



# Biotech Daily

Thursday September 1, 2016

*Daily news on ASX-listed biotechnology companies*

- \* AUGUST BDI-40 AT RECORD \$8.3b, ASX200 DOWN 2%, BIG CAPS DOWN 6%
- \* TODAY: ASX, BIOTECH DOWN: FACTOR THERA UP 8%, DIMERIX DOWN 9%
- \* ADMEDUS \$8.3m RIGHTS ISSUE RAISES \$5.7m; TOTAL RAISED \$18.3m
- \* ADMEDUS REVENUE UP 40% TO \$14m, LOSS DOWN 5% TO \$24m
- \* ANTEO REVENUE UP 472% TO \$14m, LOSS UP 36% TO \$6m
- \* AVITA REVENUE (DISCONTINUED) UP 19% TO \$3.5m, LOSS UP 23% TO \$9m
- \* MEDICAL AUSTRALIA REVENUE DOWN 5% TO \$14m, LOSS UP 2131% TO \$5m
- \* UNILIFE REVENUE DOWN 25% to \$13m, LOSS DOWN 12.5% TO \$79m
- \* SUDA REVENUE UP 3% TO \$6m, LOSS DOWN 34% TO \$3.2m
- \* TBG (PROGEN) REVENUE UP 306% to \$3.3m, LOSS UP 566% TO \$12m
- \* PHARMAUST REVENUE UP 14% TO \$2.7m, LOSS UP 104% TO \$4m
- \* IQ3 REVENUE UP 130% TO \$2m, LOSS UP 4% TO \$2m
- \* BLUECHIIP DEVELOPER KIT DEAL WITH UNNAMED US COMPANY
- \* NEARLY 50% OPPOSITION TO INNATE 4.85m DIRECTOR OPTIONS

## MARKET REPORT

The Australian stock market fell 0.32 percent on Thursday September 1, 2016 with the ASX200 down 17.4 points to 5,415.6 points. Eleven of the Biotech Daily Top 40 stocks were up, 19 fell, nine traded unchanged and one was untraded.

Factor was the best, up 0.4 cents or 8.2 percent to 5.3 cents with 453,359 shares traded. Both Bionomics and Osprey climbed 4.2 percent; Compumedics and Neuren rose more than two percent; Acrux, Avita, Mesoblast and Opthea were up more than one percent; with Airxpanders, Cochlear, Pro Medicus and Resmed up less than one percent

Dimerix led the falls, down 0.1 cents or 9.1 percent to one cent with 4.7 million shares traded. Orthocell lost 8.6 percent; Benitec fell 7.7 percent; Admedus and Atcor shed more than four percent; Cellmid, Oncosil, Sirtex and Uscom were down more than three percent; IDT and Impedimed shed more than two percent; Anteo, Clinuvel, Living Cell, Nanosonics and Pharmaxis were down more than one percent; with CSL, Medical Developments, Psivida and Viralytics down less than one percent.

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

Spring has certainly sprung for the Biotech Daily Top 40 Index (BDI-40) - up 5.9 percent in August to its highest collective market capitalization of \$8,284 million.

The ASX200 fell 2.3 percent in August, the three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) were down 5.8 percent, mostly attributable to CSL retreating 8.4 percent to \$49,347 million, while Cochlear hit a record \$8,073 million.

For the year to August 31, 2016, the BDI-40 was up 28.7 percent, the Big Caps were up a collective 21.1 percent and the ASX200 was up 4.3 percent.

In August, 21 of the BDI-40 companies were up, 10 by more than 10 percent, with 18 down and one unchanged. Anteo was the best, recovering 61.9 percent to \$68 million followed by Compumedics up \$30 million or 42.9 percent to \$100 million, Osprey (25.5%), Factor Therapeutics (20.0%), Airxpanders (19.8%), Mesoblast (19.7%), Pro Medicus (18.5), Living Cell (15.8%), Impedimed (15.4%) and Nanosonics (13.8%).

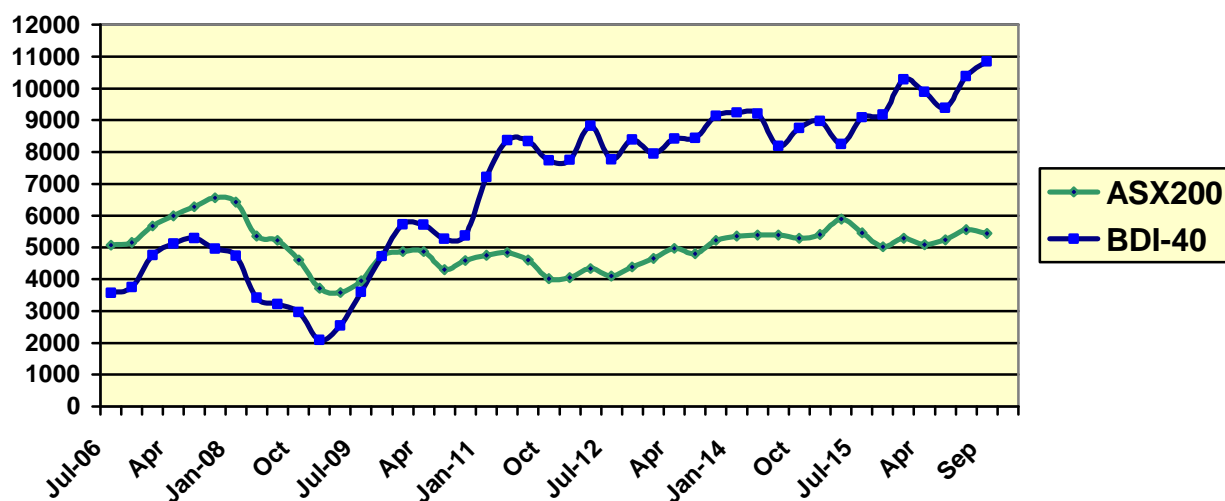
Acrux led the falls, down 49.2 percent to \$62 million, followed by Actinogen (27.3%), Antisense (25.0%), Neuren (22.4%), Bionomics (19.0%), Opthea (17.5%), Atcor (15.4%), Genetic Technologies (12.9%), Medical Developments (12.7%) and Uscom (10.8%).

The Nasdaq Biotech Index fell 3.0 percent in August and was down 17.9 percent for the year to August 31, with former Australian company Heartware consumed by Medtronic, Aviragen (Biota) down 2.9 percent to \$68 million, Sunshine Heart unchanged at \$22 million and Israel's Redhill, developing Giaconda's assets, up 15.0 percent to \$253 million.

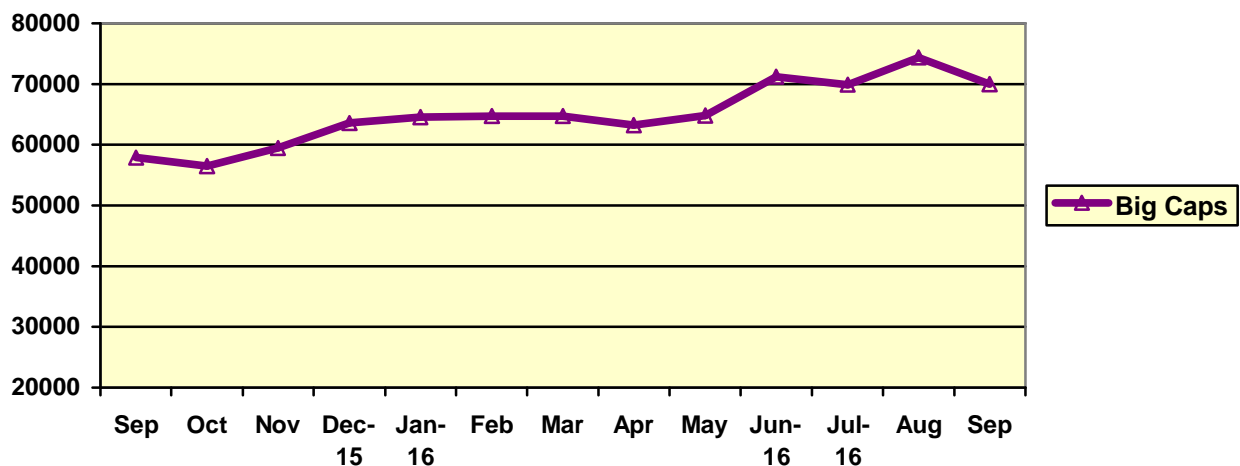
Outside the BDI-40, Dorsavi returned to its peak market capitalization of \$60 million, while Innate Immunotherapeutics and OBJ continued to strengthen.

Biotech Daily is undertaking a little Spring cleaning. Airxpanders and Compumedics will be promoted into the Top 20 replacing Acrux and Universal Biosensors, with Cyclopharm, Dimerix and Genetic Signatures promoted into the BDI-40 replacing Antisense, Biotron and Genetic Technologies.

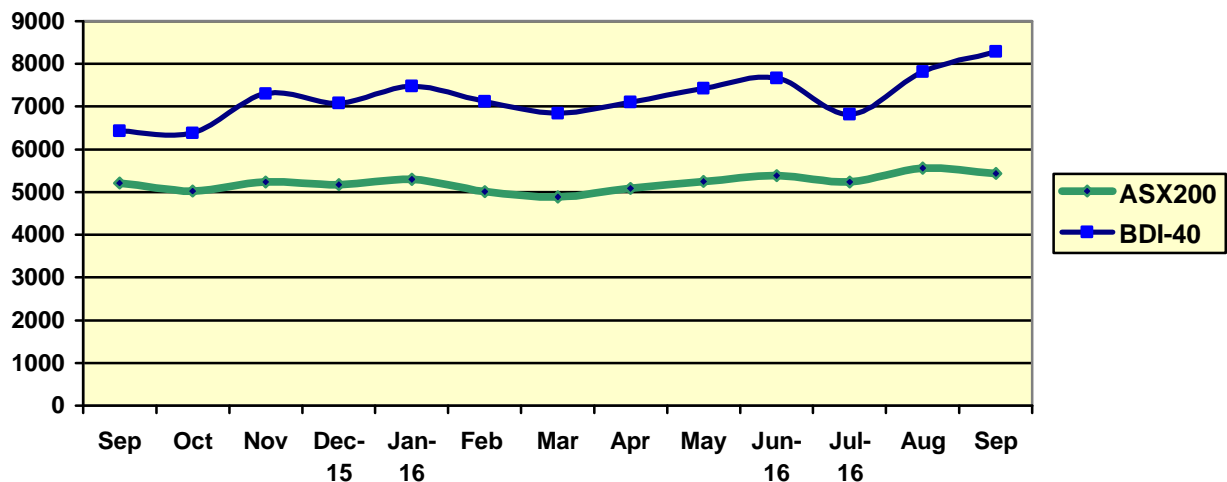
### **BDI-40 v ASX200 Jun 30, 2006 to Aug 31, 2016 – Adjusted**



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



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



### ADMEDUS

Admedus says its fully underwritten \$8.3 million one-for-nine rights issue priced at 33 cents a share has raised \$5.7 million, taking the total raised to \$18.3 million. Last month, Admedus said it raised \$10 million in a placement and today said that the balance of the rights issue would be placed by lead manager and underwriter Patersons Securities (BD: Aug 5, 2016).

Admedus chair and interim chief executive officer Wayne Paterson said that the capital raising “places the company in a strong financial position as we pursue growth objectives”. The company said that the funds would be used to make improvements in the manufacturing division to increase yields and gross margins on the Cardiocel regenerative tissue range, expand the regenerative tissue range, including the release of new products into the market this financial year, refine the research and development portfolio with a focus on products that were near to market and fund market expansion across emerging markets and new product ranges.

Admedus fell 1.5 cents or 4.35 percent to 33 cents.

### ADMEDUS

Admedus says that revenue for the year to June 30, 2016, was up 39.6 percent to \$14,151,000 with net loss after tax down 4.9 percent to \$24,014,000.

Admedus said that its Cardiocel sales were \$5.3 million with first sales in Malaysia, the Middle East and North Africa, compared to last year's Europe revenue of \$2.5 million.

The company said that its hospital supply infusion division had sales of \$8.9 million.

Admedus said that its net tangible asset backing per share fell 67.0 percent to 6.4 cents, with basic loss per share down 23.7 percent to 12.58 cents.

Admedus said that it had cash and cash equivalents of \$8,813,119 at June 30, 2016 compared to of \$19,582,972 at June 30, 2015.

### ANTEO DIAGNOSTICS

Anteo says that revenue for the year to June 30, 2016, was up 471.7 percent from EUR1,701,776 (\$A2,517,094) to EUR9,729,683 (\$A14,391,155) with net loss after tax up 36.1 percent from EUR2,938,813 (\$A4,346,832) to EUR3,998,689 (\$A5,914,444).

In January, Anteo said it had acquired the Belgium-based Diasource Immunoassays for EUR15.4 million (\$A23.9 million) (BD: Jan 25, 2016).

Last year, Anteo posted revenue for the year to June 30, 2015 of \$2,443,870 with a net loss after tax of \$4,220,342 (BD: Aug 27, 2015).

Today, Anteo said that Diasource had "delivered record half year revenue of EUR8.07 million" which "affirm the Diasource acquisition strategy".

The company did not specify Mix&Go sales which last year increased 50 percent to \$465,000.

Anteo said that its net tangible asset backing per share was up 107.0 percent to 0.89 Euro cents, with diluted loss per share up 20.0 percent to 0.42 Euro cents.

Anteo said that it had cash and cash equivalents of EUR2,522,170 (\$A3,731,834) at June 30, 2016 compared to EUR3,574,829 at June 30, 2014.

Anteo fell 0.1 cents or 1.7 percent to 5.9 cents.

### AVITA MEDICAL

Avita has reported revenue for the year to June 30, 2016 up 19.0 percent to \$3,546,524 with net loss after tax up 23.1 percent to \$8,750,297, compared to the previous year.

Avita's accounts provide a different comparator for the revenue figure due to the sale of its respiratory business to Medical Developments (BD: Jan 25, Feb 5, 2016).

Last year, Avita said that sales rose 2.5 percent to \$2,750,176, but Avita's head of finance Justin McCann told Biotech Daily that comprised \$1,764,528 from the discontinued respiratory business and \$985,647 from the Recell wound care business.

Yesterday, Avita reported Recell sales of \$1,002,007 and other revenue of \$2,544,517, namely proceeds from its US Biomedical Advanced Research and Development Authority contract (BD: Sep 30, 2015).

The company said diluted loss per share fell 12.9 percent from 2.01 cents at June 30, 2015 to 1.75 cents at June 30, 2016, with net tangible asset backing per share up 10.0 percent from 1.0 cents at June 30, 2015 to 1.1 cents at June 30, 2016, with cash and equivalents of \$4,171,879 at June 30, 2016 compared to \$2,966,555 at June 30, 2015.

Avita was up 0.1 cents or 1.1 percent to 9.2 cents.

### MEDICAL AUSTRALIA

Medical Australia says that revenue for the 12 months to June 30, 2016 was down 5.0 percent to \$14,115,605 with net loss after tax up 2130.9 percent to \$4,838,263.

Medical Australia said the result was “adversely impacted by the divestment of the loss making animal health business ... [but] the human healthcare business has continued its impressive growth over the last few years” increasing revenue by eight percent to \$12,419,938 in the year to June 30, 2016.

The company said net tangible assets per share fell 30.4 percent to 2.20 cents with diluted loss per share from continuing and discontinuing operations of 3.24 cents and diluted profit per share from continuing operations of 0.30 cents.

Medical Australia said it had cash and cash equivalents of \$860,711 at June 30, 2016, compared to \$933,312 at June 30, 2015.

Medical Australia fell half a cent or 9.3 percent to 4.9 cents.

### UNILIFE

Unilife says revenue for the year to June 30, 2016, fell 25.2 percent to \$US9,841,000 (\$A13,043,120) with net loss after tax down 12.5 percent to \$US79,451,000 (\$A105,312,560).

Unilife said that revenue decreased “due to less revenue recognized related to development activities for various customers primarily due to the timing of when milestones are achieved” for its pre-filled syringe business and the increased loss was due to increased research and development expenses, the same expression used to explain last year’s decreased revenue (BD: Sep 2, 2016).

Unilife fell half a cent or 7.7 percent to six cents with one million shares traded.

### SUDA

Suda says that revenue for the year to June 30, 2016, was up 2.5 percent to \$5,872,000 with net loss after tax down 33.7 percent to \$2,231,000.

Suda said that the revenue primarily came from its wholly-owned subsidiary Westcoast Surgical and Medical Supplies and the group had reduced operating costs.

The company said that net tangible asset backing per share fell 65.4 percent to 0.24 cents, with diluted loss per share fell 39.4 percent to 0.20 cents, with cash and cash equivalents of \$2,448,771 at June 30, 2016 compared to \$6,251,947 at June 30, 2015.

Suda was unchanged at 1.8 cents with 2.3 million shares traded.

### TBG DIAGNOSTICS (FORMERLY PROGEN PHARMACEUTICALS)

TBG says that revenue for the year to June 30, 2016 climbed 306.0 percent to \$3,275,000 with net loss after tax up 565.6 percent to \$12,378,000.

Last year, the then Progen said that revenue for the year to June 30, 2015 was \$3,443,201 with net loss after tax of \$4,684,104 (BD: Sep 2, 2016).

Today, TBG said that as a result of the backdoor listing of TBG into Progen the accounts “reflect the financial statements of TBG Inc” as well as the sale of the revenue-producing Pharmasynth manufacturing business.

TBG said that diluted loss per share increased 570 percent to 6.7 cents at June 30, 2016 and net tangible assets per share fell 13.4 percent to 10.3 cents, with \$13,361,869 in cash and cash equivalents at June 30, 2016.

TBG was untraded at 21 cents.

## PHARMAUST

Pharmaust said that revenue for the year to June 30, 2016 was up 13.8 percent to \$2,754,000, with net loss after tax up 104.0 percent to \$3,927,000.

Pharmaust said that total sales were \$2,017,883 compared to the previous year's \$1,869,204, all of which related to its wholly-owned subsidiary Epichem.

The company said that its net tangible asset backing per share was up 935.0 percent to 2.07 cents, diluted loss per share was up 361.5 percent to 0.60 cents, with cash and cash equivalents of \$881,823 at June 30, 2016 compared to \$3,411,767 at June 30, 2015.

Pharmaust was unchanged at 8.8 cents.

## IQ3

IQ3 says that revenue for the 12 months to June 30, 2016 was up 129.6 percent to \$2,117,533 with net loss after tax up 4.0 percent to \$1,987,751.

IQ3 said that \$1,679,838 was from consulting fees, with the balance "shared services".

The company said that net tangible assets per share fell 58.1 percent to 1.58 cents at June 30, 2016, diluted loss per share was down 15.6 percent to 1.95 cents and it had cash and cash equivalents of \$378,402 at June 30, 2016.

IQ3 was up one cent or four percent to 26 cents.

## BLUECHIIP

Bluechiip says it has a technology evaluation agreement with an unnamed Mid-West of the US "automatic identification and data capture company".

Bluechiip said that the agreement, which included a developer kit, would allow the company to test and assess its technologies in high-value harsh-environment applications in bio-banking and other applications, including aerospace.

The company did not disclose the name of the company or the value of the agreement but said it had made similar sales to the Beijing, China-based Centre for Disease, Control and Prevention and a North American consumables company.

Bluechiip chief executive officer Andrew McLellan said that "each evaluation agreement or sale of a developer kit sales reinforces the demand that we know exists for better tracking technologies, particularly in harsh, high-value industries like bio-banking".

"Such sales generate initial revenue for Bluechiip but more importantly increase our potential pipeline for further sales through conversion to long term supply agreements," Mr McLellan said.

Bluechiip was up 0.4 cents or 18.2 percent to 2.6 cents.

## INNATE IMMUNOTHERAPEUTICS

Up to 48.65 percent to Innate votes opposed resolutions proposing to issue 4,850,000 options to directors, with the resolutions passed with votes "at the proxy's discretion".

In August, Innate said it proposed to issue 900,000 options to chairman Michael Quinn, 600,000 options to each of Andrew Sneddon and Elizabeth Hopkins, 1,000,000 options to Dr Robert Peach and 1,750,000 options to chief executive officer Simon Wilkinson, with all options to be granted on August 31, 2016 and exercisable at 65 cents each by August 31, 2018 (BD: Aug 1, 2016).

Innate said that the meeting overwhelmingly passed all other resolutions to approve shares issues to directors and to re-elect Mr Quinn, Mr Sneddon and Dr Peach.

Innate was up 1.5 cents or 3.7 percent to 42 cents.



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

Company \$Am	Sep-15	Aug-16	Sep-16
Cochlear	4,877	7,593	8,073
CSL	42,705	53,865	49,347
Resmed	10,269	12,914	12,617
<b>BDI-20</b>			
Admedus	122	74	78
Airxpanders	206	227	272
Bionomics	167	142	115
Clinuvel	130	236	251
Compumedics	47	70	100
Ellex	41	129	122
Impedimed	305	499	576
Medical			
Developments	138	347	303
Mesoblast	1,119	427	511
Nanosonics	379	811	923
Neuren	143	98	76
Opthea	30	97	80
Pharmaxis	65	90	94
Polynovo	42	156	151
Prima	99	85	78
Pro Medicus	229	540	640
Psivida	157	165	175
Reva	249	542	555
Sirtex	1,983	1,814	1,933
Viralytics	115	215	219
<b>Second 20</b>			
Acrux	105	122	62
Actinogen	32	44	32
Anteo	82	42	68
Atcor	38	26	22
Avita	33	61	58
Benitec	82	18	19
Cellmid	30	32	29
Cyclopharm	29	84	66
Dimerix DXB	12	16	16
Factor (TIS)	17	30	36
Genetic Signatures	31	36	35
IDT	50	59	56
Living Cell	16	38	44
Oncosil	36	63	63
Orthocell	32	24	22
Osprey	113	55	69
Prana	77	52	59
Starpharma	184	242	257
Universal			
Biosensors	63	51	49
Uscom	14	37	33

\* 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.

**Biotech Daily can be contacted at: PO Box 5000, Carlton, Victoria, Australia, 3053**  
**email: [editor@biotechdaily.com.au](mailto:editor@biotechdaily.com.au); [www.biotechdaily.com.au](http://www.biotechdaily.com.au); twitter: @biotech\_daily**