



Biotech Daily

Tuesday August 1, 2017

Daily news on ASX-listed biotechnology companies

- * **JULY BDI-40 DOWN 4%, ASX200 FLAT, BIG CAPS DOWN 8%**
- ACRUX UP 39%; COMPUMEDICS DOWN 29%
- * **TODAY: ASX UP, BIOTECH DOWN: ATCOR UP 12%, PRIMA DOWN 19%**
- * **BURNET WINS \$16k DISCOVERY AWARD FOR \$13m LONGITUDE PRIZE**
- * **GENETIC TECHNOLOGIES BREVAGENPLUS AWARENESS DISCOUNT**
- * **CELLMID RENEWS CHINA COSMETIC HAIR GROWTH IMPORT PERMITS**
- * **NAOS TAKES 9.3% OF BIOTECH CAPITAL**
- * **DIMERIX CHAIR DR JAMES WILLIAM NON-EXECUTIVE, 37m CEO OPTIONS**
- * **GLENN MCINALLY REPLACES ANTEO CFO PETER HARDING-SMITH**

MARKET REPORT

The Australian stock market was up 0.91 percent on Tuesday August 1, 2017 with the ASX200 up 51.8 points to 5,772.4 points.

Eight of the Biotech Daily Top 40 stocks were up, 19 fell, six traded unchanged and seven were untraded.

Atcor was the best, up 0.5 cents or 11.6 percent to 4.8 cents with 534,021 shares traded.

Cellmid climbed 4.2 percent; Universal Biosensors and Viralytics were up more than three percent; Avita, Compumedics and ITL rose more than two percent; Osprey was up 1.2 percent; with CSL up 0.8 percent.

Prima led the falls, down 0.2 cents or 8.7 percent to 2.1 cents with 10.2 million shares traded, followed by Dimerix down 8.3 percent to 1.1 cents with 8.9 million shares traded.

Polynovo fell five percent; Actinogen, Factor Therapeutics and LBT lost more than three percent; Bionomics, Nanosonics and Opthea shed more than two percent; Clinuvel, Cochlear, Impedimed, Mesoblast, Neuren, Oncosil, Orthocell and Sirtex were down more than one percent; with Ellex, Medical Developments and Pro Medicus down by less than one percent.

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

July was patchy for the Biotech Daily Top 40 Index, which fell 4.3 percent, with most of the Top 20 companies down and most of the Second 20 companies up. Sixteen of the BDI-40 companies were up, 22 fell with two unchanged.

The ASX200 slipped one point or 0.02 percent to 5,721 points in July, while the Nasdaq Biotechnology Index (NBI) improved 2.9 percent.

The three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) fell a collective 8.0 percent in July, with CSL retreating 8.9 percent to \$57,073 million, Cochlear down 8.1 percent to \$8,203 million and Resmed easing 3.8 percent to \$13,696 million. For the year to July 31, the Big Caps improved a collective 6.2 percent.

In the 12 months to July 31, the BDI-40 fell 14.2 percent, nearly all of the fall due to the Sirtex loss of \$886 million or 48.8 percent of its market capitalization, with Impedimed down \$238 million (47.7%) and Nanosonics retreating \$108 million (13.3%).

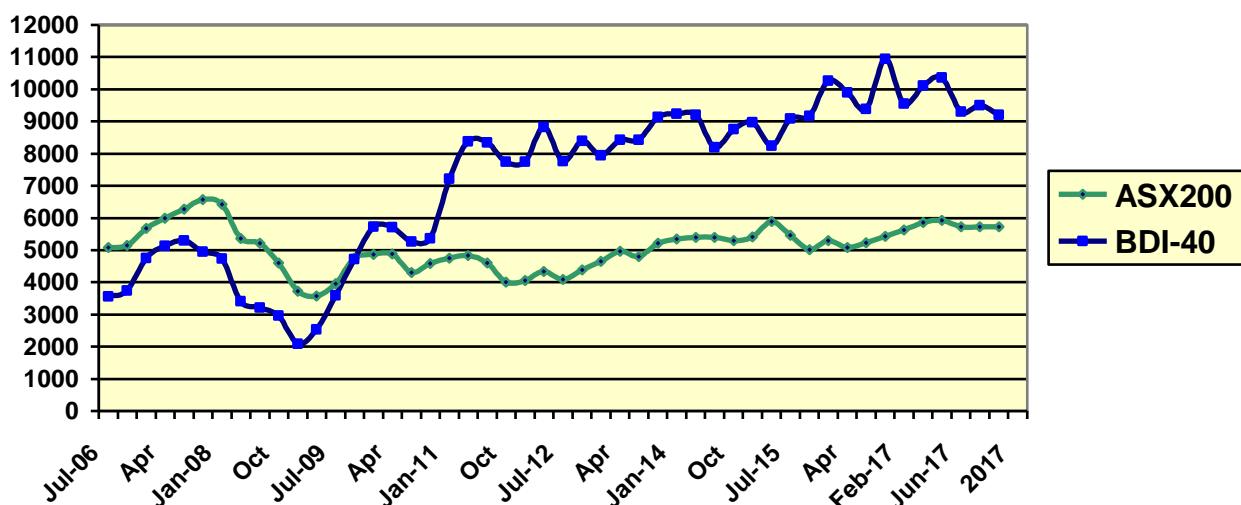
In the same period, the ASX200 was up 2.9 percent and the NBI climbed 10.3 percent.

Last month's 64.7 percent best, Compumedics, led the July falls by percentage, down \$32 million or 28.6 percent to \$80 million, while the biggest dollar fall in market capitalization was Mesoblast down \$132 million (14.8%), with Nanosonics down \$53 million (7.0%). Psivida fell \$26 million or 27.95 percent to \$67 million, its lowest market capitalization since April 2013, followed by Viralytics (16.3%), Mesoblast (14.8%) and Orthocell (14.8%).

Acrux was the best, recovering 38.9 percent to \$50 million, but a long way from its peak of \$723 million in May 2012. Both Atcor and LBT improved 25 percent to \$10 million and \$45 million, respectively, followed by Dimerix (22.2%), Bionomics (15%), Genetic Signatures (15%), Living Cell (12.7%) and Prana (11.1%).

Outside the BDI-40, Volpara reached its highest market capitalization since listing of \$55 million, Medlab Clinical was up 67.9 percent to \$141 million, IQ3 was up 24 percent to \$31 million, while Adherium adhered to its all-time low of \$18 million. In the US, Aviragen (Biota) fell 20.6 percent to \$27 million, Queensland's Protagonist was up 3.6 percent to \$257 million and Israel's Redhill climbed 9.95 percent to \$210 million.

BDI-40 v ASX200 Jul 31, 2006 to Jul 31, 2017- Adjusted



THE BURNET INSTITUTE

The Burnet Institute is one of 13 winners of GBP10,000 (\$A16,486) Longitude Prize discovery awards, to develop an affordable, rapid diagnostic for bacterial infections. The Institute said that its health diagnostics laboratory, led by Prof David Anderson and Mary Garcia won the discovery award to develop a point-of-care test for sepsis from a laboratory-based sepsis assay.

The Burnet Institute said that the awards support contestants' bids for the up-to GBP10 million Longitude Prize run by London innovation foundation the National Endowment for Science Technology and the Arts with the British Government's funding partner Innovate UK, to develop an affordable, rapid, and easy-to-use test to diagnose bacterial infections. The Institute said that the winners of the 13 discovery awards for 2017 were from Australia, Belgium, India, Israel, the Netherlands, the US and UK, and were among 240 teams from 41 countries competing for the prize.

The Longitude website said that antibiotic resistance was "a growing and severe problem which threatens to reverse many of the achievements of modern medicine".

"The British public voted for antibiotics to be the focus of the GBP10 million Longitude Prize [and] the race is now on to develop a new test to detect and understand infections to help ensure the right antibiotics are used at the right time".

The website said that GBP8 million (\$A13.2 million) would be awarded to the competitor that solved the challenge and up to GBP2 million might be used to support promising entries along the journey.

The Longitude Prize website said that 2014 marked the 300th anniversary of the original Longitude Act of 1714, which encouraged innovators to help the British Government find a method for measuring longitude at sea by offering a GBP20,000 prize, eventually won by clockmaker John Harrison.

The Institute said that to win the prize the test was required to be accurate, rapid, affordable, easy-to-use and available to anyone, anywhere in the world, to identify when antibiotics were needed and, if so, which ones to use.

Prof Anderson said his team was "very excited by the potential of our new findings to make a major difference in the ability to diagnose sepsis, first with a laboratory test but now working towards point-of-care".

"Sepsis kills more than eight million people each year worldwide, with a particular burden in new-borns and the elderly and rapid diagnosis can help prevent these deaths while at the same time reducing the inappropriate use of antibiotics, an important step in reducing the spread of antimicrobial resistance," Prof Anderson said.

"The discovery award will help us to finish our initial clinical studies in collaboration with the intensive care unit at the Alfred Hospital and will allow us to begin the transition to a point-of-care version of the test," Prof Anderson said.

Prof Anderson said the discovery award was as valuable for its acknowledgement of his laboratory's efforts to address microbial resistance as for the funding it provided.

"Our work will directly lead to a sensitive point-of-care test for detecting the earliest immune responses to sepsis," Prof Anderson said.

"By having a sensitive and specific test that can detect these early signs, clinicians will be confident to rule out the need for presumptive, broad-spectrum antibiotic use in patients who may present with nothing more than a fever," Prof Anderson said. "This would obviate the overuse of antibiotics while improving the appropriate early treatment of sepsis, saving lives and reducing antibiotic use at the same time."

The Institute said the 2017 discovery awards were funded through a GBP250,000 grant from Merck Inc, known as Merck Sharp and Dohme outside North America.

For more information go to: <https://longitudeprize.org/>.

GENETIC TECHNOLOGIES

Genetic Technologies says it has discounted its Brevagenplus test by 43 percent to \$US199 in a promotional campaign for October's Breast Cancer Awareness Month. Genetic Technologies said that the reduction from the standard list price of \$US349 (\$A434) would continue until the end of October.

In April, the company ended its US reimbursement system, reducing the insured price of the test from \$US2,795 to a direct purchase price of \$US349 (BD: Mar 31, 2017).

Genetic Technologies chief executive officer Eutillio Buccilli said that Breast Cancer Awareness Month was "an important US national program" raising awareness, offering resources and support to patients, along with preventative care education.

Genetic Technologies was up 0.2 cents or 33.3 percent to 0.8 cents with 1.1 million shares traded.

CELLMID

Cellmid says it has renewed China import permits for its Jo-Ju and Lexilis cosmetic hair growth lotions, allowing sales to be resumed.

Cellmid said the previous permits expired in August 2016 and the renewal "was submitted well before the expiry [but] the delay was the result of increasingly strict guidelines by Chinese authorities ...[for] permits, particularly those with therapeutic claims".

Cellmid said that orders on hold could be shipped, negotiations with new distribution channels would resume and the renewed permits were valid until July 2021.

Cellmid was up 0.1 cents or 4.2 percent to 2.5 cents with 4.4 million shares traded.

BIOTECH CAPITAL

Naos Asset Management has increased its substantial shareholding in Biotech Capital from 10,565,022 shares (8.31%) to 11,835,879 shares (9.31%).

The Martin Place, Sydney-based, Naos said it was acting as investment manager for "various trustee companies" and the registered holder was Australian Executor Trustees, but again failed to cite the cost of the 1,270,857 shares acquired on-market, as required under the Corporations Act 2001 (BD: Feb 24, Jun 14, 2017).

Biotech Capital was unchanged at 16.5 cents.

DIMERIX

Dimerix says that co-founder and executive chairman Dr James Williams will step down to non-executive chairman from today, August 1, 2017.

Dimerix said that the transition followed the planned succession of Kathy Harrison from general-manager of operations to chief executive officer (BD: Nov 7, 2016).

The company said Dr Williams' remuneration would be reduced to \$60,000 a year plus superannuation and Ms Harrison would be granted a long term incentive of 36,598,968 options exercisable at two cents each by February 1, 2022.

Dimerix fell 0.1 cents or 8.3 percent to 1.1 cents with 8.9 million shares traded.

ANTEO DIAGNOSTICS

Anteo says Peter Harding-Smith has resigned as chief financial officer and company secretary and will be replaced by McVinish+McInally principal Glenn McInally.

Anteo fell 0.1 cents or 5.3 percent to 1.8 cents with 2.5 million shares traded.

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

Company \$Am	Aug-16	Jul-17	Aug-17
Cochlear	7,593	8,927	8,203
CSL	53,865	62,639	57,073
Resmed	12,914	14,235	13,696
BDI-20			
Admedus	74	68	64
Airxpanders	227	186	201
Bionomics	142	193	222
Clinuvel	236	333	307
Compumedics	70	112	80
Ellex	129	129	131
Impedimed	499	283	261
Medical Developments	347	292	300
Mesoblast	427	890	758
Nanosonics	811	756	703
Neuren	98	122	116
Opthea	97	150	147
Pharmaxis	90	80	85
Polynovo	156	118	113
Prima	85	58	54
Pro Medicus	540	546	534
Psivida	165	93	67
Reva	542	369	329
Sirtex	1,814	938	928
Viralytics	215	233	195
Second 20			
Acrux	122	36	50
Actinogen	44	38	37
Atcor	26	8	10
Avita	61	49	49
Benitec	18	26	28
Cellmid	32	27	26
Cyclopharm	84	56	56
Dimerix	16	18	22
Factor Therapeutics	30	45	47
Genetic Signatures	36	40	46
ITL Ltd	14	50	47
LBT Innovations	24	36	45
Living Cell	38	63	71
Oncosil	63	47	43
Orthocell	24	27	23
Osprey	55	103	111
Prana	52	27	30
Starpharma	242	269	281
Universal Biosensors	51	73	68
Uscom	37	21	20

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