



Biotech Daily

Thursday February 1, 2018

Daily news on ASX-listed biotechnology companies

- * JANUARY BDI-40 UP 4%, ASX200 DOWN 0.4%, BIG CAPS UP 5%, NBI UP 7%
- * TODAY: ASX, BIOTECH UP: UNIVERSAL BIOSENSORS UP 18%; ONCOSIL DOWN 6%
- * FLOREY DEVELOPS ALZHEIMER'S BLOOD TEST FOR CLINICAL TRIALS
- * US SURGEONS BACK POLYNOVO NOVOSORB AT HAWAII CONFERENCE
- * CE MARK FOR VISIONEERING LENSES
- * SLOVAKIA APPROVES MEDICAL DEVELOPMENTS PENTHROX
- * ACRUX, ELI LILLY Q2 SALES REVENUE \$9m
- * MMJ: HARVEST ONE CLOSSES \$41m PLACEMENT
- * QUEENSLAND, ACT APPROVE MEDLAB MARIJUANA DRUG SALES
- * EOC PAYS IMMUTEP \$1m MILESTONE
- * PRESCIENT RECEIVES \$1m FEDERAL R&D TAX INCENTIVE
- * SUDA H1 RECEIPTS UP 15% TO \$4m
- * NUHEARA H1 RECEIPTS \$1.7m
- * HYDROPONICS 2017 RECEIPTS \$1.6m
- * RACE HAS LESS THAN TWO QUARTERS CASH
- * REVA RECEIPTS UP 142% TO \$123k
- * BOTANIX REQUESTS 'CAPITAL RAISING' TRADING HALT
- * FMR TAKES 8% OF NANOSONICS
- * CONSONANCE TAKES PROFIT TO BELOW 5% OF SIRTEX

MARKET REPORT

The Australian stock market climbed 0.87 percent on Thursday February 1, 2018 with the ASX200 up 52.4 points to 6,090.1 points. Twenty-two of the Biotech Daily Top 40 stocks were up, 10 fell, seven traded unchanged and one was untraded.

Universal Biosensors was the best, up five cents or 18.2 percent to 32.5 cents with 140,629 shares traded. Avita and Polynovo climbed more than 10 percent; Cyclopharm was up 9.2 percent; Actinogen, Uscom and Volpara were up more than seven percent; Osprey improved 6.35 percent; Neuren rose 5.4 percent; Mesoblast and Orthocell were up more than four percent; Compumedics, Medical Developments and Telix were up more than three percent; with LBT up 2.6 percent.

Oncosil led the falls, down one cent or 6.1 percent to 15.5 cents with 2.1 million shares traded. Admedus and Dimerix fell four percent; Acrux lost three percent; with Factor Therapeutics and Psivida down more than two percent.

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

Taking a bet on the three Big Caps of Cochlear, CSL and Resmed (which are not included in the Biotech Daily Top 40 Index) 12 months ago would have returned smart investors a 32.5 percent gain, and that's not including dividends.

The BDI-40 wasn't too shabby in the 12-month period either, up 20.6 percent compared to the ASX200's 7.4 percent with the Nasdaq Biotechnology Index (NBI) up 23.3 percent.

In January, the BDI-40 improved 4.4 percent, the Big Caps were up a collective 5.2 percent and the NBI rose 6.9 percent, while the ASX200 fell 0.4 percent.

The BDI-40 saw small falls and rises in January, but was saved by Sirtex jumping \$610 million, with Clinuvel, Medical Developments and Starpharma at record levels.

Seventeen of the BDI-40 companies were up, 22 fell and two were unchanged.

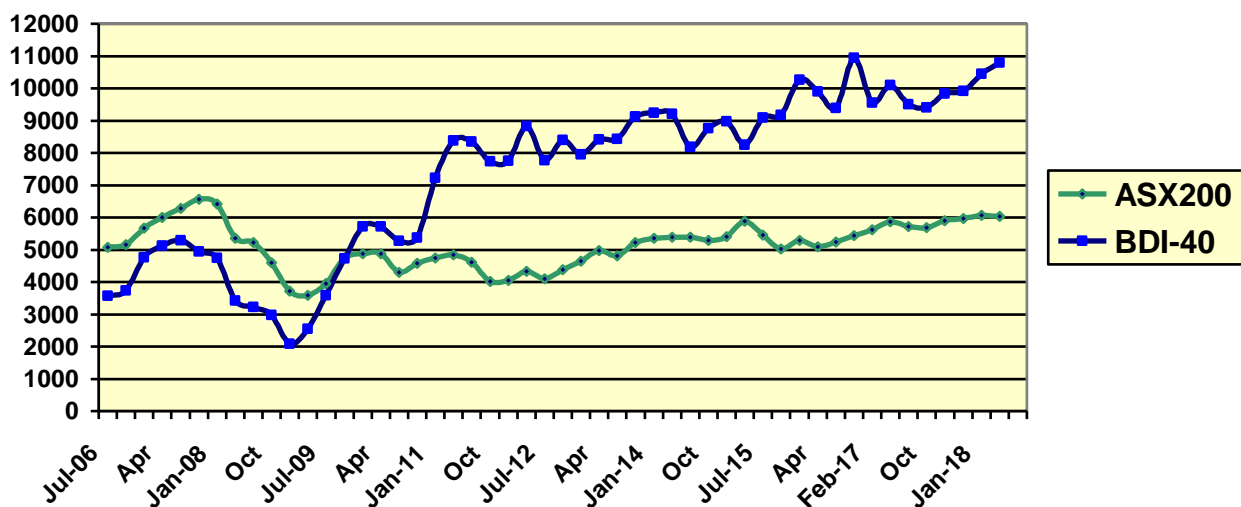
Sirtex was the best, up 66.2 percent on the Varian \$1.6 billion bid, followed by Dimerix up 25 percent from a low base to \$15 million, Viralytics (17.5%), Starpharma (16.1%), Benitec (14.6%), Clinuvel (8.7%) and Medical Developments (6.9%).

Reva led the falls, down 28.6 percent to \$200 million, followed by Prana (23.7%), Osprey (23.0%), ITL (22.7%), Impedimed (21.4%), Factor Therapeutics (18.9%) and Admedus.

Both CSL and Resmed hit record market capitalizations with Cochlear slightly below its previous all-time high, with Resmed up 14.0 percent to \$17,819 million, CSL up 3.6 percent to \$66,221 million and Cochlear up 1.5 percent to \$9,997 million.

The 15 Cannabis Corner companies climbed 31.7 percent to \$1,575 million with Cann up 21.7 percent to \$331 million, Medlab up 23.4 percent for the month and 123.1 percent for the year, Botanix up 116.0 percent in January to \$54 million and Auscann up 119.4 percent to \$226 million in the month. In the US, Protagonist was up 6.6 percent to a record \$581 million, Redhill recovered 17.1 percent and Aviragen held steady at \$28 million.

BDI-40 v ASX200 Jun 30, 2006 to January 31, 2018- Adjusted



FLOREY INSTITUTE OF NEUROSCIENCE AND MENTAL HEALTH

The Florey Institute says it has co-developed a blood test for Alzheimer's disease which could assist in screening patients for more effective drug trials.

The Florey said that its Prof Colin Masters co-led the research with Japanese National Centre for Geriatrics and Gerontology Research Institute director-general Prof Katsuhiko Yanagisawa,

Florey neuroscience communicator Dr Tom Keeble told Biotech Daily that the test was 90 percent accurate in predicting the onset of Alzheimer's disease up to 20 years before clinical symptoms emerged.

Dr Keeble said that many Alzheimer's disease clinical trials were believed to have failed because patients were enrolled too late for disease-modifying drugs.

"It is hoped to be effective as a screening tool for clinical trial enrolments," Dr Keeble said.

A Florey media release said that the blood test measured a specific peptide with 90 percent accuracy if a patient had the earliest stages of Alzheimer's disease.

The Institute said that blood samples from patients in a large study from the Japanese National Centre for Geriatrics and Gerontology were initially analyzed to identify the relevant peptides and those indicating brain beta-amyloid burden were then tested against patient samples from the Australian Imaging, Biomarker and Lifestyle Study of Aging (AIBL) to validate the results.

The Florey said that current tests for beta-amyloid included brain scans with costly radioactive tracers or analyzing cerebrospinal fluid taken by a lumbar puncture, which were expensive and invasive procedures and generally available in a research setting, only.

The Institute said that a diagnosis was usually made without these tools, by assessing a patient's range of symptoms.

The Florey said that Shimadzu Corp's Dr Koichi Tanaka was "instrumental in developing the initial blood testing procedure" and had won the Nobel prize in Chemistry in 2002 for the technique.

"From a tiny blood sample, our method can measure several amyloid-related proteins, even though their concentration is extremely low," Dr Tanaka said.

"We found that the ratio of these proteins was an accurate surrogate for brain amyloid burden," Dr Tanaka said.

The research article, entitled 'High performance plasma amyloid-beta biomarkers for Alzheimer's disease' was published in Nature, with an abstract available at

<https://www.nature.com/articles/nature25456>.

Prof Yanagisawa said the study showed "the high accuracy, reliability and reproducibility of this blood test, as it was successfully validated in two independent large datasets from Japan and Australia".

Prof Masters said the test had "the potential to eventually disrupt the expensive and invasive scanning and spinal fluid technologies".

"In the first instance, however, it will be an invaluable tool in increasing the speed of screening potential patients for new drug trials," Prof Masters said.

"Progress in developing new therapeutic strategies for Alzheimer's disease has been disappointingly slow," Prof Masters said.

"None of the three drugs currently on the market treat the underlying disease," Prof Masters said.

"New drugs are urgently required, and the only way to do that is to speed up the whole process," Prof Masters said.

"That requires trials with rigorous and economical patient selection, to avoid recruiting patients who may not even have Alzheimer's disease," Prof Masters said.

POLYNOVO

Polynovo says that for the first time US burns surgeons have presented case studies supporting the use of Novosorb biodegradable temporizing matrix (BTM).

Polynovo said that four presentations were made at the Boswick Burn and Wound The company said it was “an important milestone ... with US surgeons sharing their clinical experience with peers for the first time”.

The company said that the University of Tennessee’s Dr Bill Hickerson presented case studies that included the use of Novosorb BTM in the reconstruction of a woman’s entire face, the repair of deep fungal infection, the treatment of an extensive diabetic foot ulcer and the reconstruction of post road trauma.

Polynovo said that Baton Rouge Hospital’s Dr Tracy Short presented the outcomes of the use of Novosorb BTM for the reconstruction after necrotizing fasciitis, scar revision, trauma and burns and “highlighted the robust nature of Novosorb BTM and the outstanding cosmetic and functional outcomes”.

The company said that Lehigh Valley Hospital’s Dr Hamed Amani presented on limb salvage, diabetic foot ulcers, electrical burn and flame burn, saying that “in all of these cases the outcomes were outstanding”.

Polynovo said that Dr Amani was expecting Novosorb BTM “to fail in the limb salvage case due to the poor state of the wound bed and the underlying condition of the patient and yet the Novosorb BTM worked and the patient retained his leg and is walking today”.

The company said that Royal Adelaide Hospital’s Dr Marcus Wagstaff presented on his experience with Novosorb BTM over a range of applications including over tendons, bone, radiation burns, necrotizing fasciitis, trauma reconstruction and burns.

Polynovo chief executive officer Paul Brennan said that “to have surgeons of this calibre presenting such a wide variety of clinical applications demonstrates the robust nature of Novosorb BTM compared with biologic products”.

Polynovo was up five cents or 10.4 percent to 53 cents with 2.1 million shares traded.

VISIONEERING TECHNOLOGIES

Visioneering says it has received Conformité Européenne (CE) mark for its portfolio of contact lenses.

Visioneering said the CE mark included an indication for its Naturalvue Multifocal contact lens which employed an “extended depth-of-focus design to address known optical risk factors associated with myopia progression”.

The company said that the Naturalvalue multifocal lens design allowed it to be used for both myopic progression control and presbyopia, or age-related loss of close-up vision.

Visioneering chief executive officer Dr Stephen Snowdy said the company was “thrilled to have achieved the CE mark for [its] contact lenses”.

Dr Snowdy said that Visioneering was now “poised to expand [its] product availability internationally in 2018, including some Asian countries, where up to 90 percent of children are burdened with myopia”.

Visioneering was up three cents or 5.8 percent to 55 cents.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says that Slovakia’s State Institute for Drug Control has approved the sale of its Pentrox inhaled methoxyflurane analgesic.

Medical Developments was up 30 cents or 3.9 percent to \$7.95.

[ACRUX](#)

Acrux says Eli Lilly's Axiron sales revenue was \$US7.5 million (\$A9.3 million) for the three months to December 31, 2017.

US sales of Acrux's Axiron testosterone replacement effectively ended last year, when Acrux announced that it and Eli Lilly and Co had agreed to terminate their licencing agreement (BD: Sep 6, 2017).

Acrux chief executive officer Michael Kotsanis told Biotech Daily at that time that a US Food and Drug Administration-required trial would have cost "hundreds of millions of dollars" and sales had fallen since July 5, 2017, when generic versions of Axiron appeared on the market.

Acrux fell half a cent or three percent to 16 cents.

[MMJ PHYTOTECH](#)

MMJ says that 48 percent Canadian subsidiary Harvest One Capital has closed its \$C40,250,000 (\$A40,620,300) placement at \$C1.82 a unit.

In January, MMJ said that Harvest One would increase its \$C25,000,500 placement to \$C35,000,000 "due to strong investor demand" (BD: Feb 23, 2017).

Today the company said that each unit consisted of one share and one warrant exercisable at \$C2.30 by January 31, 2020.

MMJ said that the units were bought through a syndicate of underwriters led by Mackie Research Capital Corp, including Haywood Securities and Eight Capital.

The company said the proceeds would be used to expand its facilities as well as for working capital and general corporate purposes.

MMJ fell half a cent or one percent to 50.5 cents with 1.1 million shares traded.

[MEDLAB CLINICAL](#)

Medlab says it has confirmation from the Queensland and Australian Capital Territory Health Departments to supply or sell its marijuana-based products.

Medlab chief executive officer Sean Hall said that Medlab was "well-positioned to have Nanabis ready for commercialization under the Government's special access scheme at the end of February, 2018".

Medlab fell six cents or 6.25 percent to 90 cents with 2.1 million shares traded.

[IMMUTEP \(FORMERLY PRIMA BIOMED\)](#)

Immutep says it has received a US\$1 million (A\$1,241,850) milestone payment from the its Shanghai, China-based partner EOC Pharma.

Immutep said the milestone payment related to the clinical development of efitlagimod alpha, or IMP321, in China and the granting of EOC's investigational new drug application in China.

Immutep chief executive officer Marc Voigt said Immutep was "very pleased with the recent progress EOC Pharma has made in China".

"Given the recent regulatory reform, we are optimistic about efitlagimod's navigation of the Chinese Food and Drug Administration's regulatory pathway and its clinical development," Mr Voigt said.

Immutep was unchanged at 2.3 cents with 4.9 million shares traded.

[PRESCIENT THERAPEUTICS](#)

Prescient says it has received \$1,058,021 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Prescient said the rebate related to research and development expenditure for the year to research and development expenditure for the year to June 30, 2017.

Prescient was unchanged at 6.6 cents.

[SUDA PHARMACEUTICALS](#)

Suda says that customer receipts for the six months to December 31, 2017 were up 14.5 percent to \$3,989,000 compared to previous corresponding period.

Suda said that the revenue primarily came from its subsidiary company, Westcoast Surgical and Medical Supplies.

The company said it had cash and cash equivalents of \$625,000 at December 31, 2017, with an expected cash outflow for the coming three months of \$2,184,000.

Suda chief executive officer Stephen Carter said that the company was “working towards multiple potential partnering deals this year as well as managing [its] existing alliance partners”.

Mr Carter said that the company was “conscious of [its] cash position and [was] evaluating several opportunities that focus on non-dilutive funding to strengthen the balance sheet”.

Suda fell 0.1 cents or 6.25 percent to 1.5 cents with 2.8 million shares traded.

[NUHEARA](#)

Nuheara says that inaugural customer receipts for the six months to December 31, 2017 amounted to \$1,713,000.

Nuheara said that receipts for the three months to December 31, 2017 were down 1.7 percent to \$849,000 compared to \$864,000 for the three months to September 30, 2017.

The company said it had cash and cash equivalents of \$5,635,000 at December 31, 2017, and expected cash outflow for the coming three months to be \$4,550,000.

Nuheara chief executive officer Justin Miller told Biotech Daily that with the expected receipts for the coming period the company would have sufficient cash.

Nuheara was unchanged at 6.2 cents with 19.8 million shares traded.

[THE HYDROPONICS COMPANY](#)

Hydroponics says that receipts from Canada subsidiary Crystal Mountain customers for the 12 months to December 31, 2017 was \$1,603,000.

Hydroponics chief executive officer David Radford told Biotech Daily that Crystal Mountain sold marijuana growing and harvesting equipment.

Hydroponics said it had cash and cash equivalents of \$7,465,000 at December 31, 2017, with an expected cash outflow for the coming three months of \$1,094,000.

The company listed on the ASX in May 2017 (BD: May 22, 2017).

Hydroponics was unchanged at 82.5 cents.

RACE ONCOLOGY

Race says its net operating cash burn for the three months to December 31, 2017 was \$1,188,000 with cash at the end of the quarter of \$1,634,000.

Race said it expected to spend \$1,207,000 in the three months to March 31, 2018.

Last week, the company said it had received a Federal Government Research and Development Tax Incentive of \$170,262 (BD: Jan 24, 2018).

Race was up half a cent or 1.1 percent to 45.5 cents.

REVA MEDICAL

Reva says that customer receipts for the three months to December 31, 2017 were up 141.5 percent to \$US99,000 (\$122,984) compared to previous three months.

Reva began sales of its Fantom bioresorbable stent in June last year, posting sales to September 30, 2017 of \$US41,000 (BD: Jun 28, 2017).

The company said it had cash and cash equivalents of \$US18,544,000 at December 31, 2017, with an expected outflow for the coming three months of \$US5,200,000.

Reva was unchanged at 48.5 cents.

BOTANIX

Botanix has requested a trading halt pending "an announcement regarding a capital raising".

Trading will resume on February 5, 2018 or on an earlier announcement.

Botanix last traded at 14 cents.

NANOSONICS

Fidelity Management and Research (FMR) says it has increased its shareholding in Nanosonics from 21,063,360 shares (7.04%) to 24,102,232 shares (8.05%).

The Japan-based FMR said it bought and sold shares between September 21, 2017 and January 29, 2018, at prices ranging from \$2.51 to \$3.01.

Nanosonics was up two cents or 0.7 percent to \$2.85 with 615,895 shares traded.

SIRTEX MEDICAL

Consonance Capital Management says it has reduced below five percent in Sirtex taking profit following the Varian \$1.6 billion offer for the company (BD: Jan 30, 31, 2018).

Consonance said it bought 191,955 shares for \$2,625,827 or \$13.68 a share between October 10 and December 15, 2017 and yesterday sold 2,146,125 shares for \$58,884,165 or \$27.44 a share.

Last year, Consonance increased its holding in Sirtex buying shares at \$14.25 a share.

The New York-based Consonance said that Goldman Sachs was a registered holder of the shares with Mitchell Blutt, Kevin Livingston and Benny Soffer as associated holders.

Sirtex was up five cents or 0.2 percent to \$27.50 with 6.9 million shares traded.

BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION AT JAN 31, 2018

Company \$Am	Feb-17	Jan-18	Feb-18
Cochlear	7,188	9,854	9,997
CSL	51,144	63,906	66,221
Resmed	12,646	15,635	17,819
BDI-20			
Airxpanders	232	209	193
Bionomics	164	186	181
Clinuvel	384	391	425
Compumedics	117	74	74
Ellex	157	138	135
Impedimed	281	384	302
Medical Developments	304	423	452
Mesoblast	647	687	634
Nanosonics	857	829	847
Neuren	131	318	292
Opthea	135	141	127
Pharmaxis	91	82	86
Polynovo	155	340	314
Immutep (Prima)	73	53	55
Pro Medicus	508	901	833
Psivida	80	67	68
Reva	430	280	200
Sirtex	830	921	1,531
Telix	21	120	111
Viralytics	257	166	195
Second 20			
Acrux	52	25	27
Actinogen	35	29	31
Admedus	88	75	64
Avita	73	64	57
Benitec	20	41	47
Cyclopharm	57	65	63
Dimerix	13	12	15
Factor Therapeutics	46	37	30
Genetic Signatures	42	33	33
ITL Health	39	44	34
LBT Innovations	47	28	29
Oncosil	47	76	80
Optiscan	20	43	41
Orthocell	33	27	28
Osprey	113	139	107
Prana	30	38	29
Starpharma	278	504	585
Universal Biosensors	59	53	48
Uscom	28	29	28
Volpara	49	66	67

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