



Biotech Daily

Wednesday March 1, 2017

Daily news on ASX-listed biotechnology companies

- * FEBRUARY BDI-40 DOWN 2%, ASX200 UP 2%, BIG CAPS UP 5%
- BENITEC UP 65%; COMPUMEDICS DOWN 33%; AVIRAGEN (BIOTA) GOING
- * TODAY: ASX, BIOTECH DOWN: PRIMA UP 9%, USCOM DOWN 13%
- * VICTORIA IMPORTS CANADIAN MEDICAL CANNABIS
- * MEDICAL AUST H1 REVENUE DOWN 17% TO \$7m, LOSS TO \$252k PROFIT
- * IQ3 H1 REVENUE UP 116% TO \$2.6m, LOSS TO \$166k PROFIT
- * PHARMAUST H1 REVENUE UP 13% TO \$1.6m, LOSS DOWN 57% TO \$414k
- * TBG H1 REVENUE DOWN 58% TO \$1.4m, LOSS DOWN 79% TO \$2.6m
- * RESONANCE H1 REVENUE DOWN 2% TO \$1.3m, LOSS TO \$35k PROFIT
- * PHOSPHAGENICS RECEIVES \$2.3m FEDERAL R&D TAX INCENTIVE
- * US PATENT FOR PRIMA IMP321 CANCER IMMUNOTHERAPY
- * ACTINOGEN APPOINTS DR GEOFF BROOKE CHAIRMAN
- * PHARMAUST APPOINTS DR RICHARD HOPKINS CEO, STARTS ON \$183k
- * IDT APPOINTS MARY SONTROP DIRECTOR
- * CRESO APPOINTS PROF FELIX GUTZWILLER ADVISOR

MARKET REPORT

The Australian stock market slipped 0.13 percent on Wednesday March 1, 2017 with the ASX200 down 7.4 points to 5,704.8 points. Fourteen of the Biotech Daily Top 40 stocks were up, 17 fell, seven traded unchanged and two were untraded. All three Big Caps rose.

Prima was the best, up 0.3 cents or 9.1 percent to 3.6 cents with 8.5 million shares traded. Factor Therapeutics and Living Cell climbed five percent or more; Airxpanders, Compumedics, Neuren, Oncosil and Orthocell rose more than two percent; Acrux, Actinogen and Medical Developments were up more than one percent; with Clinuvel, Cochlear, CSL, Mesoblast, Nanosonics and Resmed up by less than one percent.

Uscom led the falls, down three cents or 13.3 percent to 19.5 cents with 305,497 shares traded. Starpharma lost 6.4 percent; Admedus, Impedimed and Osprey fell more than four percent; Opthea was down 3.4 percent; Benitec and Viralytics shed more than two percent; Atcor, Bionomics, Cyclopharm, Ellex, Prana and Universal Biosensors were down more than one percent; with Pro Medicus, Psivida and Sirtex down less than one percent.

[BIOTECH DAILY TOP 40 INDEX \(BDI-40\)](#)

The Biotech Daily Top 40 Index (BDI-40) fell 1.9 percent in February, compared to the ASX200 up 1.6 percent and the Nasdaq Biotechnology Index (NBI) rising 6.8 percent.

The three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) collectively climbed 4.9 percent in February and 15.0 percent for the year to February 28.

For the 12 months to February 28, 2017, the BDI-40 was up 1.0 percent, the ASX200 rose 17.0 percent and the NBI was up 16.8 percent.

Just 11 of the BDI-40 companies were up, with four up by more than 10 percent, while 25 fell, with seven down by more than 10 percent.

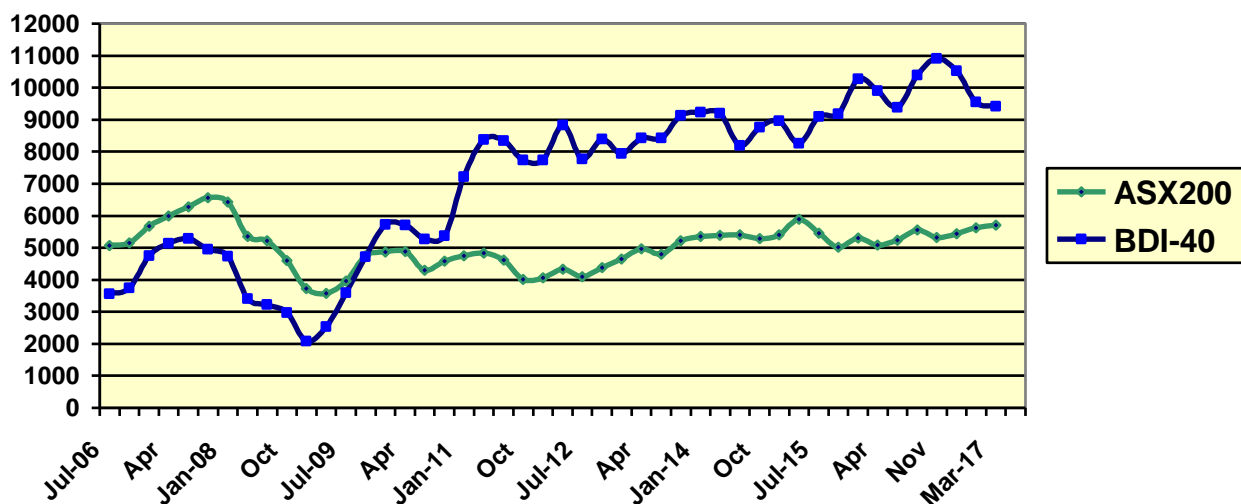
Yesterday's unexpected Compumedics tumble on its first half results led the February falls, down 33.3 percent to a market capitalization of \$78 million, followed by Clinuvel easing 16.4 percent to \$321 million, Oncosil (14.9%), Viralytics (14.8%), Cyclopharm (12.3%), Uscom (10.7%) and Medical Developments (10.2%).

Benitec was February's best, up 65.0 percent to \$33 million on news that it can deliver BB-201 for age-related macular degeneration to the back of the eye, followed by Bionomics (18.9%), Universal Biosensors (15.3%) and Sirtex (10.8%).

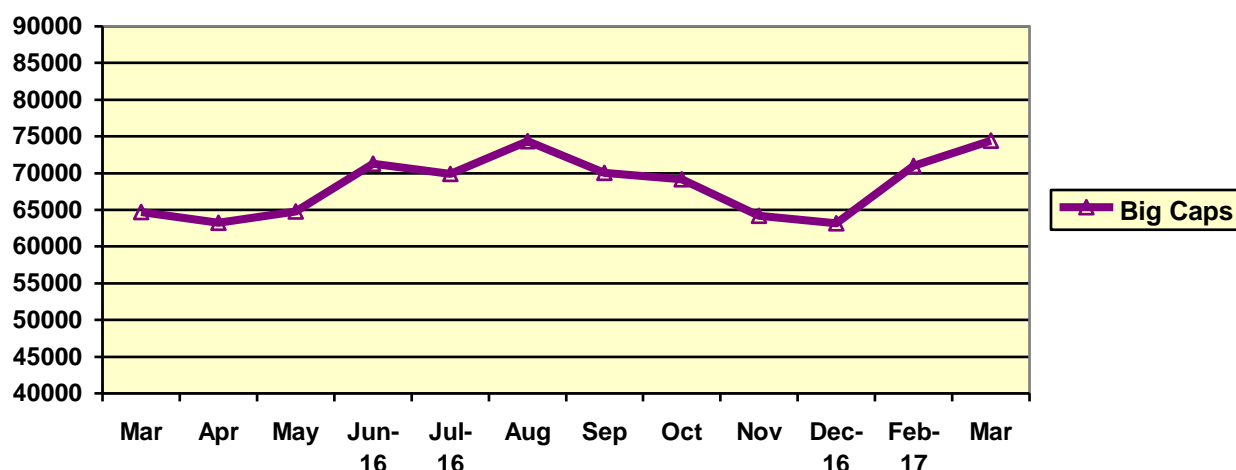
Outside the BDI-40, Analytica, Dorsavi and Medlab Clinical have shown continuous improvement, but ITL Health Group has more than doubled in market capitalization in the past four months to \$45 million and demonstrated continuous innovation and expansion. ITL will be promoted to the Second 20 from today, replacing Anteo Diagnostics.

On the Nasdaq, Israel's Redhill was up 0.5 percent to \$214 million, but Aviragen, formerly Biota Holdings, fell a further 54.5 percent to a market capitalization of \$30 million, its lowest valuation since Biotech Daily records began in 2005, when it was worth \$339 million. \$30 million is a very long way from the all-time high of \$546 million on November 30, 2009 and half the previous low of \$59 million on October 31, 2008. The closing price of 59.3 US cents is equivalent to 9.7 Australian cents. Biota was trading around \$1.00 when the company decided to move to the US to list on the Nasdaq (BD: Nov 19, 2015).

BDI-40 v ASX200 Jun 30, 2006 to Feb 28, 2017- Adjusted



Big Caps \$m (Cochlear, CSL, Resmed) Feb 29, 2017, 2016 – Feb 28, 2017, 2017



VICTORIA GOVERNMENT

The Victoria Government says it will import medical cannabis from Canada this week ahead of local product becoming available in the middle of the year.

The State Government said that “29 critically ill children have become the first in Victoria to legally access medicinal cannabis”.

A media release from Victoria Premier Daniel Andrews said it was on-track to deliver its first batch of local, safe medicinal cannabis to children with epilepsy by the middle of the year through its medicinal cannabis access scheme, but “we know that for families with the most severely ill children, every day without this life-changing medicine is one day too long”.

“That’s why we’ve taken action to fast-track access for these extremely sick kids, who due to the severity of their symptoms are unable to wait for the broader access scheme,” the media release said.

The Victoria Government said that a limited amount of cannabidiol oral solution manufactured by the Nanaimo, British Columbia, Canada-based Tilray was purchased by the Government and arrived in Melbourne late last week.

The Government said that paediatric neurologists nominated children with the most severe symptoms of intractable epilepsy for the early access arrangements and a clinical panel considered which patients should be eligible against strict criteria set by the Independent Medical Advisory Committee on Medicinal Cannabis.

The media release said that 29 Victorian children who had multiple daily seizures, who endured many hospital admissions, who were unable to participate in the normal day to day activities of a child, were identified by the panel as suitable patients.

The Government said that other children with severe intractable epilepsy would be eligible to access the locally grown and manufactured product when it became available.

The Government said that last year, Victoria became the first jurisdiction in Australia to legalise access to medicinal cannabis.

“This is too important to wait,” Mr Andrews said.

“That’s why we’re doing everything we can to make sure those families in the greatest need can access this life-changing treatment for their kids as soon as possible,” Mr Andrews said.

MEDICAL AUSTRALIA

Medical Australia says revenue for the six months to December 31, 2016 fell 17.3 percent to \$6,655,284, with last year's loss turned to a net profit after tax of \$252,206.

Medical Australia said that revenue from continuing operations increased 2.1 percent with increased overheads from investments in developing new product areas, having divested its animal health division.

The company said that the diluted loss per share of 3.72 cents at December 31, 2015, turned to a diluted profit per share of 0.18 cents for the six months to December 31, 2016, with net tangible assets per share up 13.2 percent to 2.40 cents for the six months to December 31, 2016 and it held cash and cash equivalents of \$1,029,929 at December 31, 2016 compared to \$352,677 at December 31, 2015.

Medical Australia was untraded at six cents.

IQ3 CORP

IQ3 says that revenue for the six months to December 31, 2015, was up 116.25 percent to \$2,595,000 turning the previous loss to a net profit after tax of \$166,000.

The company said that its principal activities were the provision of capital raising and corporate advisory services to unlisted companies in the life sciences industry.

IQ3 said that diluted earnings per share was 0.16 cents compared to the prior diluted loss of 0.01 cents per share, with net tangible assets per share down 50 percent to 1.5 cents.

The company said it had cash and cash equivalents of \$189,803 at December 31, 2016, compared to \$1,190,171 at December 31, 2015.

IQ3 fell one cent or 3.3 percent to 29 cents.

PHARMAUST

Pharmaust says revenue for the six months to December 31, 2016 was up 12.7 percent to \$1,641,813 with a net loss after tax down 56.9 percent to \$414,472.

Pharmaust said that the majority of its income came from its Epichem division, which provided synthetic and medicinal chemistry services, with revenue up 27.5 percent to \$1.33 million.

Pharmaust said its net tangible assets per share fell 5.6 percent to 2.87 cents at December 31, 2016, with diluted loss per share up 437.5 percent from 0.43 cents.

The company said it had cash and cash equivalents of \$2,683,713 at December 31, 2016 compared to \$1,317,056 at December 31, 2015.

Pharmaust was unchanged at 4.8 cents.

TBG DIAGNOSTICS

TBG says that revenue for the six months to December 31, 2016, fell 57.8 percent to \$1,352,000 with net loss after tax down 78.8 percent to \$2,621,000.

TBG said that sales were principally of its two diagnostics for bone marrow transplants, as well as technical services and the reduced loss was related to the sale of its Pharmasynth business.

The company said that net tangible assets per share fell 12.6 percent to 9.0 cents, with diluted loss per share down 82.1 percent to 1.2 cents.

TBG said that it had cash and cash equivalents of \$10,642,000 at December 31, 2016 compared to \$13,361,000 at June 30, 2016.

TBG was unchanged at 17 cents.

RESONANCE HEALTH

Resonance says revenue for the six months to December 31, 2016, fell 2.1 percent to \$1,273,000, turning the previous loss to a net profit after tax of \$35,000.

Resonance said sales revenue fell three percent to \$1,260,382 and while the number of scans increased by 19 percent, the revenue was off-set by “the stronger Australian dollar”.

The company said diluted earnings per share was 0.01 cents compared to a loss of 0.01 cents in the previous corresponding period, net tangible asset backing per share fell 22.1 percent to 0.53 cents and it had cash and cash equivalents at December 31, 2016 of \$1,919,810 compared to \$2,512,441 at June 30, 2016.

Resonance was untraded at 2.1 cents.

PHOSPHAGENICS

Phosphagenics says it has received \$2,293,919 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Phosphagenics said the rebate related to Australian and eligible overseas research and development activities for the year to June 30, 2016.

Phosphagenics was up 0.1 cents or 5.6 percent to 1.9 cents.

PRIMA BIOMED

Prima says the US Patent and Trademarks Office has granted a patent relating to its immunotherapy IMP321 for cancer,

Prima said that the patent, entitled ‘Use of Recombinant LAG-3 or the Derivatives thereof for Eliciting Monocyte Immune Response’ would provide protection to July 6, 2029 with a term adjustment of 276 days.

The company said that the method of use claims granted would protect the treatment of cancer where a plurality of doses of IMP321 was used to generate a monocyte mediated response, with “broad claims covering dosage and route of administration” also granted, with further applications filed in the US for IMP321 and in combination with other reagents. Prima was up 0.3 cents or 9.1 percent to 3.6 cents with 8.5 million shares traded.

ACTINOGEN MEDICAL

Actinogen says it has appointed Dr Geoff Brooke as its chairman, replacing interim chairman Dr Jason Loveridge, who continues as a non-executive director from today.

The company said that Dr Brooke had 30 years’ experience as the founder, lead investor chairman or director of healthcare companies and was the founder and managing director of GBS Ventures, raised \$450 million in venture and private equity funds.

Actinogen said that Dr Brooke was also the founder of the US-based venture capital firm Medvest Inc, with investors including the venture capital arm of Johnson & Johnson.

The company said that Dr Brooke was currently a non-executive director of Acrux.

Actinogen said that Dr Brooke held a Bachelor of Medicine and a Bachelor of Surgery from Melbourne University and a Masters of Business Administration from the Lausanne, Switzerland-based International Institute for Management Development.

The company said that, subject to shareholder approval if required, Dr Brooke would be granted 5,000,000 options exercisable at 10 cents each within eight years of grant, vesting in three tranches with 2,000,000 options vesting one year from grant, 1,500,000 options two years from grant and 1,500,000 options three years from grant.

Actinogen was up 0.1 cents or 1.7 percent to six cents.

PHARMAUST

Pharmaust says it has appointed Dr Richard Hopkins as its chief executive officer, starting on \$182,650 a year effective from March 7, 2017.

Pharmaust said that Dr Hopkins was a co-founder of Phylogica and its chief executive officer from July 2013 until July 2016 (BD: Jul 19, 2016).

The company said that Dr Hopkins had a “track record in development of novel cancer therapies with a particular focus on corporate strategy, business development and intellectual property”.

Pharmaust said that prior to his appointment as chief executive officer Dr Hopkins was Phylogica’s chief scientific officer, head of research and chief operating officer.

The company said that Dr Hopkins was elected as the chair of Ausbiotech’s Western Australia branch in 2016 and held research roles at the Telethon Institute for Child Health Research and the Department of Medicine at the University of Western Australia and Murdoch University.

Pharmaust said that apart from his salary of \$182,650 a year, plus statutory superannuation, Dr Hopkins would receive 10,125,000 options in three tranches, with 1,875,000 exercisable at 7.5 cents, 3,750,000 at 15 cents, 4,500,000 at 23 cents, all expiring at March 31, 2020, along with 3,375,000 performance rights, pending the completion of a phase II monepantel (PPL-1) dog trial by March 31, 2018, the start of a phase II human trial by December 31, 2018 and the exercise of a collaboration and option agreements with Novartis Animal health by the end of 2018.

IDT AUSTRALIA

IDT says it has appointed Mary Sontrop as a director, effective today.

IDT said that Ms Sontrop was a pharmaceutical executive with extensive international experience in the life sciences industry.

The company said that Ms Sontrop held executive roles at CSL, including most recently as CSL Behring’s executive vice-president of operations and ZLB Behring GmbH managing-director, responsible for integrating and building manufacturing networks servicing Europe and the US.

IDT was unchanged at 17 cents.

CRESO PHARMA

Creso says it has appointed Prof Felix Gutzwiller to its scientific advisory board.

Creso said that Prof Gutzwiller had more than 30 years’ experience across medicine, public health and politics, was a member of several public health boards and presided over several health research councils, health and social prevention societies, the Swiss Society for Health Policy, the board of governors of the Swiss Tropical and Public Health Institute and was founding president of the Swiss School of Public Health.

The company said that Prof Gutzwiller was a professor at the University of Lausanne and professor of social and preventive medicine at the University of Zürich from 1988 to 2013 and had been an emeritus professor at the University of Zurich since 2013.

Creso said that Prof Gutzwiller had been an elected Swiss politician for 16 years.

The company said that Prof Gutzwiller held a Doctor of Medicine from the University of Basel, a Master in Public Health from the Harvard School of Public Health and a Doctor of Public Health from Johns Hopkins University School.

Creso was up 2.5 cents or 7.8 percent to 34.5 cents with 1.15 million shares traded.

BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION AT FEB 28, 2017

Company \$Am	Mar-16	Feb-17	Mar-17
Cochlear	5,861	7,188	7,497
CSL	47,545	51,144	53,676
Resmed	11,326	12,646	13,255
BDI-20			
Admedus	90	88	88
Airxpanders	229	232	213
Bionomics	159	164	195
Clinuvel	165	384	321
Compumedics	63	117	78
Ellex	79	157	154
Impedimed	294	281	285
Medical Developments	271	304	273
Mesoblast	730	647	667
Nanosonics	527	857	854
Neuren	206	131	122
Opthea	57	135	134
Pharmaxis	79	91	91
Polynovo	161	155	163
Prima	82	73	68
Pro Medicus	293	508	469
Psivida	134	80	80
Reva	485	430	436
Sirtex	1,833	830	920
Viralytics	159	257	219
Second 20			
Acrux	110	52	47
Actinogen	35	35	36
Atcor	32	16	15
Avita	56	73	70
Benitec	18	20	33
Cellmid	19	32	34
Cyclopharm	36	57	50
Dimerix	7	13	13
Factor Therapeutics	12	46	49
Genetic Signatures	46	42	38
IDT	55	45	42
ITL Health	18	39	45
Living Cell	25	63	57
Oncosil	68	47	40
Orthocell	25	33	32
Osprey	35	113	106
Prana	47	30	27
Starpharma	228	278	260
Universal Biosensors	70	59	68
Uscom	16	28	25

* 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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