEDICAL DEV REVENUE UP 11% TO $24m, PROFIT DOWN 64% TO $379k**

*** RESONANCE REVENUE UP 1% TO $3.7m, PROFIT TO LOSS OF $715k**

*** ANTERIS/ADMEDUS H1 REVENUE DOWN 63% TO $4m, LOSS DOWN TO $6m**

*** KAZIA: PAXALISIB WINS FDA FAST TRACK DESIGNATION**

*** AUSTRALIAN ETHICAL TAKES 13% OF NOVA EYE**

*** ZELIRA LOUISIANA LAUNCH OF HOPE MARIJUANA FOR AUTISM**

*** AVECHO: 'TPM INCREASES MARIJUANA CBD SOLUBILIZATION, IN-VITRO'**

*** G MEDICAL CLARIFIES ASX DELISTING FOR THE NASDAQ**

*** MICRO-X APPOINTS TENNILLE REED MARKETING MANAGER**

*** MGC: '10-PATIENT ARTEMIC FOR COVID-19 DATA MEETS ENDPOINTS'**

MARKET REPORT

The Australian stock market fell 0.77 percent on Thursday August 20, 2020, with the ASX200 down 47.6 points to 6,120.0 points. Twelve of the Biotech Daily Top 40 stocks were up, 19 fell and nine traded unchanged. All three Big Caps fell.

Kazia was the best, up 29.5 cents or 35.8 percent to $1.12, with 4.98 million shares traded. Genetic Signatures and Orthocell climbed seven percent or more; Universal Biosensors was up 3.3 percent; Antisense, Clinuvel and Telix rose more than two percent; Alterity, Dimerix and Starpharma were up more than one percent; with Mesoblast up 0.4 percent.

Pharmaxis led the falls, down 1.5 cents or 13.0 percent to 10 cents, with 3.2 million shares traded. Medical Developments and Osprey lost more than eight percent; Cyclopharm fell 4.1 percent; Amplia, CSL, Impedimed, Next Science, Prescient and Proteomics were down more than three percent; Compumedics, Immutep, Opthea and Pro Medicus shed more than two percent; Cynata, Neuren, Paradigm, Polynovo, Resmed and Volpara were down more than one percent; with Avita and Cochlear down by less than one percent.

PRO MEDICUS

Pro Medicus says that revenue for the year to June 30, 2020 was up 13.4 percent to $56,821,000 with net profit after tax up 20.7 percent to $23,076,000.

Pro Medicus said Australian revenue from sales of its Visage radiology information system (RIS) software were up 19.2 percent, primarily from the Healius (ex-Primary Health) imaging contract and extension of its contract with I-Med, while North American sales improved by 23.7 percent from sales of Visage.

The company said European sales fell 37.7 percent, predominantly as a result of a one-off sale of $3,049,000 to the German government in the previous corresponding period.

Pro Medicus chief executive officer Dr Sam Hupert said that “a key takeaway from the results is that the growth in recurring income not only replaced the one-off revenue from last year’s capital sale in Germany but beat it by almost 13 percent”.

“We expected this trend to continue as the sites we installed in [the year to June 30, 2020] make full-year contributions in [the year to June 30, 2021],” Dr Hupert said.

Pro Medicus said that a fully-franked dividend of 6.0 cents a share would be paid on October 2, 2020 for holders on the record date of September 11, following the fully franked 6.0 cents interim dividend, compared to the previous year’s fully-franked final dividend of 4.5 cents and interim dividend of 3.5 cents.

The company said net tangible assets per share were up 39.1 percent to 32 cents, with diluted earnings per share up 20.6 percent to 22.09 cents for the year to June 30, 2020.

The company said it had cash and cash equivalents of $43,413,000 compared to $32,315,000 at June 30, 2019.

Pro Medicus fell 63 cents or 2.5 percent to $24.68 with 1.2 million shares traded.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says revenue for the year to June 30, 2020 was up 10.6 percent to $23,640,000, with net profit after tax down 63.5 percent to $379,000.

Medical Developments said that sales of its Penthrox inhaled methoxyflurane analgesic declined eight percent for the full year having increased six percent in the six months to December 31, 2019.

Medical Developments chief financial officer Mark Edwards told Biotech Daily that Middle East sales, principally in Saudi Arabia and Qatar, were down about $500,000.

The company said the Covid-19 pandemic led to a decline in sports activities and reduced population movements and consequently a reduction in emergency service use.

Medical Developments said that Australian Penthrox sales increased three percent and UK sales 23 percent, while “EU sales were the primary contributing factor to the overall decline, even though actual in-market sales grew 15 percent”.

The company said that its respiratory device sales were “an all-time high”, up 61 percent for the year and “partly attributed to Covid-19 related purchasing, but predominately related to new product launches and new pharmacy channel success in multiple markets”.

The company said there would be no full-year dividend but it had paid a fully-franked interim dividend of 2.0 cents.

Medical Developments said that net tangible asset backing per share was negative 5.6 cents compared to positive 5.6 cents for the previous corresponding period.

The company said that diluted earnings per share fell 63.8 percent to 0.58 cents and it had cash and cash equivalents of $15,544,000 at June 30, 2020, compared to $25,620,000 at June 30, 2019.

Medical Developments fell 58 cents or 8.8 percent to $6.04 with 397,274 shares traded.

RESONANCE HEALTH

Resonance says revenue for the year to June 30, 2020 was up 1.2 percent to $3,668,184 with a net profit after tax turned to loss of $715,076.
Resonance said the revenue came from sales of its magnetic resonance imaging-based Ferriscan and Ferrismart liver-iron concentration diagnostics and its clinical trial services.
The company said sales were affected by the Covid-19 pandemic for the six months to June 30, 2020 but commercial demand had returned to pre-pandemic levels.
Resonance said the turn of profit to loss was “due to a non-cash share-based payment expense of employee options of $140,324 and director options expense of $1,695,899 and related payroll tax expenses of $27,060 as a result of options vesting of directors’ options”.
The company said 76 percent of revenue came from the US and Canada, 18 percent came from the UK, with the remaining revenue from Australia, Asia, Europe and the Middle East.
Resonance said it planned to increase revenue next year through continued third-party distribution and servicing platforms amongst established customer bases, increasing incremental sales to clinical trial service customers, and building brand awareness with potential pharmaceutical and therapeutic customers.
The company said that it had a diluted loss of 0.17 cents per share compared to diluted earnings per share of 0.31 cents in the year to June 30, 2019, with net tangible assets per share up 110.1 percent to 1.66 cents.
Resonance and it had cash and cash equivalents of $6,974,237 at June 30, 2020 compared to $3,081,192 at June 30, 2019.
Resonance was unchanged at 14 cents.

ANTERIS (FORMERLY ADMEDUS)

Anteris says that revenue for the six months to June 30, 2019, was down 63.1 percent to $3,949,633 with net loss after tax down 49.9 percent to $5,970,032.
Anteris said the revenue came from payments for manufacturing Cardiocel and Vascucel patches for heart tissue repair under its agreement with Lemaitre Vascular Inc (BD: Oct 14, 2019).
In May 2019, BTC Health said it had completed its $6.3 million acquisition of the Admedus hospital infusion business, which was a primary source of revenue for the then Admedus, in the six months to June 30, 2019 (BD: May 31, Aug 26, 2019).
Today, Anteris said net tangible asset backing per share fell 26.3 percent to 1.4 cents, with basic loss per share down 48.4 percent to $1.01, considering the 100-to-one consolidation of shares earlier this year (BD: Apr 14, 2020).
The company said it had cash and cash equivalents of $6,895,651 at June 30, 2020 compared to $8,968,389 at December 31, 2019 and $4,886,541 at June 30, 2019.
Anteris was up four cents or 1.0 percent to $4.10.

NOVA EYE MEDICAL (FORMERLY ELLEX MEDICAL LASERS)

Australian Ethical Investment says it has increased its substantial shareholding in Nova Eye from 17,532,327 shares (12.21%) to 19,029,175 shares (13.25%).
The Sydney-based Australian Ethical said that between July 24 and August 18, 2020 it bought 1,496,848 shares for $459,853 or an average of 30.7 cents a share.
Nova Eye was unchanged at 31 cents.

KAZIA THERAPEUTICS

Kazia says the US Food and Drug Administration has granted fast track designation to its paxalisib, or GDC-0084, for glioblastoma.

Kazia said fast track designation would expedite the development of paxalisib, provide more face-to face meetings and written communication with the FDA and provide eligibility for accelerated approval and priority review for new drug application submissions, which could result in faster product approval.

The company said the specific fast track indication was “for the treatment of patients with newly diagnosed glioblastoma with unmethylated O6-methyl-guanine-methyl-transferase (MGMT) promotor status who have completed initial radiation with concomitant temozolomide”.

Kazia said the designation reflected the patient population studied in the ongoing phase II study and was the intended indication for the commercial launch.

Kazia chief executive officer Dr James Garner said that “in awarding fast track designation to paxalisib, [the] FDA has recognized the drug’s potential to meaningfully improve outcomes for patients with glioblastoma”.

“The opportunities that fast track designation creates, as we move towards [a new drug application] filing, are of great value and have the potential to substantially accelerate the commercialization of paxalisib,” Dr Garner said.

Kazia was up 29.5 cents or 35.8 percent to $1.12 with 4.98 million shares traded.

G (GEVA) MEDICAL

G Medical says that if shareholders approve its delisting from the ASX, they will be able to retain the shares until the company lists on the Nasdaq.

Last week, G Medical said it had applied to delist from the ASX in preparation to list on the Nasdaq by 2021, which “would provide a more favorable valuation” (BD: Aug 14, 2020).

Last year, the company said it hoped to raise $US17,000,000 ($A24,570,907) to list on the Nasdaq, and later said it would withdraw its Nasdaq registration and pursue an Over-The-Counter Quality Exchange second board, as the Nasdaq listing was not in the best interest of is shareholders (BD: May 20, Aug 26, 2019).

Today, G Medical said that once delisted from the ASX there would not be “a very short period of privatization” and shareholders could continue to hold their shares.

The company said it would operate as an unlisted company until the Nasdaq listing was in effect, to finalize the Nasdaq price and secure commitments without ASX restrictions.

G Medical was up 0.2 cents or five percent to 4.2 cents with 5.7 million shares traded.

ZELIRA (FORMERLY ZELDA) THERAPEUTICS

Zelira says it has launched its medical marijuana-based Hope products for autism in Louisiana, following the passing of new medical marijuana access laws.

Last year, the then Zelda said it would merge with Ilera Therapeutics to form Zelira Therapeutics gain access to the Hope portfolio, which would launch in the US and internationally from year 2020 (BD: Oct 9, Nov 20, 2019).

Today, the company said the Baton Rouge, Louisiana-based Advanced Biomedics LLC, doing business as Ilera Holistic Healthcare, was the manufacturer and distributor of the Hope range and would provide the Hope range to licenced medical marijuana pharmacies.

Zelira said it had received an undisclosed upfront payment from Advanced Biomedics and would continue to receive unspecified royalties.

Zelira was up 0.6 cents or 11.5 percent to 5.8 cents with 10.2 million shares traded.

AVECHO (FORMERLY PHOSPHAGENICS)

Avecho says its tocopheryl phosphate mixture (TPM) increases the dispersibility and solubilization of marijuana-based cannabidiol in simulated gastrointestinal digestions.
Avecho said the in-vitro studies of its vitamin E-based TPM technology combined with cannabidiol (CBD), conducted by researchers at the University of Copenhagen in Denmark, showed a "significantly" increased solubilization of CBD in model of gastric and intestinal digestion, which suggested the potential for improved oral bioavailability in animals and patients.
The company said cannabidiol administered in a commercial formulation vehicle had "very poor gastric and intestinal solubility … [and] poor oral bioavailability".
Avecho said the formulations identified in the studies would be tested in animals, and if successful, would progress to in-human testing.
Avecho chief executive officer Dr Paul Gavin said the company was "happy to have successfully passed this first step with a demonstrated increase in drug solubilization during in vitro digestion".
"The coming months will determine whether this increase in gastro-intestinal solubilization produces a commensurate increase in oral bioavailability".
Avecho was up 0.1 cents or 12.5 percent to 0.9 cents with 11.5 million shares traded.

MICRO-X

Micro-X says it has appointed Tennille Reed as its strategic marketing manager to support increased sales and commercialization of its medical imaging products.
Micro-X said Ms Reed had more than 20 years' experience in marketing and strategy and previously worked for Redarc Electronics, Ford Motor Co, Carl Zeiss Vision and Elders.
The company said Ms Reed held a Bachelor of Commerce from the University of Melbourne.
Micro-X was up one cent or 6.1 percent to 17.5 cents.

MGC (MEDICAL GRADE CANNABIS) PHARMACEUTICALS

MGC says interim results from 10 patients in its up-to 50-patient phase II trial of Artemic for Covid-19 show safety and efficacy, with no adverse effects.
MGC said its Israel-based, phase II, double-blind, placebo-controlled trial of its anti-inflammatory Artemic, comprised of artemisinin, vitamin C, curcumin and boswellia serrata, or Indian frankincense, for patients diagnosed with Covid-19 met the primary endpoints of "sustained clinical recovery, the resolution of symptoms, and prevented the need for intensive care or invasive mechanical ventilation".
The company said it used the UK National Early Warning Score 2 (NEWS2), which measured a patient's degree of illness to prompt critical care intervention where scores above seven were, arguably, predicative of intensive care admissions for Covid-19.
MGC said four patients in the group receiving Artemic had NEWS scores between eight and 11 at admission, which reduced to zero at discharge ($p = 0.005$), with two patients in the placebo group having NEWS score of zero at discharge.
The company said there were a further 19 patients currently in the trial.
MGC was up 0.4 cents or 15.4 percent to three cents with 291.2 million shares traded.