



# Biotech Daily

Wednesday June 9, 2021

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: PRESCIENT UP 11%; ACTINOGEN DOWN 6%**
- \* **LUMOS \$63m IPO FOR POINT-OF-CARE DIAGNOSTICS**
- \* **EPSILON TO SUPPLY CBD FOR YOUTH SEVERE BEHAVIOR TRIAL**
- \* **PROBIOTEC GUIDANCE: REVENUE UP 12% TO \$120m; EBITDA \$21.5m**
- \* **ELIXINOL APPOINTS HEALTH HOUSE DISTRIBUTOR, PHARMACANN OUT**
- \* **CRYOSITE DIRECTOR ANDREW KROGER TAKES 43%**
- \* **PROBIOTEC JONATHAN WENIG REPLACES CHAIR SANDY BEARD**
- \* **MGC APPOINTS DAVID LIM JOINT CO SEC**

## MARKET REPORT

The Australian stock market fell 0.31 percent on Wednesday June 9, 2021, with the ASX200 down 22.4 points to 7,270.2 points.

Nine of the Biotech Daily Top 40 stocks were up, 28 fell and three traded unchanged.

Prescient was the best, up 1.5 cents or 11.1 percent to 15 cents, with 8.8 million shares traded. Antisense and Nanosonics climbed more than four percent; Mesoblast was up 3.9 percent; Universal Biosensors rose 2.9 percent; Kazia and Volpara were up more than one percent; with Avita, Cochlear, Genetic Signatures and Resmed up by less than one percent.

Actinogen led the falls, down one cent or 6.25 percent to 15 cents, with 25.5 million shares traded, followed by Patrys down 6.1 percent to 3.1 cents with 7.6 million shares traded.

Uscom lost 5.9 percent; Neuren and Resonance fell four percent or more; Alterity, Immutep, Imugene, Medical Developments, Opthea and Oncosil were down three percent or more; Amplia, Cyclopharm, Impedimed and Pro Medicus shed more than two percent; Clinuvel, Cynata, LBT, Next Science, Nova Eye, Optiscan, Paradigm, Pharmaxis, Polynovo, Proteomics, Starpharma and Telix were down one percent or more; with CSL and Orthocell down by less than one percent.

## LUMOS DIAGNOSTICS

Lumos hopes to raise \$63 million at \$1.25 a share to list on the ASX under the proposed code LDX to develop and commercialize its point-of-care diagnostics.

The Melbourne, Australia and Sarasota, Florida-based Lumos said that the funds comprised \$38 million of new shares and \$25 million for existing shares allowing existing security holders “to realize part of their investment in Lumos”.

The company said that the post-raising indicative market capitalization would be \$187.7 million with about 150,152,413 shares on issue, new shareholders would hold about 33.6 percent, existing securityholders would retain about 66.4 percent of Lumos, of which about 75.6 percent of those shares would be held in voluntarily escrow.

Lumos chief executive officer Dr Rob Sambursky told Biotech Daily that most of the company’s employees, including the operational leadership, resided at the two sites in the US, including research and development laboratories, manufacturing facilities, clinical and regulatory functions and the commercial offices for sales, marketing and product support. “Lumos’ operating headquarters is located in Sarasota, Florida, where it has established a high-volume manufacturing facility for the manufacture, warehousing and global distribution of [point-of-care] diagnostic tests,” Dr Sambursky said. “Lumos also has a facility in Carlsbad, California which conducts internal and client [research and development] activities and contract manufacturing services.”

The company said it continued to use technology invented and developed in Australia for the electronic readers of its diagnostic tests.

Lumos said that its executive chair was Samuel Lanyon, with the board including Dr Samburksy, Lawrence Mehren, Bronwyn Le Grice and Catherine Robson.

The company said the fully underwritten offer would open on June 15 and close on June 23, with trading on the ASX expected to begin on July 5, 2021, with joint lead managers Wilsons Corporate Finance and Bell Potter Securities.

The prospectus is available at: <https://lumosdiagnostics.com/investors/>.

## EPSILON HEALTHCARE (FORMERLY THE HYDROPONICS CO)

Epsilon says it will supply cannabidiol to a more than 140 patient trial at Melbourne’s Royal Children’s Hospital for severe behavioral problems with intellectual disabilities.

Epsilon said it would supply the Murdoch Children’s Research Institute (MCRI) at the Royal Children’s Hospital with its berry-flavored 30ml CBD100 cannabidiol product as the study drug and a matching placebo for the trial.

The company said the trial was supported by the Victorian Department of Health, which would provide a cannabidiol isolate developed by IDT Australia at no cost to the Institute. Epsilon said the multi-centre, randomized, double-blind, placebo-controlled trial of severe behavioral problems in youths with intellectual; disabilities was expected to be conducted over two years with each participant to be involved for 10 weeks.

The company said the trial data would be analyzed by the Institute and published in a peer-reviewed publication.

Epsilon said that it would receive “a royalty free licence to the study data generated from the trial” with the Institute the sole sponsor of the trial.

Epsilon chief executive officer Jarrod White said the company’s “participation in clinical trials and studies [was] critical to developing the medicinal cannabis industry in Australia”. “We are pleased to support the Murdoch Children’s Research Institute trial and appreciate the contribution from the Victorian Government which significantly reduced the cost of the company’s involvement,” Mr White said.

Epsilon was up one cent or 6.7 percent to 16 cents.

## PROBIOTEC

Probiotec expects revenue for the year to June 30, 2021 to rise 12.1 percent to \$118 million to \$122 million with underlying profit up 27.2 percent to about \$21.5 million.

Probiotec said that it expected earnings before interest, taxes, depreciation and amortization (Ebitda) to be in the range \$21.0 million to \$22.0 million.

The company said that its pharmaceutical product categories that were affected by Covid-19 restrictions would improve in the six months to December 31, 2021 and normalize in the half year to June 30, 2022.

Last year, Probiotec said it had completed the acquisition of Sydney's contract packing company Multipack-LJM for \$52.5 million (BD: Jan 17, 2021).

Today, the company said the acquisition has met performance expectations for the first six months with its earnings seasonally weighted in the six months from July to December.

The company said it was progressing its New South Wales consolidation strategy and expected it to be materially accretive to shareholders in the medium term.

Probiotec was up 23 cents or 11.8 percent to \$2.18 with 483,239 shares traded.

## ELIXINOL

Elixinol says it has a two-year distribution agreement with Health House International to import its marijuana products from the US to distribute in Australia.

Elixinol said the deal with the Perth-based Health House for distribution under the Australian Therapeutic Goods Administration's special access scheme would begin on July 12, could be terminated mutually with 90 days and had no minimum purchase requirements.

Last year, the company said that Pharmacann would sell its marijuana products in Australia through the TGA's special access scheme (BD: Jul 27, 2020) (AVW: Jul 31, 2020).

Today, Elixinol said it would terminate the agreement with Pharmacann due to Health House's "greater reach across Australia" and the contributions from Pharmacann had "not been material to Elixinol's operations".

Elixinol fell half a cent or 3.6 percent to 13.5 cents.

## CRYOSITE

Cryosite director Andrew John Kroger says he has increased his substantial shareholding from 19,710,506 shares (42.06%) to 20,183,831 shares (43.07%).

The London-based Mr Kroger said that between June 3 and 8, 2021 he acquired 473,325 shares on market at 35.5 cents a share and 36 cents a share.

Cryosite was untraded at 36 cents.

## PROBIOTEC

Probiotec says Jonathan Wenig has been appointed chair following the resignation of Sandy Beard due to "new business commitments".

Last year, Probiotec said it had appointed Mr Wenig as a director and Mr Beard as the company's chair (BD: May 22, 2020).

Today, the company said that Mr Beard was appointed a director in November 2017, would step down as chair on June 30, 2021 but remain on the board until a replacement was appointed.

The company said it has begun a search for a non-executive director.

## MGC PHARMACEUTICALS

MGC says it has appointed David Lim as joint company secretary, with immediate effect. MGC said that Mr Lim had more than 15 years' experience in finance and corporate governance for ASX Listed companies.

The company said that he had previously been the chief financial officer and company secretary at Equigold NL, Aurora Oil and Gas and Elixir Petroleum.

MGC fell 0.1 cents or 2.1 percent to 4.7 cents with 2.7 million shares traded.