



Biotech Daily

Monday May 2, 2016

Daily news on ASX-listed biotechnology companies

- * **APRIL BDI-40 UP 1%, ASX200 UP 3%, BIG CAPS UP 2.5%**
- **TISSUE THERA UP 57%, PRANA 32%; NEUREN DOWN 28%, AIRXPANDERS 22%**
- * **TODAY: ASX DOWN, BIOTECH UP: ACTINOGEN UP 8%, ANTEO DOWN 9%**
- * **MCRI, CURVE OFFER 2 \$25k BYTES-4-HEALTH START UP GRANTS, PLACES**
- * **MACH7 RAISES \$2.5m**
- * **JAPAN PATENT FOR PRIMA'S LAG-3**
- * **JAPAN PATENT FOR CYNATA MESENCHYMAL STEM CELLS**
- * **ORTHOCELL RECEIVES \$1.5m FEDERAL R&D TAX INCENTIVE**
- * **NEUREN HAS TWO QUARTERS CASH, \$3m MORE COMING**
- * **GOLDMAN SACHS BORROWS, BUYS TO 5% OF SIRTEX**
- * **PETER CORR, INOV8 TAKE 9% OF ANALYTICA**
- * **MGC REQUESTS 'CAPITAL RAISING' TRADING HALT; ASX QUERY**
- * **PROF PHILIP COHEN FOR ST VINCENT'S PROF PEHR EDMAN LECTURE**

MARKET REPORT

The Australian stock market slipped 0.18 percent on Monday May 2, 2016 with the ASX200 down 9.2 points to 5,243 points. Seventeen of the Biotech Daily Top 40 stocks were up, 16 fell and seven traded unchanged.

Actinogen was the best, up 0.7 cents or 8.2 percent to 9.2 cents with 1.4 million shares traded. Pharmaxis climbed 7.7 percent; Medical Developments and Prima were up more than six percent; Benitec and Cellmid rose more than four percent; Prana was up 3.6 percent; Uscom was up 2.6 percent; with Acrux, Bionomics, Cochlear, Impedimed, Neuren and Osprey up more than one percent.

Anteo led the falls, down 0.55 cents or 9.2 percent to 5.4 cents with 2.1 million shares traded. Admedus and IDT lost more than eight percent; Orthocell fell 7.1 percent; Airxpanders and Polynovo fell more than five percent; Biotron, Psivida, Tissue Therapies and Viralytics fell more than four percent; Clinuvel and Oncosil were down more than three percent; Opthea shed 2.1 percent; Compumedics, Pro Medicus and Resmed were down more than one percent; with Sirtex down 0.8 percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

The Biotech Daily Top 40 Index (BDI-40) rose 1.3 percent in April to a collective market capitalization of \$7,431 million, while the S&P ASX200 was up 3.3 percent for the month.

For the year to April 30, 2016, the BDI-40 (which does not include the three Big Caps of Cochlear, CSL and Resmed) climbed 30.8 percent while the ASX200 fell 9.3 percent.

All three Big Caps resumed their upward run after last month's fall, recovering 2.5 percent and up 10.5 percent for the year to April 30. Cochlear climbed 5.6 percent to \$6,180 million, CSL rose 2.6 percent to \$48,163 million, with Resmed up 0.4 percent.

Twenty-three of the BDI-40 companies were up, 16 fell and one was unchanged, with 15 companies up more than 10 percent and six down more than 10 percent.

While Tissue Therapies was the best from a low base, up \$8 million or 57.1 percent to \$22 million, Pro Medicus continued to shine, up \$94 million or 27.2 percent to \$440 million and up 151.4 percent from 12 months ago. Prana recovered 32.4 percent to \$45 million, followed by Avita (28.6%), Medical Developments (19.1%), Cellmid (18.75%), Orthocell (17.4%), Actinogen (17.1%), Psivida (15.7%), Viralytics (14.9%) and Anteo (12.7%).

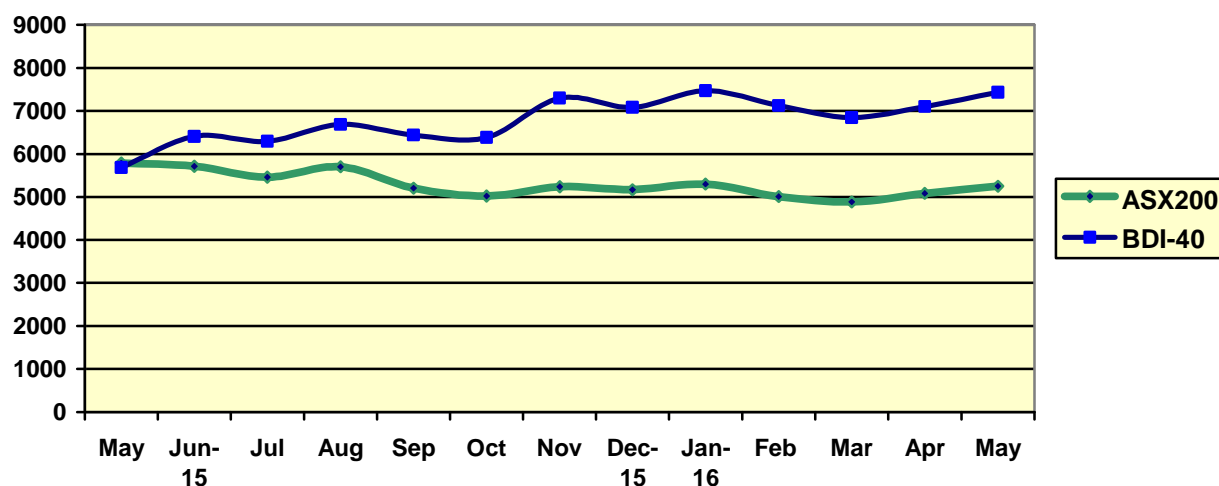
Neuren led the falls on a second traumatic brain injury trial failure, down \$52 million or 27.5 percent to \$137 million, followed by Airxpanders contracting 22.0 percent, Admedus (20.6%), Universal Biosensors (18.75%), Mesoblast (14.9%) and Oncosil (12.5%).

The Nasdaq Biotech Index was up 2.9 percent in April, with former Australian companies Heartware up 7.0 percent to \$769 million, Aviragen (Biota) up 6.6 percent to \$81 million, and Sunshine Heart down a further \$3 million or 15.0 percent to \$17 million.

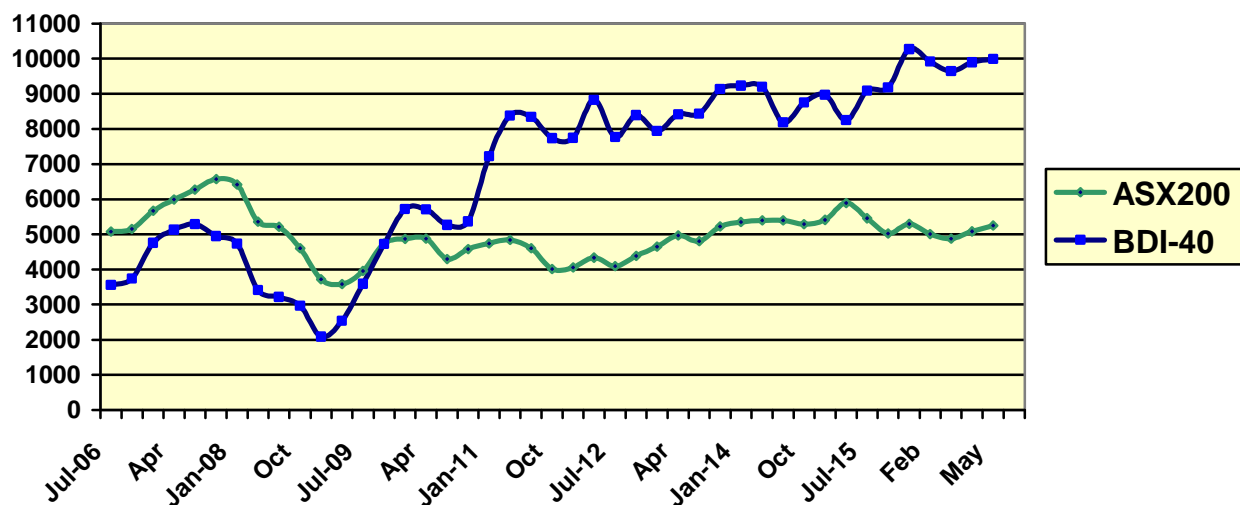
Outside the BDI-40, Phosphagenics soared 209.0 percent on its unnamed Japanese company deal, Innate leapt 48.6 percent on completing trial recruitment, Cyclopharm continued its steady rise, with Dorsavi, Cogstate and LBT showing stable growth.

Several companies are potentially worthy of promotion to the BDI-40, but for the time being the apparently unstoppable Pro Medicus will replace Benitec in the Top 20.

BDI-40 (\$m) v S&P ASX 200 – Apr 30, 2015 – Apr 30, 2016



BDI-40 v ASX200 Jun 30, 2006 to Apr 30, 2016 - Adjusted



THE MURDOCH CHILDREN'S RESEARCH INSTITUTE

The Murdoch Children's Research Institute with innovation company Curve Tomorrow are offering two companies \$25,000 and a four month placement at the Institute.

The Institute said that the Bytes-4-Health program would offer digital health and medical technology start-ups that were developing a product or interested in extending their technology into healthcare, an opportunity to access medical research, clinical expertise and digital health product development experience.

The MCRI said that the successful companies would work closely with research and clinical teams, including the Melbourne Children's Trials Centre, which evaluates and develops healthcare products and learn from the Curve Tomorrow team's experience in developing products for healthcare professionals and patient communities.

The Institute's business development and strategy general manager Dr James Dromey said that "despite the growing number of accelerators and incubators in Australia, there are few opportunities for health tech startups to access medical research along with clinical expertise".

"This broad exposure will increase the likelihood of the companies launching a successful clinically validated digital health product," Dr Dromey said.

The MCRI said that Curve Tomorrow was embedded within the Institute at Melbourne's Royal Children's Hospital MCRI, with access to MCRI researchers, clinicians and innovators who worked at the hospital.

"The model's success is due to the convergence and integration of technology and healthcare in the development of digital health products, from product concept to commercialisation," Dr Dromey said.

The Institute said that the partnership had fostered a pipeline of more than 30 health products in development with several launched over the last few years, including the mobile telephone application Headcheck which helped parents and coaches recognize symptoms of concussion in children and adolescents and had been endorsed by the Australian Football League.

The MCRI said it had established a \$1 million seed fund to support promising early stage projects with commercial potential to provide the momentum and increase the chances of realising commercialization success.

For more details and to apply go to: <https://www.mcri.edu.au/bytes4health>.

MACH7 TECHNOLOGIES (FORMERLY 3D MEDICAL)

Mach7 says it has raised \$2.52 million in a placement at six cents a share.

Mach7 said that Petra Capital was the lead manager for the placement and the funds would be used for product development, technology enhancements, sales and marketing. Mach7 was up 0.1 cents or 1.5 percent to 6.7 cents.

PRIMA BIOMED

Prima says the Japan Patent Office has granted a patent entitled 'Use of Recombinant LAG-3 or the Derivatives thereof for Eliciting Monocyte Immune Response'.

Prima said that the patent "related to IMP321 and its use either alone, or in combination, for immune-therapeutic or chemo-therapeutic purposes to induce an increase in circulating monocyte numbers in order to protect against cancer" and would provide coverage until October 3, 2028.

The company said that the patent supported the use of IMP321 as it was being used in its trial for metastatic breast cancer (BD: Oct 27, 2015; Jan 25, Mar 2, 2016).

Prima was up 0.3 cents or 6.8 percent to 4.7 cents with 1.2 million shares traded.

CYNATA THERAPEUTICS

Cynata says the Japan Patent and Trademark Office will grant a patent covering a method for deriving mesenchymal stem cells from pluripotent stem cells.

Cynata said that the patent, entitled 'Generation of Clonal Mesenchymal Progenitors and Mesenchymal Stem Cell Lines Under Serum-free Conditions', would provide commercial rights in Japan to March 16, 2031.

The company said that it had exclusive rights to the patent and to further patents and patent applications in respect of its Cymerus technology under a licence agreement with the Wisconsin Alumni Research Foundation.

Cynata fell half a cent or 1.5 percent to 33 cents.

ORTHOCELL

Orthocell says it has received \$1,507,774 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Orthocell said that the funds were for expenditure in the year to June 30, 2015.

Orthocell chief executive officer Paul Anderson said that the tax incentive "strengthens our balance sheet and increases our operational runway at a time when the company is actively driving further clinical trials in its cellular therapy for tendon regeneration, Ortho-ATI and its collagen platform technology Celgro in a range of differing applications".

Orthocell fell three cents or 7.1 percent to 39 cents.

NEUREN PHARMACEUTICALS

Neuren says its net operating cash burn for the three months to March 31, 2016 was \$5,463,000 with cash at the end of the quarter of \$10,974,000.

Neuren chief financial officer Jon Pilcher told Biotech Daily that \$2.9 million was due before January 2017, including a \$1.3 million Rettssyndrome.org grant, a Federal Government R&D Tax Incentive of \$700,000, the exercise of expiring options that were "in the money" worth \$900,000 and expenditure would be reduced in the coming months.

Neuren recovered 0.1 cents or 1.25 percent to 8.1 cents with 2.5 million shares traded.

SIRTEX MEDICAL

The Delaware-based Goldman Sachs Group says that it has become substantial in Sirtex with 2,952,631 shares or 5.16 percent.

Today, Goldman Sachs said that between December 29, 2015 and April 27, 2016 it bought, sold, borrowed and returned shares, frequently at no applicable price, in mostly small trades but ranging from one single share to 77,982 shares and cited 11 pages of individual trades.

Sirtex fell 25 cents or 0.8 percent to \$29.49 with 272,738 shares traded

ANALYTICA

The US Virgin Islands-based Inov8 LLC and Peter Corr have become substantial shareholders in Analytica with 202,324,638 shares or 9.34 percent of the company.

In a substantial shareholder notice signed by owner and director Peter B Corr, the St Thomas, US Virgin Islands-based Inov8 said the shares were bought on April 28, 2016 for \$516,960 or 0.255 cents a share.

Analytica was unchanged at 0.7 cents with 7.4 million shares traded.

MGC (MEDICAL GRADE CANNABIS) PHARMACEUTICALS

MGC has requested a trading halt pending an "announcement in relation to a capital raising consisting of a placement and share purchase plan".

Trading will resume on April 27, 2016 or on an earlier announcement.

Separately, MGC responded to an ASX "aware query" relating to its acquisition of the Prague, Czech republic based Panax Pharma,

On April 22, MGC requested a trading halt for an "announcement in relation to the potential acquisition of a licenced medicinal cannabis growing and genetics research company in Europe" and on April 27 detailed the acquisition of Panax Pharma (BD: Apr 22, 27, 2016).

MGC said that it was aware of some of the details earlier in the year when it began negotiations with Panax and the terms were concluded in the evening of April 21, 2016. MGC last traded at 5.4 cents.

ST VINCENT'S INSTITUTE OF MEDICAL RESEARCH

Melbourne's St Vincent's Institute says that Prof Philip Cohen will discuss Europe's "largest collaboration between academia and the pharmaceutical industry".

The Institute said that Prof Cohen studied protein phosphorylation as a cellular control mechanism for 47 years and in the 1990s pioneered the Division of Signal Transduction Therapy at the University of Dundee, working with pharmaceutical companies, which resulted in breakthroughs in the treatment of cancer, arthritis and other diseases.

The St Vincent's Institute said that Prof Cohen would deliver the annual Prof Pehr Edman Lecture, named after the Institute's inaugural director and the lecture would be chaired by Prof Gustav Nossal.

The Institute said that it conducted "research into the cause, prevention and treatment of diseases that are common and have serious effects on health".

The free lecture will be held at the Michael Chamberlin Lecture Theatre, Aikenhead Wing, St Vincent's Hospital, 27 Victoria Parade, Fitzroy, on May 27, 2016 at 4:30 for 5pm.

To register go to: https://www.svi.edu.au/news/the_2016_pehr_edman_lecture/ or telephone: +613 9231 2480.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION AT APR 30, 2016

Company \$Am	May-15	Apr-16	May-16
Cochlear	4,774	5,852	6,180
CSL	42,553	46,962	48,163
Resmed	11,329	10,402	10,444
BDI-20			
Acrux	148	101	102
Admedus	140	97	77
Benitec	90	17	16
Bionomics	171	154	152
Biotron	32	21	20
Clinuvel	125	198	205
Impedimed	248	326	330
Medical Developments	109	304	362
Mesoblast	1,223	981	835
Nanosonics	461	567	630
Neuren	163	189	137
Opthea	23	64	71
Osprey	106	45	41
Pharmaxis	48	86	82
Prima	32	85	91
Psivida	147	121	140
Reva	175	468	462
Sirtex	1,201	1,656	1,703
Universal Biosensors	46	64	52
Viralytics	80	154	177
Second 20			
Actinogen	49	44	51
Airxpanders	77	236	184
Anteo	80	55	62
Antisense	23	7	6
Atcor	41	35	33
Avita	32	56	72
Cellmid	20	16	19
Compumedics	38	61	68
Ellex	37	84	92
Genetic Technologies	65	33	34
IDT	55	69	77
Living Cell	23	26	26
Oncosil	37	72	63
Orthocell	22	23	27
Polynovo	33	155	162
Prana	74	34	45
Pro Medicus	175	346	440
Starpharma	185	250	244
Tissue Therapies	30	14	22
Uscom	17	20	19

* Biotech Daily editor, David Langsam, owns shares in Acrux, Admedus, Benitec, Mesoblast, Nanosonics, Neuren, Volpara 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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