



Biotech Daily

Thursday June 1, 2017

Daily news on ASX-listed biotechnology companies

- * MAY BDI-40 DOWN 13.5%, ASX200 DOWN 3%, BIG CAPS DOWN 1%
- PSIVIDA UP 30%, CYCLOPHARM 22%; MESOBLAST DOWN 33%, ATCOR 31%
- * TODAY: ASX, BIOTECH UP: USCOM UP 8%, DIMERIX DOWN 12.5%
- * VICTORIA: CANN MARIJUANA PERMIT LAUNCHES NEW INDUSTRY
- * BLUECHIIP 1-FOR-3 RIGHTS OFFER FOR \$2.5m
- * APPLICATIONS OPEN FOR \$2.5m CSL CENTENARY FELLOWSHIPS
- * CYCLOPHARM: CHINA TRIAL RESULTS BACK US, NEWCASTLE TRIALS
- * UK JOINS ACTINOGEN XANAMEM FOR ALZHEIMER'S TRIAL
- * IMMURON: NASDAQ HOLD FOR RESULTS, \$1.5m GRANDBRIDGE LOAN
- * USCOM PARTNERS FOR BARCELONA LUNG HEALTH CARE PROJECT
- * CRESO, CANNAPHARM MARIJUANA FOR ASIA PACIFIC, LATIN AMERICA
- * REVA AGM VOTES 22% AGAINST CHAIRMAN BRIAN DOVEY
- * NASDAQ ISSUES NOVOGEN 3rd \$US1 COMPLIANCE WARNING
- * MGC REQUESTS 'EUROPEAN OPERATIONS' TRADING HALT
- * PRIMA APPOINTS IMP321 ADVISORY BOARD
- * PERRON INSTITUTE (WANRI) APPOINTS PROF ALAN ROBSON CHAIR

MARKET REPORT

The Australian stock market was up 0.24 percent on Thursday June 1, 2017 with the ASX200 up 13.5 points to 5,738.1 points. Seventeen of the Biotech Daily Top 40 stocks were up, 14 fell, eight traded unchanged, with one untraded. All three Big Caps were up.

Uscom was the best, up 1.5 cents or 8.1 percent to 20 cents with 166,744 shares traded. Cyclopharm climbed 6.4 percent; Universal Biosensors was up 5.6 percent; Cellmid and Psivida improved four percent or more; Benitec, Factor Therapeutics, Impedimed and Pro Medicus were up more than three percent; Avita, Cochlear, Prana, Resmed and Viralytics rose more than two percent; Admedus, CSL, ITL, Medical Developments and Pharmaxis were up more than one percent; with Starpharma up 0.8 percent.

Dimerix led the falls, down 0.1 cents or 12.5 percent to 0.7 cents with 1.1 million shares traded. Orthocell and Polynovo fell more than four percent; Acrux lost 3.9 percent; Actinogen, Airxpanders, Bionomics and Osprey shed more than two percent; Compumedics and Neuren were down more than one percent; with Clinuvel, Mesoblast, Nanosonics and Sirtex down by less than one percent.

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

The month of May was ... er ... “very ordinary” for the Biotech Daily Top 40 Index (BDI-40) down 13.5 percent, compared to the ASX200 down 3.4 percent and the Nasdaq Biotech Index down 3.9 percent (see charts, below).

The loss of \$1,060 million in value for the collective market capitalization of the BDI-40 was primarily due to the three largest companies, with Mesoblast losing \$445 million or 33.0 percent of its value on no news, while Sirtex slid a further \$205 million or 22.9 percent and Nanosonics shed \$109 million or 10.7 percent.

From three companies worth more than \$1 billion each, we currently have none.

The three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) retreated 0.9 percent in May, with Cochlear up 4.8 percent, Resmed up 3.85 percent, but CSL down 2.5 percent. For the year to May 31, the Big Caps were up 12.9 percent.

Just eight of the BDI-40 companies were up, while 32 fell, 19 by more than 10 percent.

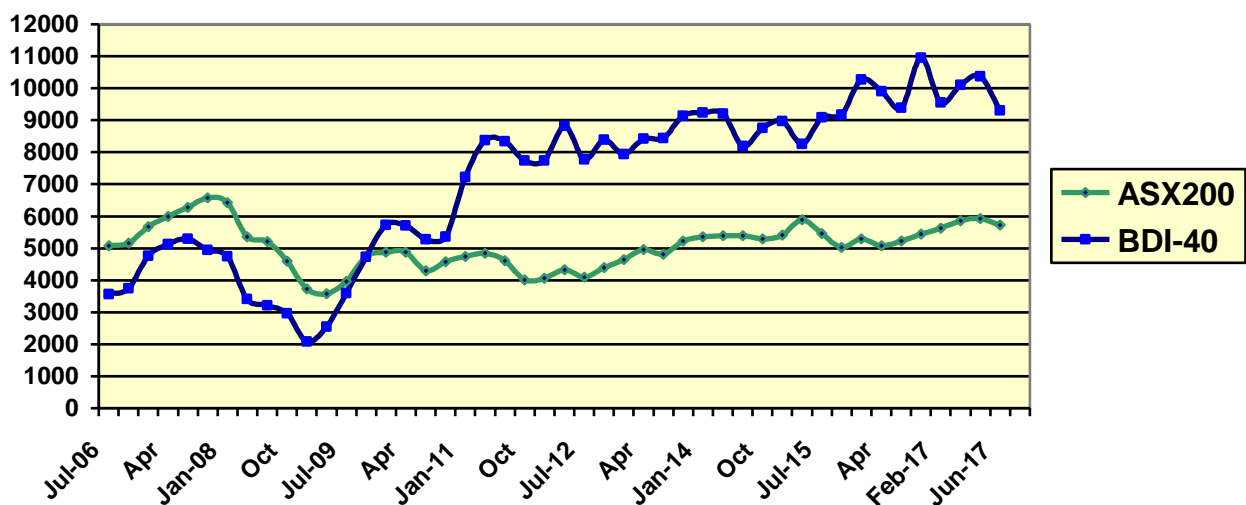
Mesoblast retained its title as the BDI-40’s largest company, but led the falls with a 33.0 percent tumble from \$1,348 million to \$903 million, followed by Atcor losing 30.8 percent from a much lower base to \$9 million, along with Prana (26.5%), LBT (24.4%), Sirtex (22.9%), Actinogen (21.8%), Osprey (20.5%) and Universal Biosensors (20.25%).

Psivida was the best of the few, up \$28 million or 30.1 percent to \$121 million, followed by Cyclopharm (21.7%), Dimerix (15.4%), Genetic Signatures (10.8%), Bionomics (4.2%), Viralytics (3.9%), Factor Therapeutics (2.2%) and Clinuvel (0.3%).

On the Nasdaq, Aviragen (Biota) continued its downhill trajectory by 19.4 percent to \$25 million, Queensland’s Protagonist rose just 11.4 percent to \$254 million on a billion dollar Johnson & Johnson deal and Israel’s Redhill slipped 6.6 percent to \$214 million.

Although Biotech Daily respects IDT’s considerable progress in its generics program, our first inclusion criterion for the BDI-40 is innovation. LBT returns to the Second 20, proving that what goes down can come up.

BDI-40 v ASX200 Jun 30, 2006 to May 31, 2017- Adjusted



VICTORIA GOVERNMENT, CANN GROUP

The Victoria Government says that awarding the first commercial permit to grow marijuana for medical purposes to the Cann Group has launched a new industry.

A media release from the Victoria Minister for Agriculture Jaala Pulford said that Cann had Federal approval for commercial cultivation and the first plants had been transferred from the State Department of Agriculture to Cann.

Last year, the Victoria Government began cultivation of marijuana for paediatric epilepsy (BD: Oct 26, 2015; Aug 16, 2016).

Today the State Government said that commercial scale cultivation of medicinal cannabis by Cann had “the potential to increase the government supply of medicinal cannabis to patients in Victoria”.

“The first commercial permit is a significant step towards a reliable, safe production pipeline for the supply of high quality medicinal cannabis for Victorian patients who need it most,” the Government media release said.

“It is the start of a new Australian medicinal cannabis industry, based in Victoria, that will foster innovation, growth and create jobs,” the Government said.

The Government said that its 2016-'17 Budget provided \$28.5 million to establish the Office of Medicinal Cannabis and the Independent Medical Advisory Committee to map the steps to roll-out medical marijuana which it described as a “life-changing treatment”.

The media release said that the Office of Medicinal Cannabis was responsible for the regulation of medical marijuana clinical and manufacturing operations and the Independent Medical Advisory Committee provided advice to the Government on the types of medicinal cannabis products that should be approved in Victoria.

The Government said the Office was working with medical professionals to help them understand their role in prescribing medicinal marijuana and with patients and families to educate them about medicinal cannabis and eligibility for the scheme.

The Government said Victoria was the first state in Australia to legalize access to medicinal cannabis for patients in exceptional circumstances.

The product being developed will be the first locally produced medicinal cannabis to be legally available in Australia.

Ms Pulford said this week was “the birth of a brand new industry in Australia”.

“While this is ground-breaking for our agricultural scientists, it will be life-changing for patients who need it most,” Ms Pulford said.

Cann chief executive officer Peter Crock said the company was “focused on our first cultivation and expanding our facilities to ensure we can provide medicinal cannabis products to patients across Australia in the shortest possible timeframe”.

“Motivation is not an issue for our team, knowing we can make a difference to so many people in need and to spearhead the development of a whole new industry is a challenge we relish,” Mr Crock said.

Cann was unchanged at 53 cents.

BLUECHIIP

Bluechiip says it hopes to raise up to \$2.53 million through a pro-rata non-renounceable one-for-three rights issue at 2.8 cents a share.

Bluechiip said that the funds would be used to support its partners, build and fund on-going working capital requirements.

The company said the record date would be June 8, the offer would open on June 13 and close on June 30, 2017 and shareholders could apply for shares above their entitlement.

Bluechiip fell 0.1 cents or 3.2 percent to three cents.

CSL

CSL says applications have opened for two Centenary Fellowships, each worth \$1.25 million over five years for discovery and translational research.

CSL said that Australian biomedical researchers could apply for the fellowships for “outstanding mid-career scientists seeking to undertake world-class medical research at an Australian academic institution”.

The company said that as well as paying tribute to its origins, the fellowships aimed “to foster a thriving medical research community by supporting the development of science from bench-top to bedside, a recognized area of need in Australian research”.

CSL research and development director and chief scientific officer Prof Andrew Cuthbertson said that the company was “committed to helping grow the quality of Australian research and our biotech environment generally”.

“These Fellowships are intentionally long term, high value and mid-career,” Prof Cuthbertson said. “We have many brilliant Australians currently building their knowledge in other parts of the world [and] I hope that some of them will see this as an attractive opportunity to come home and undertake their vital medical research here.”

CSL said that two five-year fellowships would be awarded each year, for 10 years, with each award of \$1.25 million paid in annual instalments of \$250,000 to the employing institute.

For more information and to apply go to: www.cslfellowships.com.au.

CSL climbed \$2.03 or 1.6 percent to \$131.32 with 1.5 million shares traded.

CYCLOPHARM

Cyclopharm says it is preparing for two trials as final results of its China trial of Technegas for chronic obstructive pulmonary disease confirm the preliminary results.

Cyclopharm said that the results were published in the International Journal of Chronic Obstructive Pulmonary Disease and indicated that Technegas “delivered outcomes superior to existing diagnostic methods” (BD: Jan 29, 2017).

The company said that it would expand the use of Technegas beyond the diagnosis of pulmonary embolisms to significantly larger applications.

Cyclopharm said that Technegas was sold in 56 countries primarily for the diagnosis of pulmonary embolisms, earning revenue to \$14.4 million last year.

Cyclopharm managing-director James McBrayer said the company was “extremely pleased by the results”.

“The publication of the study is particularly timely in that we intend to promote the results at several upcoming conferences to include the Society of Nuclear Medicine and Molecular Imaging in June, the European Association of Nuclear Medicine in September and the European Respirology Meeting in October,” Mr McBrayer said.

Cyclopharm said that chronic obstructive pulmonary disease was the fourth leading cause of death worldwide and the World Health Organisation predicted it will rise to the third leading cause by 2030.

The company said it was ready to announce recruitment for both its US Food and Drug Administration trial and a pilot trial in Newcastle, New South Wales, which would target the application of Technegas in small airways disease such as asthma and patient response to therapy (BD: Nov 23, 2016).

Cyclopharm said the Newcastle study was estimated to cost about \$600,000 over two years and would be a collaboration with the University of Newcastle, the Hunter Medical Research Institute and John Hunter Hospital.

Cyclopharm was up six cents or 6.4 percent to \$1.00.

ACTINOGEN MEDICAL

Actinogen says its first of seven UK sites has opened at the University of Edinburgh Centre for Dementia Prevention in its trial of Xanamem for Alzheimer's disease.

Actinogen said that the Xanadu trial sites were active for patient recruitment in all three countries Australia, the US and the UK, with 10 of 20 sites open for recruitment.

Last month, Actinogen said it had treated the first patient in its 174-patient Xanadu phase II trial of Xanamem for Alzheimer's disease at the East Gosford, New South Wales-based Central Coast Neurosciences Research site (BD: May 16, 2017).

Actinogen fell 0.2 cents or 2.9 percent to 6.8 cents with 1.1 million shares traded.

IMMURON

Immuron says its proposed Nasdaq listing is on hold for phase II trial results and it has a \$1.5 million related-party loan from Grandbridge.

Immuron said the Nasdaq listing pricing was "not acceptable for shareholders" which brokers said was due to the pending interim analysis inflection point, in early July, for the 134-patient, phase II trial of IMM-124 for non-alcoholic steato-hepatitis (NASH) or fatty liver disease (BD: Apr 6, 2017).

Last month, Immuron said it hoped to raise \$US8,750,007 (\$A11,918,262), through the issue of 416,667 American depository shares (ADSs) at \$US21.00 (\$A28.38) each, to list on the Nasdaq, with each ADS equal to 40 Australian shares, or 71 Australian cents per Australian share, when it was trading at 53.5 cents (BD: May 9, 2017).

The company said that related-party Grandlodge would provide a \$1.5 million loan as a cash advance against its expected 2016-'17 Federal R&D Tax Incentive payment.

Immuron's executive vice-chairman Peter Anastasiou is a director of Grandlodge, which holds 12.93 percent of the company (BD: Dec 8, 2016).

Immuron chairman Dr Roger Aston said it was "a fantastic sign of solidarity to know that our major shareholder is willing to stand behind the board's decision and support the company through the next period to reach our pending significant inflection point".

The company said that the details of the loan were confidential, but were "deemed to be arms' length at commercially applicable market rates".

Immuron was up three cents or six percent to 53 cents.

USCOM

Uscom says it will partner with Sonmedica SA, the Public Health Agency of Catalonia and the Health Campus of the University of Barcelona for lung health care.

Uscom said the Nextcare Digital Health Care Project aimed to deliver personalized home care to patients with chronic disease via a public digital health care framework.

The company said that the pulmonary arm of the Nextcare project was led by University of Barcelona professor of medicine Prof Josep Roca and would use the Uscom Spirosonic Tspiro telemetric ultrasonic spirometers for the home care monitoring of patients with chronic pulmonary disease.

Uscom said that the Spirosonic devices used multi-path ultrasonic technology and were wirelessly connected to the central hospital record keeping systems with the Uscom Spiroreporter digital telephone and internet cloud-based software applications.

The company said that pulmonologists would evaluate the measurements and direct management through mobile phones, by-passing expensive hospital treatment.

Uscom was up 1.5 cents or 8.1 percent to 20 cents.

CRESO PHARMA

Creso says it has a binding letter of intent with the Burgdorf, Switzerland-based Cannapharm AG to supply medical marijuana to the Asia Pacific and Latin America. Creso said the parties would work towards a formal collaboration agreement in which Cannapharm would grant Creso the exclusive rights to import, store, transport, market, distribute, use and sell Cannapharm's medicinal cannabis in Australia, New Zealand, China, Brazil, Chile, Colombia and Mexico.

The company said that the agreement allowed for both parties to expand the exclusivity to include additional countries or regions.

Creso was up 1.5 cents or 3.8 percent to 41 cents.

REVA MEDICAL

All resolutions at the Reva annual general meeting were passed easily, but with 4,181,197 votes (21.94%) withheld against the re-election of chairman Brian Dovey.

Reva said that a further 1,887,687 votes were described as "non-votes" and Mr Dovey was supported in his re-election bid by 14,879,183 votes (78.06%).

The meeting used the US system of voting in which shareholders cannot vote against directors but "withhold" their votes and votes were counted in US shares, rather than Australian Chess depository interests (CDIs).

Most of the other resolutions passed easily with less than one percent dissent against the issue of directors' options over the equivalent of 630,000 Chess depository instruments (CDIs) and 360,000 "restricted" CDIs (BD: May 5, 2017).

The issue of options to Mr Dovey recorded 4,207,581 abstain votes, 28,368 votes against and 14,824,431 votes in favor, with a similar voting pattern for the options for director Gordon Nye.

Reva said it had 42,852,477 US shares on issue meaning that the votes withheld from Mr Dovey amounted to 9.76 percent of the company's total shares on issue.

Reva was unchanged at 88 cents.

NOVOGEN

Novogen says the Nasdaq has issued a notice to comply with the \$US1.00 share bid price rule (BD: Jul 23, 2010; Jul 26, 2011).

Novogen said the Mat 31, 2017 Nasdaq letter said that for the last 30 consecutive business days the bid price of the company's common stock closed below the minimum \$US1.00 per share requirement for continued inclusion on the Nasdaq market.

Novogen said the Nasdaq gave it "a grace period" of 180 calendar days to regain compliance".

The company said that to regain compliance, shares of its common stock must maintain a minimum bid closing price of at least \$US1.00 per share for a minimum of 10 consecutive business days during the grace period.

Novogen said an American Depository Receipt (ADR) represented 25 ASX shares, so the bid price of an ADR on the Nasdaq was five times the ASX share bid price.

The company said it the Nasdaq notification had no effect on its ASX listing.

Novogen fell 0.2 cents or 4.35 percent to 4.4 cents.

[MGC \(MEDICAL GRADE CANNABIS\) PHARMACEUTICALS](#)

MGC has requested a trading halt “pending a material announcement in relation to a material agreement regarding the company’s European operations”.

Trading will resume on June 5, 2017 or on an earlier announcement.

MGC last traded at 4.3 cents.

[PRIMA BIOMED](#)

Prima says it has appointed a new advisory board to provide strategic advice for the clinical development of IMP321 for metastatic breast cancer (BD: Jan 25, 2016).

Prima said the board would advise on the regulatory and clinical development strategy for its active immunotherapy paclitaxel (AIPAC) clinical trial, which was investigating the safety and efficacy of IMP321 immunotherapy in combination with paclitaxel chemotherapy in patients with hormone receptor-positive metastatic breast cancer.

The company said that the board’s initial focus would be on developing IMP321 in metastatic breast cancer, it would also advise on other clinical and pre-clinical programs. Prima said the board would be chaired by the Université Libre de Bruxelles’ Prof Martine Piccart.

The company said that the other board members included the Antwerp, Belgium AZ Sint-Augustinus Hospital’s Dr Luc Dirix, the University of Edinburgh Cancer Research Centre’s Prof David Cameron, the Frankfurt, Germany-based Institute of Clinical Cancer Research’s Prof Salah-Eddin Al-Batran and Dr Samson Fung.

Prima was unchanged at 3.1 cents with 2.1 million shares traded.

[PERRON INSTITUTE FOR NEUROLOGICAL AND TRANSLATIONAL SCIENCE](#)

The Perron Institute for Neurological and Translational Science says it has appointed Prof Alan Robson as its chair, effective May 26, 2017.

The Perth-based Perron Institute said it was previously the Western Australian Neuroscience Research Institute and changed its name in January 2017 following a donation from Stan and Jean Perron.

Perron chief executive officer Steve Arnott said the appointment, name change and research success was “a whole new era and exciting future for the institute”.

The Institute said that Prof Robson was “an advocate of a collaborative approach to research for the greater good”

Perron said that Prof Robson was the current chair of the Western Australia Museum board and previously chair of the group of eight universities and a member of the Western Australian Science Council and the Commonwealth Scientific and Industrial Research Organisation Board.

The Institute said that for 17 years Prof Robson was the University of Western Australia’s vice-chancellor and deputy vice-chancellor, where he recruited Prof Barry Marshall who went on to become a Nobel Laureate and who has collaborated with the Institute in multiple sclerosis research.

Perron said that Prof Robson had influenced graduate students and their subsequent contributions to science and agriculture.

The Institute said that Prof Robson was an internationally regarded scientist who contributed to the prosperity and innovation of Western Australia, had “a passion for science” and supervised numerous doctoral and masters students.

BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION AT MAY 31, 2017

Company \$Am	Jun-16	May-17	Jun-17
Cochlear	6,903	8,033	8,418
CSL	52,961	60,232	58,725
Resmed	11,398	12,972	13,342
BDI-20			
Admedus	73	83	71
Airxpanders	175	242	228
Bionomics	139	166	173
Clinuvel	221	325	326
Compumedics	71	83	68
Ellex	115	129	121
Impedimed	351	272	227
Medical Developments	362	292	278
Mesoblast	753	1,348	903
Nanosonics	713	941	840
Neuren	115	124	116
Opthea	71	183	160
Pharmaxis	84	88	85
Polynovo	154	135	124
Prima	93	67	64
Pro Medicus	486	559	534
Psivida	176	93	121
Reva	478	426	377
Sirtex	1,804	897	692
Viralytics	208	255	265
Second 20			
Acrux	120	46	42
Actinogen	55	55	43
Atcor	26	13	9
Avita	56	56	49
Benitec	15	37	31
Cellmid	25	31	27
Cyclopharm	46	46	56
Dimerix	10	13	15
Factor Therapeutics	25	45	46
Genetic Signatures	34	37	41
ITL Ltd	15	56	52
LBT Innovations	17	45	34
Living Cell	27	77	66
Oncosil	64	59	54
Orthocell	25	31	27
Osprey	38	117	93
Prana	44	34	25
Starpharma	262	273	243
Universal Biosensors	49	79	63
Uscom	21	22	21

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