



Biotech Daily

Friday August 26, 2016

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: COMPUMEDICS UP 32%, PRO MEDICUS DOWN 6%**
- * **MAYNE REVENUE UP 89% TO \$267m, PROFIT UP 381% TO \$37m**
- * **COMPUMEDICS REVENUE UP 12% TO \$37.5m, PROFIT UP 66% TO \$3m**
- * **DORSAVI REVENUE UP 75% TO \$3m, LOSS DOWN 35% TO \$5m**
- * **ANTISENSE REVENUE DOWN 71% TO \$1m, PROFIT TO \$2.5m LOSS**
- * **MEDADVISOR REVENUE DOWN 13% TO \$1.4m, LOSS UP 462% TO \$3m**
- * **ELLEX WINS \$2.5m FEDERAL GOVERNMENT MANUFACTURING GRANT**
- * **AVEXA UNDERWRITTEN RIGHTS ISSUE RAISES \$2.2m**
- * **GOODBYE TYRIAN DIAGNOSTICS (PROTEOMICS)**
- * **MEDADVISOR, DIABETES AUSTRALIA PRODUCT ORDER TOOL**
- * **ALLAN GRAY REDUCES TO 15% OF ACRUX**
- * **SOMNOMED CHAIR DR PETER NEUSTADT BELOW 5%, TDM TAKES 10%**
- * **MARK ZIRSEN TO REPLACE ADMEDUS CFO STEPHEN MANN**
- * **ANTEO LOSES SAM ANDERSEN, SHANE HARTWIG; RICHARD MARTIN CO SEC**

MARKET REPORT

The Australian stock market fell 0.48 percent on Friday August 26, 2016 with the ASX200 down 26.4 points to 5,515.5 points. Ten of the Biotech Daily Top 40 stocks were up, 18 fell, 10 were unchanged and two were untraded.

Compumedics was the best, up 14 cents or 32.2 percent to 57.5 cents with 2.5 million shares traded. Biotron climbed four percent; Polynovo was up 3.8 percent; Admedus, Mesoblast and Osprey rose more than one percent; with Cochlear, Ellex, Sirtex and Viralytics up by less than one percent.

Pro Medicus led the falls, down 39 cents or 5.9 percent to \$6.19 cents with 134,102 shares traded. Genetic Technologies and Universal Biosensors lost more than five percent; Acrux, Avita and Impedimed fell more than four percent; Atcor, Benitec, Oncosil and Pharmaxis were down more than three percent; Antisense, Bionomics and Neuren shed two percent or more; with Actinogen and Starpharma down more than one percent.

MAYNE PHARMA GROUP

Mayne Pharma says that revenue for the 12 months to June 30, 2016 was up 89.0 percent to \$267,280,000 with net profit after tax up 381.4 percent to \$37,355,000.

Mayne chief executive officer Scott Richards said the company reported growth “at both the top line and bottom line as well as across all operating segments”.

“The Doryx franchise, which was acquired in February 2015, achieved the earnings guidance set at that time and the launch of dofetilide, the company’s first generic product to be awarded 180-days of market exclusivity, made a meaningful contribution to the group result achieving a 100 percent return on investment in its first week following regulatory approval,” Mr Richards said.

Mayne said in June it agreed to acquire 37 approved and five US Food and Drug Administration-filed products from Teva and Allergan for \$US652 million and the deal “significantly transforms the scope and breadth of the company’s generic products division” and was expected to propel Mayne into the top 25 retail generic pharmaceutical companies and the top two in the generic oral contraceptives market in the United States”.

Mayne said that net tangible assets per share was up 100 percent to 6.0 cents, with diluted earnings per share up 301.7 percent to 4.62 cents and cash and cash equivalents of \$47,481,000 at June 30, 2016, compared to \$59,201,000 at June 30, 2015.

Mayne was up 6.5 cents or 3.4 percent to \$1.985 with 12.2 million shares traded.

COMPUMEDICS

Compumedics says that revenue for the 12 months to June 30, 2016 was up 12.1 percent to \$37,544,000 with net profit after tax up 66.1 percent to \$3,273,000.

Compumedics said that the increase in revenues “was largely due to growth in our European and US based businesses, with invoiced and shipped sales up 77 percent and eight percent, respectively” and the German DWL business improved 11 percent.

“Australia reflected a very strong year for neurological product demand, growing by 46 percent over the prior year, whilst Asia was down seven percent, reflecting delayed shipments of the new Graef LT product,” the company said.

The company said that net tangible asset backing per share was up 32.7 percent from 5.2 cents to 6.9 cents, with diluted earnings per share up 58.3 percent to 1.9 cents compared to the previous year’s 1.2 cents a share.

Compumedics said it had cash and cash equivalents of \$3,066,000 at June 30, 2016, compared to \$2,230,000 at June 30, 2015.

Compumedics rose 14 cents or 32.2 percent to 57.5 cents with 2.5 million shares traded.

DORSAVI

Dorsavi says that revenue for the year to June 30, 2016, was up 75.0 percent to \$3,238,138 with net loss after tax down 34.8 percent to \$5,237,102.

Dorsavi said that sales revenue from its spine and movement diagnostic products including device and consumables sales, device rental income and consulting income was up 122.3 percent from \$1,358,218 to \$3,019,928.

The company said that its net tangible asset per share was up 0.4 percent from 5.00 cents at June 30, 2015 to 5.02 cents at June 30, 2016, with diluted loss per share down 45.0 percent to 3.63 cents.

Dorsavi said that it had cash and cash equivalents of \$6,029,185 at June 30, 2016 compared to \$5,743,513 at June 30, 2014.

Dorsavi fell two cents or 4.2 percent to 45.5 cents.

ANTISENSE THERAPEUTICS

Antisense says revenue for the 12 months to June 30, 2016 was down 71.1 percent to \$1,132,102 taking last year's net profit after tax of \$706,918 to a loss of \$2,514,443. Last year, Antisense said that the Trevose, Pennsylvania-based Cortendo AB would pay \$3.7 million in cash and make a \$2.5 million investment in the company and up to \$131 million for the rights to ATL1103 for endocrinology applications (BD: May 15, 2015). Today, Antisense said it received of \$1,000,000 from Strongbridge Biopharma, formerly Cortendo, which was the final payment following the termination of the licence. Antisense said that net tangible assets per share fell 35.6 percent to 2.59 cents for the 12 months to June 30, 2016, with last year's diluted earnings per share of 0.45 cents turning to a diluted loss per share of 1.43 cents and it had \$4,800,718 in cash and equivalents. Antisense fell 0.1 cents or 2.7 percent to 3.6 cents.

MEDADVISOR

Medadvisor says that revenue for the year to June 30, 2016, was down 13.3 percent to \$1,426,000 with net loss after tax up 462.3 percent to \$3,071,000. Medadvisor said that it was its first preliminary final report "since the completion of the reverse takeover of Exalt Resources ... on November 12, 2015". "As such this statement bears no direct relationship to the appendix 4E releases made by Exalt Resources prior to the acquisition," the company said. The company said that net tangible asset per share was 0.3482 compared to the previous year's negative 0.0372 cents, with diluted loss per share up 57.8 percent to 0.71 cents. Medadvisor said that it had cash and cash equivalents of \$2,888,990 at June 30, 2016. Medadvisor was unchanged at 3.6 cents with 1.1 million shares traded.

ELLEX MEDICAL LASERS, FEDERAL GOVERNMENT

Ellex says it has been awarded a \$2.5 million Federal Government Next Generation Manufacturing Investment Program grant. Ellex chief executive officer Tom Spurling said that the grant, to be paid over three years, would "facilitate the investment in advanced equipment and systems we need to expand our manufacturing capacity to satisfy the rapidly growing international demand in our ophthalmic lasers and ultrasound". The company said that the grant coincided with its manufacturing site relocation from central Adelaide to Mawson Lakes, 15km north of Adelaide, production capacity expansion. Ellex was up one cent or 0.9 percent to \$1.11.

AVEXA

Avexa says that its underwritten rights issue at 2.2 cents has raised \$2.2 million with acceptances for 42 percent of the shares on offer or \$925,000. Avexa said that the underwriter Interprac Financial Planning Pty Ltd had arranged for the 58,403,501 shares shortfall to be placed with sophisticated and professional investors raising an additional \$1,284,877. Avexa chairman Iain Kirkwood said the capital raising would be used "to accelerate and complete the launch version of [its] Tali technology including the remaining product and games enhancements, study trials and workshops and initial rollout in clinical centres". Avexa was up 0.6 cents or 20.7 percent to 3.5 cents.

TYRIAN DIAGNOSTICS, PROTEOMINCS, CONTANGO MICROCAP

Tyrian shareholders have voted overwhelmingly in favour of 16 resolutions to become Contango Microcap and will depart the life sciences sector.

In June, Tyrian chairman Roger Amos told Biotech Daily that he would remain the chairman of the new entity, which would no longer have any direct involvement in biotechnology (BD: Jun 24, 2016).

In a June media release, Tyrian said that the Melbourne-based Contango Asset Management had a Sydney office and a team of 12 investment professionals and used a combination of “top-down and bottom-up investment process”.

Formerly known as Proteomics, and with Queensland Investment Corp holding as much as 19 percent, Tyrian had been developing point-of-care tests for active tuberculosis and prostate cancer, later shifting to hand held diagnostics for wheat quality (BD: Nov 14, 2008; May 13, Jun 12, Sep 2, 2009).

In 2012, Tyrian’s key staff resigned and the company said it had disposed of all fixed assets, ceased all further research and development work and vacated its facility at North Ryde (BD: Feb 24, 2012).

The company said at that time that the termination of agreements by Bayer Cropscience triggered the review and staff terminations (BD: Aug 24, 2011).

MEDADVISOR

Medadvisor says that with Diabetes Australia it has launched a new tool allowing diabetics to order products from pharmacies.

Medadvisor said that under the Federal Government National Diabetes Services Scheme, administered by Diabetes Australia, all subsidized diabetes consumable products, such as blood glucose testing strips, insulin pen needles and insulin pump consumables, were available only through pharmacies.

The company said that previously, people with diabetes were able to order online.

Medadvisor said that in anticipation of the change, it had developed and launched customised features for its computer application that would “enable people with diabetes and their carers to reserve ... products remotely for collection from their Medadvisor network pharmacy of choice”.

The company said that they would be able to track their use and supply of National Diabetes Services Scheme products and reorder them through their Medadvisor application or through Medadvisor on their desktop computer.

Medadvisor said there were 1.2 million Australians with type 1 diabetes, type 2 diabetes, or gestational diabetes and registered with the Scheme.

Medadvisor chief executive officer Robert Read said he was “delighted to announce Medadvisor is launching new features that will make peoples’ lives simpler”. “The relationship with Diabetes Australia has helped us positively impact the lives of people with diabetes making it easier and simpler to order vital medical consumables.”

ACRUX

Allan Gray Australia has reduced its substantial holding in Acrux from 27,810,861 shares (16.70%) to 25,728,874 (15.45%).

Allan Gray said that between March 19, 2015 and August 23, 2016 it bought and sold shares, with the single largest sale 128,797 shares for \$68,557 or 53.2 cents a share. Acrux fell two cents or 4.8 percent to 40 cents with 2.1 million shares traded.

SOMNOMED

Somnomed executive chairman Dr Peter Neustadt says he has reduced his holding from 4,106,705 shares (7.24%) to 2,806,705 shares (4.93%).

Dr Neustadt's substantial shareholder notice said that 1,500,000 shares were sold through the Bellevue Hill, Sydney-based Belgove Pty Ltd for \$3.38 a share, while P Neustadt Holdings Pty Ltd exercised 200,000 options for \$246,000 or \$1.23 each.

Somnomed was up three cents or 0.9 percent to \$3.48.

SOMNOMED

TDM Asset Management has increased its holding in Somnomed from 3,610,966 shares (6.37%) to 5,454,666 shares (9.62%).

The New York-based TDM said it acquired 1,843,700 shares on August 25, 2016, but failed to state the price paid as required under the Corporations Act.

The TDM substantial shareholder notice was signed by company secretary Jason Sandler and said that associated entities included TDMAM Pty Ltd, Madleowill Investments Pty Ltd, Zoolander Investments Pty Ltd, Thomas Cowan, Rebecca Cowan, Hamish Corlett and Benjamin Gisz.

ADMEDUS

Admedus says that Mark Ziirsen has been appointed as its chief financial officer, replacing Stephen Mann, who will continue until the end of the year.

Admedus said that Mr Ziirsen was previously Cochlear's director of finance and information technology for Asia Pacific.

The company said that Mr Ziirsen had experience in financial and business performance management as well as corporate finance, mergers and acquisitions, financial control, investment decision making, risk management, strategy development and information technology skills at Goodman Fielder, Coca-Cola Amatil and Aristocrat Leisure.

Admedus said that Mr Ziirsen held a Bachelor of Commerce for the University of Queensland and a Masters of Business Administration from the Armidale, New South Wales-based University of New England.

Admedus was up half a cent or 1.5 percent to 34 cents.

ANTEO DIAGNOSTICS

Anteo says that executive director Sam Andersen has retired and company secretary Shane Hartwig will retire on August 31, 2016.

Anteo said that chief operating officer Tamara Mills had joined the company, filling Ms Andersen's temporary role as an executive director.

The company said that Richard Martin had been appointed company secretary.

Anteo was unchanged at 6.2 cents.