



Biotech Daily

Tuesday December 1, 2015

Daily news on ASX-listed biotechnology companies

- * MESOBLAST DRAGS NOVEMBER BDI-40 DOWN 3%, ASX200 DOWN 1%
- GENETIC TECHNOLOGIES UP 100%, COMPUMEDICS 54%; ATCOR DOWN 44%
- * TODAY: ASX UP, BIOTECH DOWN: CIRCADIAN UP 13%, ANTISENSE DOWN 10%
- * COMPUMEDICS \$250k CALIFORNIA HOSPITAL DIAGNOSTIC CONTRACT
- * CORRECTION: DATELINE
- * EUROPEAN CELLMID MIDKINE T-CELL PATENT
- * 3D'S MACH7 YUMA, ARIZONA CONTRACT
- * ANTISENSE RECEIVES \$706k FEDERAL R&D TAX REFUND
- * ITL TAKES MYHEALTHTEST, BILL MOBBS INCREASES, DILUTES TO 42%
- * NUSEP LOSES 2nd STRIKE VOTE, WINS SPILL VOTE, NAME CHANGE
- * CIRCADIAN: KEMPLER, SISTENICH IN; FISHER, MCMECKAN, HOWARD OUT
- * MERCHANT REDUCES TO 13% OF POLYNOVO
- * RON DEWHURST REPLACES RHINOMED CHAIRMAN MARTIN ROGERS
- * SUNSHINE HEART LOSES 6-YEAR CEO DAVE ROSA

MARKET REPORT

The Australian stock market climbed 1.93 percent on Tuesday December 1, 2015 with the ASX200 up 99.6 points to 5,266.1 points. Thirteen of the Biotech Daily Top 40 stocks were up, 21 fell, five traded unchanged and one was untraded.

Circadian was best, up four cents or 12.9 percent to 35 cents with 557,086 shares traded. Optiscan climbed 7.4 percent; Biotron and Osprey rose more than six percent; Living Cell improved 4.1 percent; Atcor and Cellmid climbed more than three percent; Anteo, Avita, Sirtex and Universal Biosensors rose more than two percent; Bionomics, Cochlear and Impedimed were up more than one percent; with CSL up 0.6 percent to \$100.71.

Antisense led the falls, down 0.8 cents or 10.3 percent to seven cents with 47,850 shares traded. Actinogen lost eight percent; Orthocell fell 7.5 percent; Polynovo shed 6.25 percent; Genetic Technologies lost 5.9 percent; Neuren fell four percent; Compumedics, Prana, Starpharma and Viralytics were down more than three percent; Acrux, Medical Developments, Pro Medicus and Tissue Therapies shed more than two percent; Benitec, IDT, Mesoblast and Prima lost more than one percent; with Admedus, Ellex, Nanosonics and Resmed down by less than one percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

November saw an array of small falls, but Sirtex, Starpharma, Medical Developments, Compumedics, Genetic Technologies and Viralytics shone, partly compensating Mesoblast's 42 percent Nasdaq-inspired tumble.

The Biotech Daily Top 40 (BDI-40) Index fell 3.0 percent in November to \$7,079 million, while the S&P ASX200 slipped 1.4 percent. For the year to November 30, the BDI-40 was up 22.0 percent while the ASX200 fell 2.7 percent. (Excluding Mesoblast, the BDI-40 would have climbed 3.6 percent for the month and 30.4 percent for the year.)

Eighteen of the BDI-40 stocks were up, 20 fell and two were unchanged.

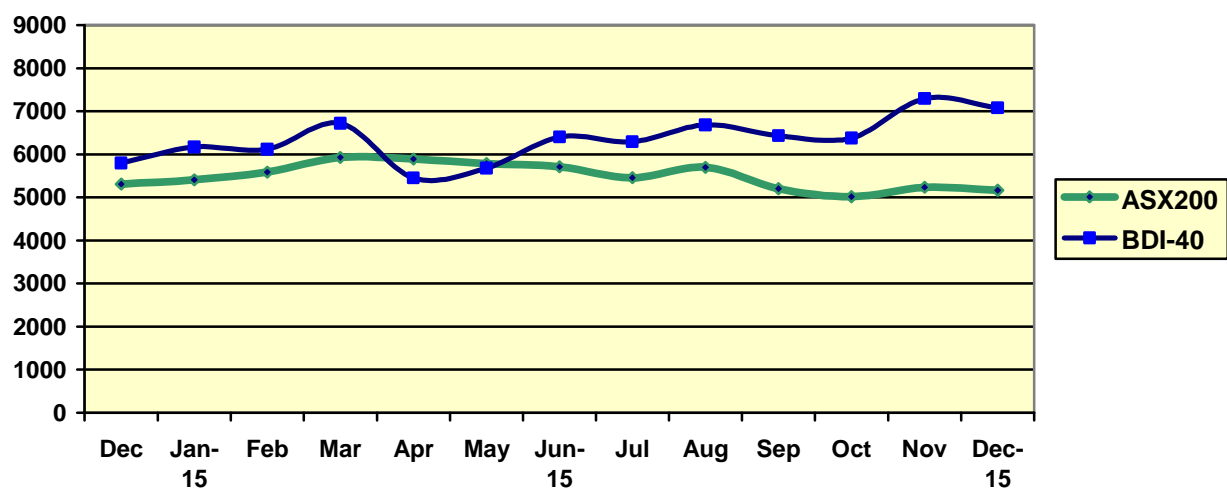
Genetic Technologies was the day-traders' delight, up 100 percent to \$58 million. Compumedics had a very good month, up 53.6 percent to \$86 million, 377.8 percent above its market capitalization 12 months ago. Circadian was up 27.0 percent to \$47 million with a new board and a name change to Opthea, followed by chairman Geoffrey Kempler's other company, Prana, up 22.0 percent, Viralytics (20.2%), Medical Developments (19.5%), Starpharma (18.5%), Polynovo (13.6%), Universal Biosensors (12.3%), Admedus (12.2%) and Neuren (11.9%).

Unexpectedly, Atcor led the falls, retreating \$26 million or 44.1 percent to \$33 million, followed by Mesoblast's \$483 million 42 percent fall to \$667 million. From a very low base, Optiscan shed 33 percent to \$6 million, followed by Benitec (26.2%), Orthocell (23.5%), Osprey (18.6%), Biotron (17.6%), Cellmid (17.2%), Actinogen (16.9%) and Anteo (15.2%).

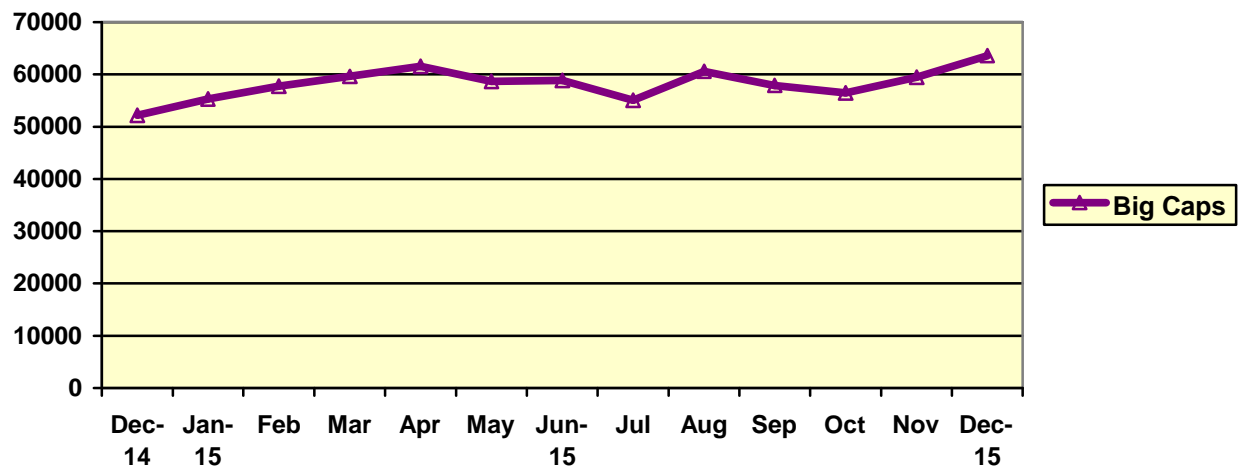
The three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) climbed a cumulative 6.9 percent for the month and were up 21.8 percent for the year. Cochlear rose 7.0 percent to \$5,396 million, CSL was up 7.7 percent to \$46,537 million, with Resmed up 4.0 percent to \$11,624 million.

On the Nasdaq, Heartware recovered \$100 million or 9.6 percent to \$1,147 million, Biota fell 4.8 percent to \$99 million and Sunshine Heart lost 27.7 percent to \$47 million, its lowest point since July 30, 2012, having hit \$208 million on September 30, 2013.

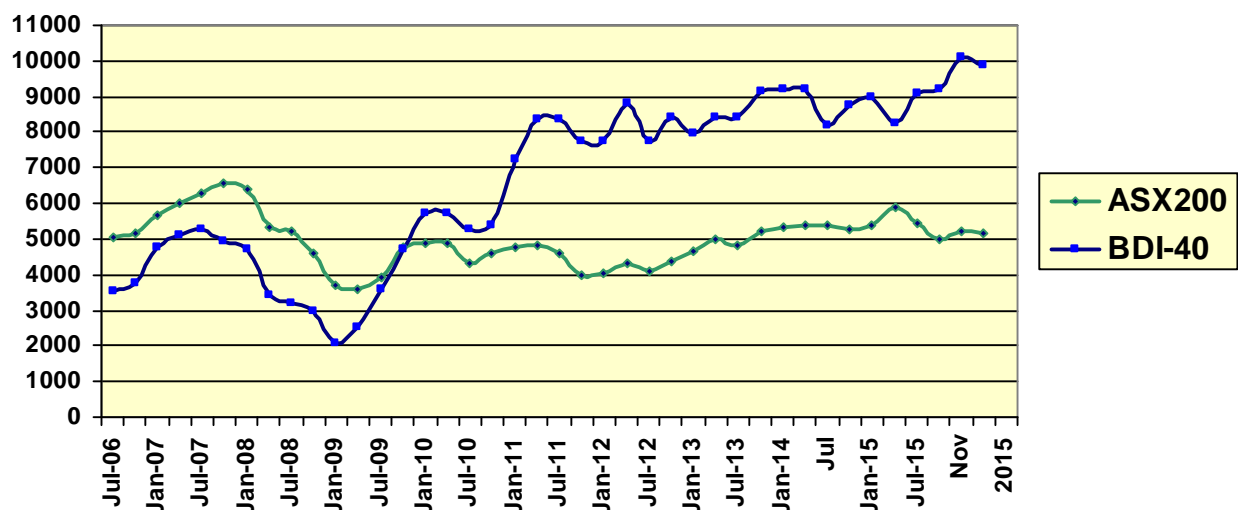
BDI-40 (\$m) v S&P ASX 200 – Nov 30, 2014 – Nov 30, 2015



Big Caps (Cochlear, CSL, Resmed) Nov 30, 2014 – Nov 30, 2015



BDI-40 v ASX200 Jun 30, 2006 to Nov 30, 2015 - Adjusted



[COMPUMEDICS](#)

Compumedics says it has a \$250,000 contract to supply sleep diagnostic equipment to an unnamed San Francisco, California-based children's hospital.

Compumedics said that the contract was in-line with its goal of increasing its core businesses, including sleep diagnostics, and in particular, California, where the company had "little market penetration to date".

The company said that the hospital had "a goal of becoming the US's most technologically advanced and chose Compumedics sleep equipment".

Compumedics executive chairman Dr David Burton said the company had spent "more than a decade building its US business, during which time the West Coast of the US has not been a significant market".

Dr Burton said the company was committed to increasing its presence in California which had a population of about 45 million people.

"As a result, Compumedics is well positioned to capture growth, not only in sleep diagnostics, but also in neurological monitoring, in California," Dr Burton said.

Compumedics fell two cents or 3.9 percent to 49 cents with 2.2 million shares traded.

CORRECTION

Last night's edition carried the dateline 'Tuesday November 30, 2015'.
It should have read: 'Monday November 30, 2015'.

CELLMID

Cellmid says the European Patent Office has granted a patent comprising part of its midkine inhibitor program with coverage to 2027.

Cellmid said that the patent, entitled 'Method for treatment or prevention of diseases associated with a functional disorder of regulatory T cells' was a member of a family of patents for its midkine inhibitor portfolio including midkine antibodies, antisense RNA and double-stranded RNA against midkine.

The company said the patent was "the basis for the commercial development" of its midkine antibodies for autoimmune disease, covering midkine inhibitors in diseases where a regulatory T-cell increase might be beneficial for treatment, such as multiple sclerosis.

The company said that regulatory T-cells were important controllers of autoimmune responses and when regulatory T-cell numbers were too low, the body's immune system could attack its own tissues, leaving subjects vulnerable to autoimmune diseases.

Cellmid said that increasing the regulatory T-cell numbers could mitigate autoimmune attack and studies showed that midkine suppressed regulatory T-cell numbers, but they could be boosted by the use of midkine antibodies.

The company said that in animal models of autoimmunity, inhibiting midkine using its antibodies alleviated disease.

Cellmid was up 0.1 cents or 3.85 percent to 2.7 cents with 2.3 million shares traded.

3D MEDICAL

3D Medical says that merger partner Mach7 Technologies has a five-year software licencing agreement with Arizona-based Yuma Regional Medical Centre.

In October, 3D announced plans to merge with Mach7 for three-dimensional printing, holograms and related software (BD: Oct 26, 2015).

Today, 3D said that the Yuma Centre was a not-for-profit, 406-bed hospital providing medical care to communities in south-western Arizona and would deploy the Mach7 software to enhance radiology and cardiology.

The company said that pricing was confidential but Mach7 would generate fees from software licencing, installation and customisation of the enterprise imaging platform along with income for providing support services over the five-year term.

3D said that Mach7 would generate revenue from the migration of the Yuma Centre's legacy medical image data into Mach7's archive and Mach7 would be entitled to additional licence fees over the term of the agreement where there was an increase in the volume of medical studies beyond agreed milestones.

3D was up 0.3 cents or 4.5 percent to seven cents with 1.4 million shares traded.

ANTISENSE

Antisense says it has received \$706,327 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Antisense said the rebate related to research and development expenditure for the year to June 30, 2015.

Antisense fell 0.8 cents or 10.3 percent to seven cents.

NUSEP

Nusep says that it received a remuneration report second strike at yesterday's annual general meeting but a contingent board spill motion failed.

Nusep posted the results after 6pm yesterday and said that there were 26,490,186 votes (39.1%) against the remuneration report with 41,226,179 votes (60.9%) in favour.

The company said that a board spill motion was required under the Corporations Act following a second consecutive annual general meeting vote of more than 25 percent against the remuneration report and that resolution failed with 41,308,673 votes against (60.8%) and 26,596,805 votes (39.2%) in favour.

All other resolutions passed by wider margins including the name change to Memphasys resolution, with up to 25.9 million votes against the 10 percent placement capacity and the issue of shares to chairman Alison Coutts and directors Andrew Goodall, Mark Gell and Michael Graham, in lieu of cash payments for part of their future remuneration.

The company's most recent Appendix 3B new issue announcement said that Nusep had 247,493,046 shares on issue, meaning that the largest dissenting vote, 26,596,805 votes for the spill motion, amounted to 10.75 percent of the company, sufficient to requisition extraordinary general meetings.

Nusep was untraded at 4.3 cents.

CIRCADIAN TECHNOLOGIES

Circadian says that Prana chair Geoffrey Kempler and Michael Sistenich will replace chair Dominique Fisher and directors Tina McMeckan and Dr Russell Howard.

Circadian said that Mr Kempler had been appointed as chairman.

The company said that Ms Fisher had been a board member for 10 years and did not seek re-election at yesterday's annual general meeting.

The resolution to re-elect Ms Fisher was withdrawn and announced after 6pm last night.

The resolution to change the company's name to Opthea was passed with more than 65.9 million votes in favour and 3.3 million against, while the remuneration report was passed with 41.9 million votes in favor and 277,336 votes against, with 26.3 million abstentions.

Circadian said that Mr Kempler's experience as chairman of a dual ASX and Nasdaq listed biotechnology company, as well as his US capital market and industry connections would be "particularly beneficial to Circadian as it advances OPT-302 through clinical development".

The company said that Mr Sistenich had more than 18 years experience as a healthcare specialist in investment management and investment banking and was currently the head of corporate development at the Seattle, Washington-based Nohla Therapeutics and was previously Bell Potter Securities director of corporate finance and Deutsche Bank head of healthcare investments.

Circadian climbed four cents or 12.9 percent to 35 cents.

POLYNOVO

Merchant Funds Management has reduced its substantial share-holding in Polynovo from 63,135,964 shares (15.09%) to 62,835,964 shares (13.02%).

The Perth, Western Australia-based Merchant Capital said that September 29 and October 1, 2015 it sold 300,000 shares in three trades, at prices ranging from 11.7 cents to 13.5 cents, and was diluted in the recent \$8.5 million share plan at 13.5 cents a share (BD: Nov 25, 2015).

Polynovo fell one cent or 6.25 percent to 15 cents with 1.1 million shares traded.

ITL

ITL says it has completed the shareholder approved acquisition of related-party Myhealthtest with the issue of 10,000,000 shares to the company.

Earlier this year, ITL said the transaction with Myhealthtest, which was 67 percent owned by ITL chairman Bill Mobbs, would be made through a series of call options, pending certain milestones (BD: Apr 29, Sep 2, 2015).

Today ITL said that shareholders approve the acquisition on November 26 2015 and 10,000,000 shares had been issues as the acquisition price for Myhealthtest Pty Ltd.

Separately, Mr Mobbs filed a change of substantial shareholder notice saying he had increased his holding in ITL from 37,032,654 shares to 39,734,286 but had been diluted from 43.67 percent to 41.97 percent.

ITL was unchanged at 24 cents.

RHINOMED

Rhinomed says that investor Ron Dewhurst has been appointed a director and chairman replacing Martin Rogers.

Mr Rogers joined the then Conseгна, formerly Helicon, as it moved from distribution to research and development (Sep 16, Oct 26, 2011; Sep 3, 2012).

Mr Dewhurst became substantial in Rhinomed in 2014 through Kroy Wen, which is New York spelt backwards, most recently increasing his holding to 50,000,000 shares or 8.14 percent (BD: Sep 9, 2014; Oct 5, 2015).

Rhinomed said that Mr Dewhurst had 40 years in investment banking and asset management beginning with stock brokers McCaughan Dyson and became the chief executive officer of what became ANZ McCaughan.

The company said that Mr Dewhurst J P Morgan in 1992 and ran the Asian and European equities divisions in Hong Kong and London before being appointed head of Americas for J P Morgan Asset Management.

Rhinomed said that Mr Dewhurst was IOOF (Independent Order of Oddfellows) Holdings chief executive officer from 2004 to 2008 and from 2008 until 2013 was head of investment managers for the Baltimore, Maryland-based Legg Mason Inc.

Rhinomed was up 0.3 cents or 10.3 percent to 3.2 cents with 5.4 million shares traded.

SUNSHINE HEART

Sunshine Heart says that chief executive officer David Rosa has resigned with chairman John Erb appointed interim chief executive officer.

Sunshine Heart said that Mr Erb would continue as chairman during the search for a permanent successor to Mr Rosa.

The company thanked Mr Rosa for his six years as chief executive officer.

Sunshine Heart said that Mr Erb had been a director Heart since September 2012 and chairman since October 2012.

The company said that Mr Erb was currently the chief executive officer cardiac medical device company Nuax Inc and from 2001 to 2006 he was the chief executive officer of congestive heart failure company CHF Solutions.

Last night on the Nasdaq, Sunshine Heart fell four US cents or 2.1 percent to \$US1.86 (\$A2.57, equivalent to 1.3 cents prior to its departure from the ASX, when it was trading at 2.5 cents) with 86,886 shares traded (BD: Apr 29, 2013).

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION AT NOV 30, 2015

Company \$Am	Nov-14	Oct-15	Nov-15
Cochlear	4,013	5,041	5,396
CSL	39,442	43,221	46,537
Resmed	8,707	11,177	11,624
BDI-20			
Acrux	219	125	120
Admedus	166	123	138
Benitec	88	65	48
Bionomics	198	233	216
Biotron	28	17	14
Circadian	24	37	47
Clinuvel	188	125	125
Impedimed	166	293	286
Medical Developments	66	190	227
Mesoblast	1,368	1,150	667
Nanosonics	283	454	441
Neuren	175	151	169
Osprey	68	43	35
Pharmaxis	16	75	70
Prima	48	115	107
Psivida	148	156	157
Reva	134	320	316
Sirtex	1,526	2,143	2,307
Universal Biosensors	26	73	82
Viralytics	57	104	125
Second 20			
Actinogen	11	36	30
Anteo	96	79	67
Antisense	15	14	14
Atcor	15	59	33
Avita	30	56	52
Cellmid	21	29	24
Compumedics	18	56	86
Ellex	34	57	59
Genetic Technologies	11	29	58
IDT	13	75	78
Living Cell	32	22	21
Oncosil	31	59	61
Optiscan	11	9	6
Orthocell	29	34	26
Polynovo	40	59	67
Prana	90	59	72
Pro Medicus	113	329	342
Starpharma	158	216	256
Tissue Therapies	74	14	12
Uscom	16	17	18

* Biotech Daily editor, David Langsam, owns shares in Acrux, Admedus, Benitec, Mesoblast, Nanosonics, Neuren and non-biotechnology stocks. Through Australian Ethical Superannuation he has an indirect interest in a range of other biotechnology companies: <http://www.australianethical.com.au/who-we-invest-in>. These holdings are liable to change.

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