



# Biotech Daily

Wednesday June 1, 2016

*Daily news on ASX-listed biotechnology companies*

- \* **MAY BDI-40 UP 3%, ASX200 UP 2%, BIG CAPS UP 10%**
  - **CELLMID UP 32%, PSIVIDA 26%; ANTEO DOWN 27%, AVITA 22%**
- \* **TODAY: ASX, BIOTECH DOWN: ACRUX UP 5%, ANTISENSE DOWN 12%**
- \* **MESOBLAST REQUESTS 'ASSET DEVELOPMENT' TRADING HALT**
- \* **SOMNOMED RETAIL OFFER RAISES \$6.5m, TOTAL \$10.5m**
- \* **SIRTEX DOWNGRADES SALES GROWTH FROM 20% TO 15-17%**
- \* **BPH TO RAISE UP TO \$300k**
- \* **'ASIC COMMENTS' DELAY PRESCIENT RIGHTS ISSUE**
- \* **PHOSPHAGENICS TPM DAIRY CATTLE FEED TRIAL**
- \* **ARROW TO PROMOTE MEDADVISOR DRUG ADHERENCE PLATFORM**
- \* **ACRUX APPOINTS DR GEOFF BROOKE, DR SIMON GREEN DIRECTORS**
- \* **BIO-MELBOURNE, CSIRO GEELONG 'BIO-CONTAINMENT' BRIEFING**

## MARKET REPORT

The Australian stock market fell 1.03 percent on Wednesday June 1, 2016 with the ASX200 down 55.4 points to 5,323.2 points. Ten of the Biotech Daily Top 40 stocks were up, 16 fell, nine traded unchanged and five were untraded. All three Big Caps were up.

Acrux was the best, up 3.5 cents or 4.9 percent to 75.5 cents with 651,818 shares traded. Avita and Anteo climbed more than four percent; Atcor and Prana were up more than three percent; Factor, Prima and Uscom rose more than two percent; Nanosonics and Polynovo were up more than one percent; with Cochlear, CSL and Resmed up by less than one percent.

Antisense led the falls, on a platelet issue with US collaboration partner Ionis, down 0.5 cents or 12.2 percent to 3.6 cents with 451,970 shares traded. Actinogen and Sirtex lost more than seven percent; Ellex fell 5.5 percent; Genetic Technologies fell 4.55 percent; Admedus, Biotron, Mesoblast, Orthocell and Osprey shed more than two percent; Pharmaxis, Reva and Universal Biosensors were down more than one percent; with Medical Developments, Pro Medicus and Starpharma down by less than one percent.

### BIOTECH DAILY TOP 40 INDEX (BDI-40)

The Biotech Daily Top 40 Index (BDI-40) climbed 3.2 percent in May to a collective market capitalization of \$7,670 million, with the S&P ASX200 up 2.4 percent to 5,379 points.

For the year to May 31, 2016, the BDI-40 (which does not include the three Big Caps of Cochlear, CSL and Resmed) climbed 19.6 percent while the ASX200 fell 5.8 percent.

The three Big Caps climbed a collective 10.0 percent, with Cochlear and CSL hitting their record high market capitalizations. Cochlear was up 11.7 percent to \$6,903 million, CSL climbed 10.0 percent to \$52,961 million, with Resmed up 9.1 percent to \$11,398 million. For the year to May 31, 2016, the Big Caps were up a collective 21.1 percent.

Twenty-three of the BDI-40 companies were up, 15 fell and two were unchanged, with 12 companies up more than 10 percent and five down more than 10 percent.

Cellmid was the best, up \$6 million or 31.6 percent to \$25 million, Psivida was up 25.7 percent to \$176 million and Ellex climbed up 25.0 percent to \$115 million, followed by Acrux (17.6%), Viralytics (17.5%), Antisense (16.7%), Factor Therapeutics (Tissue Therapies) (13.6%), Nanosonics (13.2%) and Genetic Technologies (11.8%).

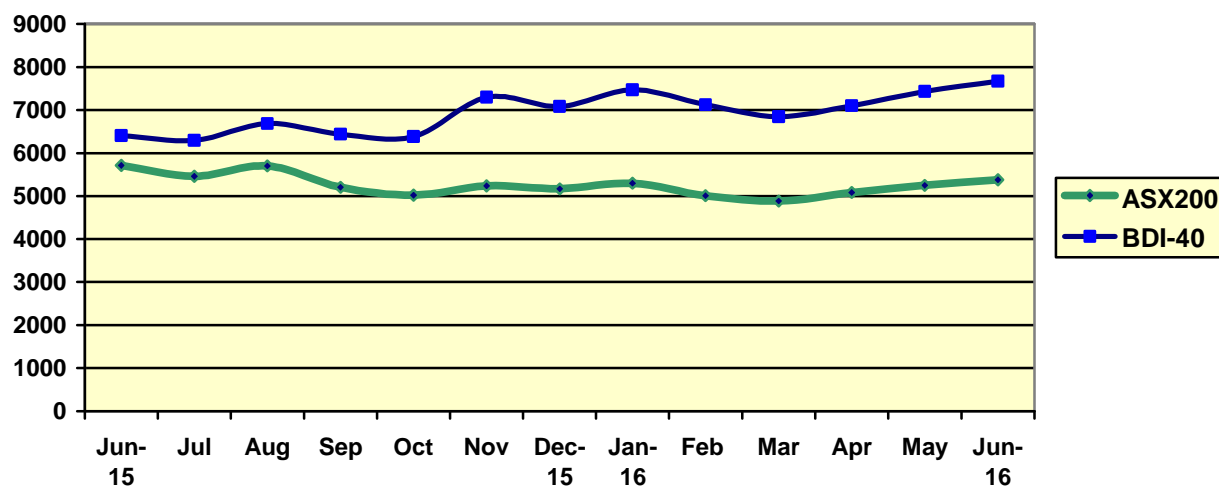
Anteo led the falls, down \$17 million or 27.4 percent to \$45 million, followed by Avita down 22.2 percent to \$56 million, Atcor (21.2%), IDT (16.9%) and Neuren (16.1%).

The Nasdaq Biotech Index was up 4.2 percent in May, but down 23.5 percent for the 12 months, with former ASX companies Heartware down 7.4 percent to \$712 million, Aviragen (Biota) down 2.5 percent to \$79 million and Sunshine Heart recovering 5.9 percent to \$18 million.

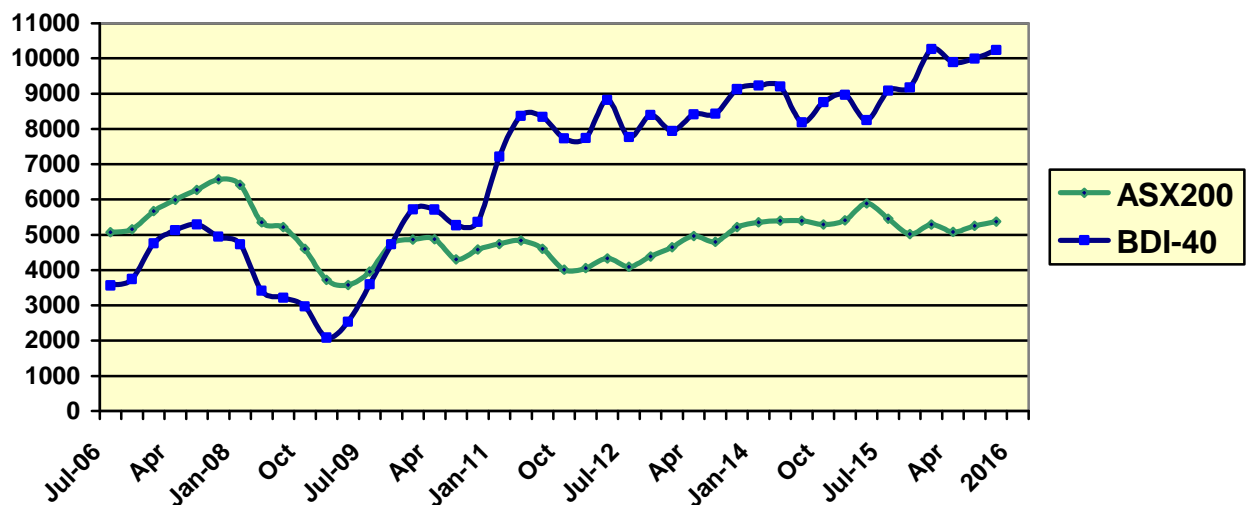
Outside the BDI-40, Resapp climbed a further 63.3 percent to \$178 million, \$176 million above the June 2015 \$4 million recapitalization of Narhex. Unilife lost \$46 million or 36.2 percent to \$81 million in May and \$340 million or 80.8 percent for the 12 months.

Ellex and Polynovo have performed strongly and will be promoted into the BDI-20, swapping places with Biotron and Osprey, which join the Second 20.

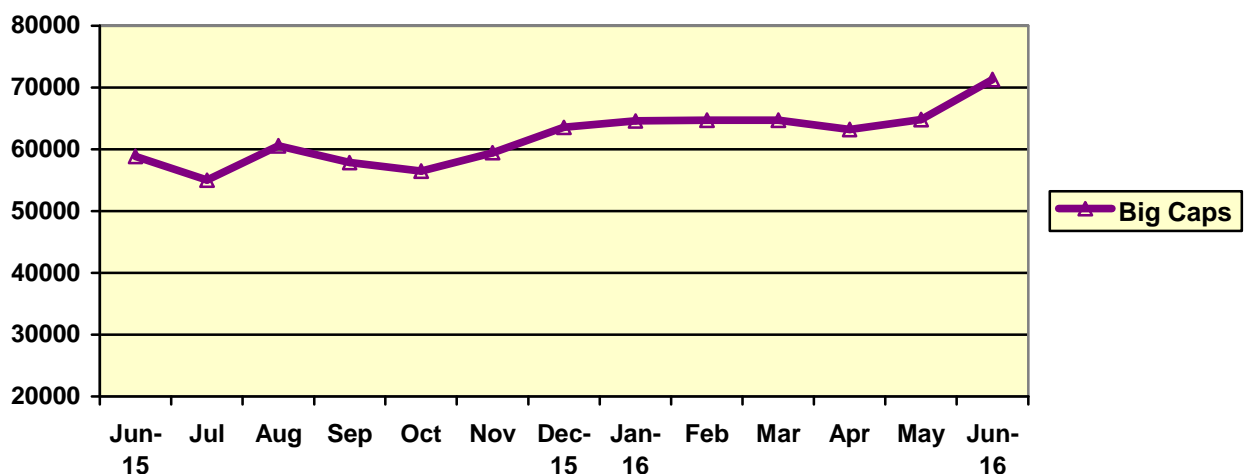
### **BDI-40 (\$m) v S&P ASX 200 – May 31, 2015 – May 31, 2016**



### BDI-40 v ASX200 Jun 30, 2006 to May 31, 2016 - Adjusted



### Big Caps \$m (Cochlear, CSL, Resmed) May 31, 2015 – May 31, 2016



### MESOBLAST

Mesoblast has requested a trading halt pending an announcement “regarding material corporate developments with respect to certain assets of the company”.

Trading will resume on June 3, 2016 or on an earlier announcement.

Mesoblast fell 5.5 cents or 2.8 percent to \$1.92, with 423,821 shares traded before the 1pm trading halt announcement.

### SOMNOMED

Somnomed says its retail rights offer raised \$6,468,280 at \$2.50 a share, taking the total raised to \$10,503,238.

In May, Somnomed said its under-written, two-for-25, institutional entitlement offer raised \$4,034,958 at the same price (BD: May 5, 2016).

Today, the company said that the proceeds would be used for working capital requirements and for its Sleep Centres America direct-to-patient business.

Somnomed was up three cents or 0.9 percent to \$3.31.

## SIRTEX MEDICAL

Sirtex has down-graded its dose sales forecast from an increase of 19.7 percent to guidance of a 15 to 17 percent increase.

Last year, Sirtex said that dose sales of its radioactive SIR-spheres for liver cancer for the year to June 30, 2015 increased 19.8 percent to a record 10,252 doses, with sales revenue up 36.1 percent to \$176,088,000 (BD: Aug 13, 2015).

Today, Sirtex said that "very strong growth in the Americas" in the period from December 31, 2015 to date was expected to be in the order of 18 to 20 percent and at an identical range on a full year basis compared to the prior corresponding period.

The company said that the Americas would not offset the lower than expected dose sales performance in the rest of the world, during the second half.

Sirtex said there had been delays in reimbursement in some Europe Middle East and Africa countries and the publication of the Sirflox study in the Journal of Clinical Oncology was later than expected, which restricted sales and marketing initiatives.

The company said that there was "a tighter funding environment" in several European countries and a temporary supply disruption in some Asian countries.

Sirtex said the previous guidance was that dose sales would increase "at least in-line with historic trends, which over the last five years represents a compound annual growth rate ... 19.7 percent".

Sirtex chief executive officer Gilman Wong said the company was "disappointed we will be unable to achieve our ... guidance on dose sales growth, [but] it is important to recognise the impacts on the business outside of the Americas are timing related".

"The long term growth potential of our innovative SIR-Spheres Y-90 resin microspheres product remains strong, with approximately two percent of the addressable market penetrated to date," Mr Wong said.

Sirtex said it would report its 2015-'16 results on August 24, 2016.

Sirtex fell \$2.26 or 7.2 percent to \$29.24 with 1.4 million shares traded.

## BPH ENERGY

BPH says it hopes to raise up to \$300,000 through the issue of up 56,285,178 shares at 0.533 cents a share for three investee companies.

BPH said that the funds would be used to assist Cortical Dynamics commercialize and distribute its Brain Anaesthesia Monitor.

The company said that the funds would support Molecular Discovery Systems work with the Perth, Western Australia-based Harry Perkins Institute of Medical Research Molecular Cancer Research Group to validate HLS5 as a novel tumor suppressor gene particularly for liver cancer.

BPH said that the money raised would also fund Advent Energy in preparatory work for a seismic survey in the offshore Sydney Basin for gas exploration.

The company said that each shareholder could apply for a maximum of \$15,000 worth of shares, which was capped at 56,285,178 shares.

BPH said that the record date was May 31, the plan would open on June 2 and close on July 5, 2016.

BPH was untraded at 0.6 cents.

### PRESCIENT THERAPEUTICS

Prescient says that following “comments from the Australian Securities and Investments Commission” its rights issue to raise \$3.4 million has been delayed.

Last month, Prescient said it had raised \$7.0 million in a placement at 9.0 cents a share and hoped to raise \$3.4 million through a rights issue (BD: May 18, 2016).

In May, Prescient said the placement and rights issue shares would come with one attaching option for every two shares acquired, exercisable at 18 cents by June 30, 2018 and the one-for-three, non-renounceable rights issue for shareholders on the record date of May 26, would open on May 31 and close on June 21, 2016.

Today, the company said the offer documents had not been despatched and the company was “in the process of preparing a replacement prospectus and updated timetable which [would] be released in due course”.

Prescient said that discussions with ASIC were on-going and it was “confident that these comments can be addressed and a replacement prospectus lodged in the coming days along with an updated timetable”.

Prescient was up 0.3 cents or 3.2 percent to 9.8 cents.

### PHOSPHAGENICS

Phosphagenics says it has begun a trial of the efficacy of a tocopheryl phosphate mixture formulation in dairy cattle to enhance milk quality and conception rates.

Phosphagenics said that the randomized, placebo-controlled, blinded study would include tocopheryl phosphate mixture (TPM) powder in the cattle feed pellets and would be conducted on-farm under commercial dairy conditions for a period of 12 months and was designed to allow scope for additional sites to be added.

Phosphagenics animal health and nutrition business general manager Dr Roksan Libinaki said the study would “assess the potential for TPM to enhance milk quality and conception rates in dairy cattle, both commercially important issues to the industry.”

The company said that the study would determine the effects of the TPM formulation on milk quality and fertility end-points during the most critical lactation and production periods.

Phosphagenics said that the experimental design, using a split-herd blinded approach, would account for any environmental variables or on-farm practices that might change during the conduct of the study.

The company said that the study would provide information to assist with regulatory approvals, while providing additional efficacy data to support partners and licencees and was expected to be completed by the end of 2017.

Phosphagenics fell 0.2 cents or 11.1 percent to 1.6 cents with 6.6 million shares traded.

### MEDADVISOR

Medadvisor says that Arrow Pharmaceuticals will use its internet-based application for patient medication adherence.

Medadvisor said that Arrow was Australia’s “second largest generic pharmaceutical” manufacturer and would begin promoting the medication adherence platform to its customers from June 2016, including a network of more than 1,100 pharmacies where Arrow was the preferred generic supplier.

The company said that the partnership was expected to increase the overall number of pharmacies promoting the platform to their patients.

Medadvisor was up 0.3 cents or 9.1 percent to 3.6 cents with 9.3 million shares traded.

## ACRUX

Acrux says it has appointed GBS Venture Partners founder Dr Geoffrey Brooke and former CSL executive Dr Simon Green as non-executive directors.

Acrux said that Dr Brook had 30 years experience of investing in and advising companies on the commercialization of medical technologies, as well as all stages of biotechnology development and commercialization, including licencing and trade sales.

The company said that Dr Brooke was currently a director of two US-based GBS portfolio companies Uptake Medical and Coda Therapeutics and the local board representative of the former Australian company now US-based Sunshine Heart.

Acrux said that Dr Brooke holds a Bachelor of Medicine and Bachelor of Surgery from the University of Melbourne and was a consultant anaesthetist and physician before moving into venture capital.

Dr Brooke holds a Masters of Business Administration from the Lausanne, Switzerland-based International Institute for Management Development.

The company said that Dr Green worked for CSL for 17 years including as senior vice president in a number of the company's research and development divisions and left CSL in 2015 to establish Immunosis Pty Ltd, which was developing gene based diagnostics.

Acrux said Dr Green had 25 years experience in the biotechnology industry and held a Doctorate of Philosophy from the University of Melbourne.

Acrux chairman Ross Dobinson said that both Dr Brooke and Dr Green had "extensive experience in drug development and commercialization, which is relevant as Acrux moves forward with the development of its pipeline of products".

Acrux climbed 3.5 cents or 4.9 percent to 75.5 cents.

## BIO-MELBOURNE NETWORK, CSIRO

The Bio-Melbourne Network with the CSIRO Australian Animal Health Laboratory will present a Bio-Briefing entitled 'Bio-containment Capability for Biotech' June 21, 2016.

The Network said that the Commonwealth Scientific and Industrial Research Organisation (CSIRO) Animal Health Laboratory helped protect Australia's multi-billion dollar livestock and aquaculture industries, as well as the general public from emerging infectious disease threats.

The Network said that the Laboratory was a bio-containment facility enabling research on high consequence pathogens including comparative pathogenesis, with a pre-clinical testing capability.

The Bio-Melbourne Network said that the Bio-Briefing would be introduced by Australian Animal Health Laboratory director Dr Kurt Zuelke followed by a virtual tour of the Geelong East facility.

The industry organization said that research scientist and molecular virology team leader Dr Glenn Marsh would review animal models for high consequence pathogens.

The Network said that the Bio-Briefing would be held at the CSIRO Animal Health Laboratory Lecture Theatre, Corner Portarlington and Boundary Roads, Geelong East on June 21, 2016.

Registration is from 8:45am with presentations from 9am to 10.30am followed by a networking session.

To register, go to: [www.biomelbourne.org/event/biobriefing/](http://www.biomelbourne.org/event/biobriefing/).

## BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION AT MAY 31, 2016

Company \$Am	Jun-15	May-16	Jun-16
Cochlear	4,995	6,180	6,903
CSL	43,161	48,163	52,961
Resmed	10,677	10,444	11,398
<b>BDI-20</b>			
Acrux	148	102	120
Admedus	127	77	73
Bionomics	167	152	139
Clinuvel	141	205	221
Ellex	36	92	115
Impedimed	279	330	351
Medical Developments	135	362	362
Mesoblast	1,325	835	753
Nanosonics	499	630	713
Neuren	143	137	115
Opthea	22	71	71
Pharmaxis	75	82	84
Prima	188	91	93
Polynovo	33	162	154
Pro Medicus	229	440	486
Psivida	147	140	176
Reva	170	462	478
Sirtex	1,508	1,703	1,804
Universal Biosensors	53	52	49
Viralytics	101	177	208
<b>Second 20</b>			
Actinogen	48	51	55
Airxpanders	77	184	175
Anteo	70	62	45
Antisense	22	6	7
Atcor	39	33	26
Avita	33	72	56
Benitec	95	16	15
Biotron	32	20	22
Cellmid	18	19	25
Compumedics	44	68	71
Factor (formerly TIS)	20	22	25
Genetic Technologies	63	34	38
IDT	44	77	64
Living Cell	25	26	27
Oncosil	39	63	64
Osprey	102	41	38
Orthocell	21	27	25
Prana	85	45	44
Starpharma	249	244	262
Uscom	17	19	21

\* 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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