



Biotech Daily

Wednesday November 1, 2017

Daily news on ASX-listed biotechnology companies

- * **OCTOBER BDI-40 UP 7%, ASX200 4%, BIG CAPS 6%; RECORDS FALL**
- NEUREN UP 62%, BENITEC 41%; CELLMID DOWN 15, AVITA 14%
- * **TODAY: ASX UP, BIOTECH EVEN: ACTINOGEN UP 6%;**
- UNIVERSAL BIO DOWN 7%
- * **REVA: NEW THINNER STENT; FANTOM LOW MACE RATE AT 2 YEARS**
- * **PHARMAUST'S EPICHEM WINS 5th WA EXPORTER OF THE YEAR AWARD**
- * **BIOTRON RECEIVES \$1.6m FEDERAL R&D TAX INCENTIVE**
- * **MEDIGARD PLACES \$150k**
- * **ELLEX REQUESTS 'PLACEMENT' TRADING HALT**
- * **SUDA AGM FOR 19m DIRECTOR OPTIONS, NOTES, NAME ADDITION**
- * **MARK KERR TAKES 7% OF PHOSPHAGENICS**
- * **MGC, HL MARIJUANA DEAL: '\$10k PER EPILEPSY PATIENT PER YEAR'**
- * **ZELDA TO RELEASE 111.6m ESCROW SHARES**
- * **BIOSCIENCE MANAGERS APPOINTS THREE DIRECTORS**
- * **RHINOMED LOSES CO SEC JUSTYN STEDWELL, PHILLIP HAINS STAYS**

MARKET REPORT

The Australian stock market climbed 0.49 percent on Wednesday November 1, 2017 with the ASX200 up 28.8 points to 5,937.8 points. Fourteen of the Biotech Daily Top 40 stocks were up, 13 fell, 10 traded unchanged and three were untraded.

Actinogen was the best, up 0.3 cents or 5.8 percent to 5.5 cents with 1.05 million shares traded. Avita, Compumedics and Polynovo climbed more than four percent; Impedimed and Starpharma were up more than three percent; Opthea, Osprey, Psivida and Resmed rose more than two percent; ITL, Pro Medicus and Sirtex were up more than one percent; with CSL, Mesoblast and Viralytics up by less than one percent.

Universal Biosensors led the falls, down 2.5 cents or 7.1 percent to 32.5 cents with 165,860 shares traded. Airxpanders lost 5.3 percent; LBT fell 4.8 percent; Bionomics, Cyclopharm and Pharmaxis were down three percent or more; Admedus, Dimerix, Genetic Signatures, Medical Developments, Nanosonics and Volpara shed more than two percent; Orthocell lost 1.5 percent; with Cochlear down 0.8 percent.

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

The Spring growth continues for the biotechnology sector – and records are tumbling.

Following September's 4.2 percent Biotech Daily Top 40 Index (BDI-40) increase, October provided a further 6.9 percent boost, compared to the ASX200 up 4.0 percent for the month (see charts below).

Twenty-one companies of the BDI-40 (which does not include Cochlear, CSL and Resmed) were up, 17 fell and two were unchanged.

Significantly, 13 companies were up by more than 10 percent, of which five climbed more than 20 percent, with only three falling by more than 10 percent and only one of those, Compumedics, among the BDI-20.

The Old Guard led the charge, with Neuren recovering 62.1 percent to \$248 million, its best since March 2015, followed by Benitec up 41.4 percent from a low base to \$41 million.

Cyclopharm recovered 33.3 percent to \$68 million, followed by Polynovo (30.1%), Medical Developments (22.0%), Oncosil (17.9%), Prana (16.7%), Nanosonics (15.0%), Pro Medicus (13.4%) and Dimerix (13.3%).

But the stand-outs were Cochlear breaking through the \$10 billion mark, along with Nanosonics adding \$117 million to its market cap to \$898 million leading Sirtex at \$788 million and Pro Medicus at \$692 million, with Mesoblast easing 2.6 percent to \$628 million.

Starpharma re-joined the \$500 million club (which it touched in May 2012) up a further \$37 million or 7.9 percent to \$508 million. Well done, Dr Jackie Fairley!

The falls or more than 10 percent were limited to Cellmid down 14.8 percent to \$23 million, Avita down 14.3 percent to \$36 million and Compumedics retreating 13.8 percent to \$56 million.

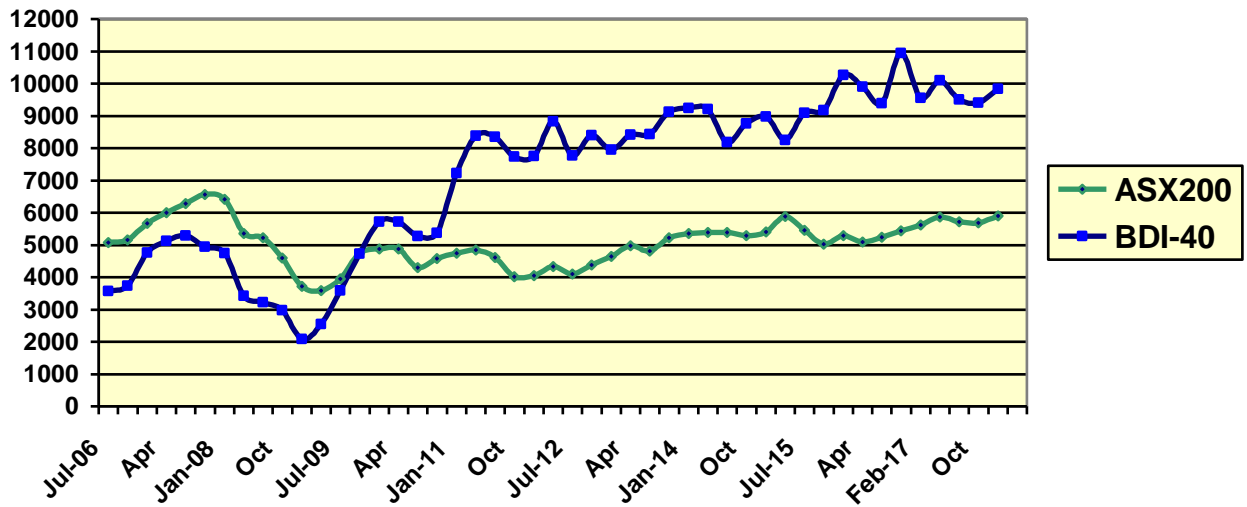
All three Big Caps of Cochlear, CSL and Resmed hit record highs at the end of October, up a collective 5.7 percent in October (and 37.7 percent for the 12 months to October 31), with Resmed up 11.3 percent to \$15,407 million, Cochlear up 10.5 percent to \$10,124 million and CSL up 3.7 percent to \$62,879 million.

Outside the BDI-40, the recently listed Cann Group was up 46.7 percent to \$132 million with Bioxyne, Epat, Imugene and all showing signs of progress.

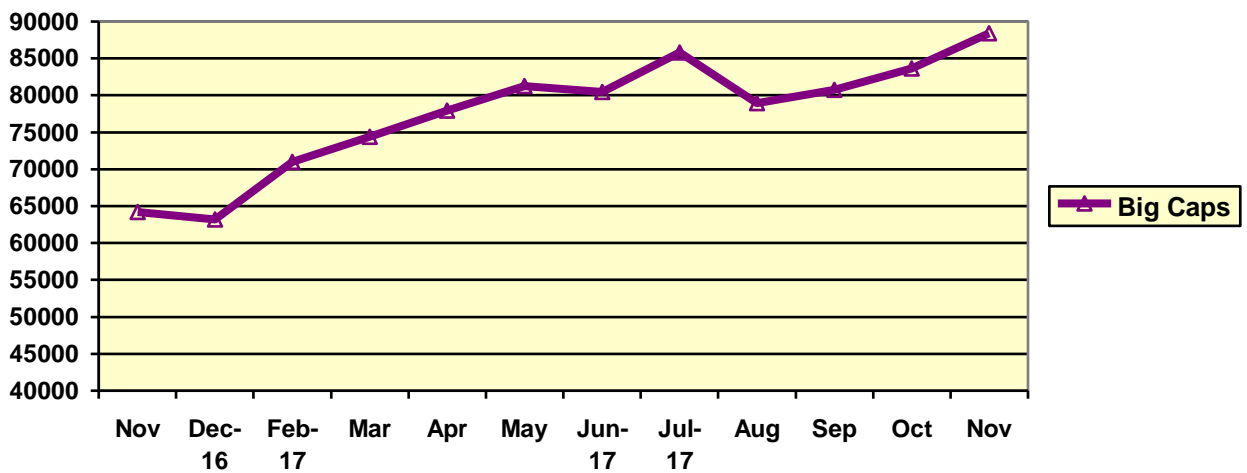
In the US, Aviragen (Biota) was taking its last breaths, down 8.8 percent to \$31 million, Protagonist fell 13.4 percent to \$330 million and Redhill lost 15.6 percent to \$200 million.

The Nasdaq Biotechnology index (NBI) fell 5.8 percent in October but was up 22.6 percent for the 12 months to October 31, 2017, compared to the ASX200 up 11.1 percent for the year and the BDI-40 down 11.9 percent.

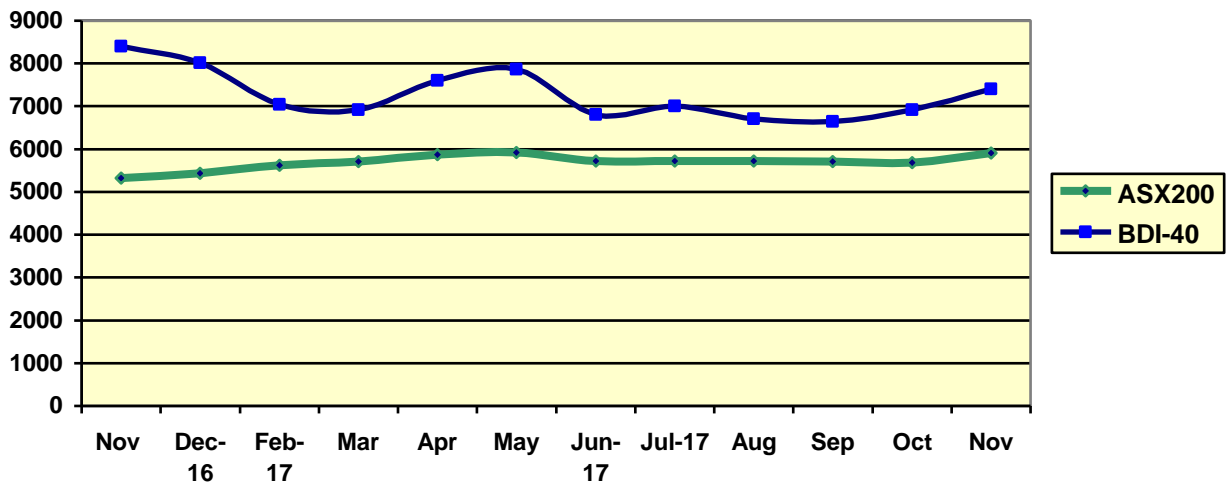
BDI-40 v ASX200 Jun 30, 2006 to October 31, 2017- Adjusted



Big Caps \$m (Cochlear, CSL, Resmed) October 31, 2016 – October 31, 2017



BDI-40 (\$m) v S&P ASX 200 – October 31, 2016 – October 31, 2017



REVA MEDICAL

Reva says it will develop a new thinner cardiac stent, as data from 125 patients shows positive clinical outcomes for its existing Fantom bio-resorbable scaffold at 24 months. In May, Reva said that 12-month data from its 240-patient Fantom stent trial showed “a very low ... rate of major adverse cardiac events” of 4.2 percent and late lumen loss “in the desired range” (BD: May 17, 2017).

Today the company said that the Fantom II trial interim data set was presented at this week’s Transcatheter Therapeutics Conference in Denver, Colorado, by the Sao Paulo, Brazil-based Institute Dante Pazzanese of Cardiology’s Dr Ricardo Costa and the Indianapolis-based Heart Center of Indiana’s Dr James B Hermiller Junior.

Reva said that the 125-patients cohort had a 5.6 percent major adverse cardiac events (MACE) rate “and a single very late scaffold thrombosis event”.

The company said the 24-month outcomes demonstrated Fantom’s safety profile.

Reva said that a 25-patient subset underwent angiographic imaging to determine 24 month late lumen loss, or the difference between the diameter of a stented segment after treatment compared with the follow-up angiogram.

The company said that the final in-scaffold late loss was 0.25mm, which was in the desired range of 0.2mm to 0.4mm, which “historically corresponds with positive long-term outcomes for stents and scaffolds”.

“The low MACE rate and in-scaffold late lumen loss measurement are encouraging as they demonstrate sustained safety and performance of Fantom out to 24 months in this group of patients,” Dr Costa said.

Reva said it had plans for a 95-micron strut thickness scaffold for the Fantom Encore to be made available in 2.5mm, 3.0mm and 3.5mm diameter scaffolds.

Yesterday, Reva said it had received \$US41,000 (\$A53,522) in receipts from customers since the Fantom was launched at the end of June (BD: Jun 28, 2017).

Reva was untraded at 70 cents.

PHARMAUST

Pharmaust says its synthetic and medicinal chemistry subsidiary Epicem has won the Western Australia exporter of the year award for the fifth time.

Pharmaust said Epicem also won the health and biotechnology award and was a finalist in the Australian export awards to be held in December.

The company said the awards were coordinated by the Western Australia Department of Jobs, Tourism, Science and Innovation and managed by the Export Council of Australia.

Epicem chief executive officer Dr Wayne Best said the exporter award recognized “the hard work and dedication from our outstanding team”.

“We’re particularly pleased with this year’s award as it recognizes the strong revenue growth we’ve achieved following the strategic decision to invest significant capital into the company,” Dr Best said.

Pharmaust was up 0.1 cents or two percent to 5.2 cents.

BIOTRON

Biotron says it has received \$1,621,653 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Biotron said that the incentive refund resulted from expenditure on its anti-viral drug development program for the year to June 30, 2017.

Biotron was up 0.2 cents or 7.7 percent to 2.8 cents with 2.5 million shares traded.

MEDIGARD

Medigard says it has commitments to raise \$150,000 through a private placement to a sophisticated investor and two directors at 1.75 cents a share.

Medigard said that director Don Channer committed to subscribe for 3,428,571 shares and director Chris Bishop committed to subscribe for 2,285,714 shares pending shareholder approval.

The company said the funds would be used for working capital.

Medigard was untraded at one cent.

ELLEX MEDICAL LASERS

Ellex has requested a trading halt "pending an announcement by Ellex in relation to a placement".

Trading will resume on November 3, 2017 or on an earlier announcement.

Ellex last traded at \$1.14.

SUDA

Suda will vote to issue directors Stephen Carter, Joseph Ohayon and Michael Stewart 19,000,000 options and change the company name to Suda Pharmaceuticals.

Suda said that the annual general meeting would vote to issue 7,500,000 options each to Mr Carter and Mr Stewart and 4,000,000 options for Mr Ohayon.

The company said that the options would be exercisable at 145 percent of the 5-day volume-weighted average price to the day when the board accepts an application for the options and expire three years from that date.

Suda said the options would vest pending increases of market capitalisation with each 25 percent linked to 25 percent vesting, as well as in three annual tranches, pending employment with the company.

The company said the meeting would vote on the remuneration report and to re-elect Mr Ohayon, as well as to ratify the prior issue of 75,000,000 shares, 10,000,000 options to RM Capital, the repricing of 1,140,000 convertible notes, the prior issue of 292,500 convertible notes, the prior issue of 1,566,868 shares in payment of interest on convertible notes and the issue of 150,000 convertible notes each to Kamala Holdings (related to Mr Michael Stewart) and Chelsea Investments (related to Mr Ryan Stewart), 200,000 notes to Zerrin Investments (related to Mr Justin Stewart), 50,000 notes to Pearlcove Investments (related to Mr Carter) and 20,000 notes to Mr Ohayon, as well as the adoption of the employee share option plan and a tax exempt plan.

The meeting will be held at the Boulevard Centre, 99 The Boulevard, Floreat, Western Australia on November 28, 2017 at 10.30am (AWST).

Suda was unchanged at 1.6 cents with 1.8 million shares traded.

PHOSPHAGENICS

Mark Kerr says that through associated companies he has become a substantial shareholder in Phosphagenics with the acquisition of 109,083,634 shares (7.341%).

The Melbourne-based Mr Kerr said the associates were Lindmark Inv Staff Superannuation Fund with Linda Kerr, Berkeley Consultants and Paradyce.

Mr Kerr said that the group acquired the shares between June 30 and October 31, 2017 at 1.5 cents a share.

Phosphagenics fell 0.1 cents or 6.25 percent to 1.5 cents with 2.6 million shares traded.

MGC (MEDICAL GRADE CANNABIS) PHARMACEUTICALS

MGC says HL Pharma will distribute its oral liquid Cannepil adult cannabis epilepsy product in Australia from early 2018, earning \$1 million from 100 patients. In February, MMJ Phytotech said that HL Pharma was its distributor (BD: Feb 28, 2017). Today, MGC said it would leverage its relationship with Epilepsy Action Australia to build an Australian patient market for the product through authorized prescribing doctors. The company said it had links with five doctors who had an interest in prescribing the product, which would provide access to a starting a pool of more than 50 patients. MGC said that about 25,000 people were diagnosed with epilepsy each year, with up to 240,000 Australians living with epilepsy and Cannepil was targeting drug-resistant epilepsy, which accounted for about 30 percent of all epilepsy cases. MGC said it expected to generate \$1 million in 2018 from fewer than 100 patients, implying a cost of \$10,000 a year per patient, with Cannepil to be sold as a 50ml bottle containing 100mg/mL of cannabidiol and cannabinoids at a retail price of "under \$800" which was "significantly lower than the current competing product on the market". The company said that HL Pharma would be responsible for approvals and marketing. MGC was up 0.3 cents or 4.4 percent to 7.1 cents with 61.9 million shares traded.

ZELDA THERAPEUTICS

Zelda says 111,625,156 shares will be released from escrow on November 16, 2017. Zelda's most recent Appendix 3B new issue announcement said the company had 418,841,934 shares available for trading, with the release it would have 530,467,090 shares available for trading with a further 224,375,844 shares in escrow. Zelda was unchanged at 7.4 cents with 2.2 million shares traded.

BIOSCIENCE MANAGERS

Bioscience Managers says it has appointed Dr Michael Perry, Dennis Purcell and Nicole Vitullo as directors.

Bioscience Managers said Avita chief executive officer Dr Perry was previously a Novartis chief scientific officer and a former partner with the San Francisco-based Bay City Capital. Bioscience Managers said that Mr Purcell was a founder and former senior managing partner of Aisling Capital and remains an adviser to the company.

The company said Ms Vitullo was a partner with venture capital group Domain Associates and had experience in public and private investment, as well as liquidation strategies.

Bioscience Managers managing-director Jeremy Curnock Cook the three new directors brought "a wealth of scientific, business and investment experience from a variety of senior roles, including as board members and executives with major pharmaceutical and bioscience companies".

Bioscience Managers said the three joined existing board members Mr Curnock Cook, Matt McNamara and Alan Caine.

RHINOMED

Rhinomed says that Justyn Stedwell has resigned as joint company secretary, effective immediately.

Rhinomed said it thanked Mr Stedwell for his services over the past six years.

The company said that Phillip Hains would continue as company secretary.

Rhinomed fell two cents or 10.8 percent to 16.5 cents.

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

Company \$Am	Nov-16	Oct-17	Nov-17
Cochlear	7,347	9,161	10,124
CSL	45,825	60,628	62,879
Resmed	11,028	13,848	15,407
BDI-20			
Admedus	91	66	60
Airxpanders	284	223	216
Bionomics	183	229	219
Clinuvel	403	321	334
Compumedics	152	65	56
Ellex	143	132	138
Impedimed	610	299	276
Medical Developments	311	305	372
Mesoblast	468	645	628
Nanosonics	1,033	781	898
Neuren	77	153	248
Opthea	113	144	137
Pharmaxis	86	85	85
Polynovo	174	166	216
Prima	75	59	66
Pro Medicus	510	610	692
Psivida	99	61	61
Reva	551	307	289
Sirtex	1,610	771	788
Viralytics	269	195	184
Second 20			
Acrux	57	24	27
Actinogen	23	35	32
Avita	86	42	36
Benitec	19	29	41
Cellmid	31	27	23
Cyclopharm	70	51	68
Dimerix	15	15	17
Factor Therapeutics	48	41	37
Genetic Signatures	54	40	39
ITL Health	22	38	40
LBT Innovations	60	45	44
Living Cell	40	103	114
Oncosil	49	56	66
Orthocell	29	23	24
Osprey	108	143	132
Prana	37	30	35
Starpharma	269	471	508
Universal Biosensors	58	65	62
Uscom	27	19	20
Volpara	45	60	62

* Biotech Daily editor, David Langsam, owns shares in Acrux, 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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