



Biotech Daily

Thursday March 1, 2018

Daily news on ASX-listed biotechnology companies

- * FEBRUARY BDI-40 UP 4.5%, ASX200 DOWN 0.3%, BIG CAPS BREAK \$100b
- * TODAY: ASX, BIOTECH DOWN: MESOBLAST UP 9%; REVA DOWN 8%
- * BIOXYNE TELLS ASX: INTERNATIONAL BOARD DELAYED NEWS
- * INVION PLEADS SCHULTZ, RIGHTS ISSUE TO ASX 100% QUERY
- * PARADIGM: 50% OA PAIN REDUCTION WITH PPS
- * MAYNE LAUNCHES 10mg METHYLPHENIDATE FOR ADHD IN US
- * HYDROPONICS \$1.8m INAUGURAL REVENUE, \$2.6m INAUGURAL LOSS
- * PHARMAUST REVENUE UP 1% TO \$1.7m, LOSS UP 261% TO \$1.5m
- * BRAIN H1 REVENUE DOWN 17% TO \$1m, LOSS UP 39% TO \$12m
- * TELIX APPOINTS ODILE JAUME AS EUROPEAN COO
- * CANN APPOINTS NEIL BELOT DIRECTOR

MARKET REPORT

The Australian stock market fell 0.71 percent on Thursday March 1, 2018 with the ASX200 down 42.7 points to 5,973.3 points. Fourteen of the Biotech Daily Top 40 stocks were up, 18 fell, six traded unchanged and two were untraded. All three Big Caps fell.

Mesoblast was the best, up 16.5 cents or 9.3 percent to \$1.945 with 3.8 million shares traded. Admedus climbed 5.9 percent; Cyclopharm was up 4.2 percent; Osprey, Starpharma and Uscom were up more than three percent; Factor Therapeutics and LBT rose more than two percent; Nanosonics, Opthea, Polynovo, Prana and Pro Medicus were up one percent or more; with Viralytics up 0.9 percent.

Reva led the falls, down 3.5 cents or 8.2 percent to 39 cents with 47,982 shares traded. Actinogen lost 5.9 percent; Airxpanders fell 4.1 percent; Impedimed, Medical Developments, Oncosil and Universal Biosensors were down more than three percent; Benitec, Immutep (Prima), Optiscan and Volpara shed more than two percent; Avita, Cochlear, CSL, Ellex, Pharmaxis and Psivida were down more than one percent; with Clinuvel, Neuren, Resmed and Sirtex down by less than one percent.

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

The collective market capitalization of the three Big Caps of Cochlear, CSL and Resmed has broken through the \$100 billion mark for the first time.

In February, CSL added \$7,576 million or 11.4 percent - on yet another excellent half-year report - to take its market capitalization to \$73,797 million, with Cochlear up 5.9 percent to \$10,583 million.

The Big Caps (which are not included in the BDI-40) improved 37.0 percent in the 12 months to February 28, but Resmed slipped 1.4 percent from last month's record high to \$17,576 million.

The Biotech Daily Top 40 Index (BDI-40) was almost as good over the 12-months to February 28 - up 28.4 percent compared to the ASX200 up 5.3 percent, with the Nasdaq Biotechnology Index (NBI) up 9.4 percent (see charts below).

For the month of February, the BDI-40 improved 4.5 percent, the Big Caps were up 8.4 percent and the NBI fell 5.3 percent, while the ASX200 slipped 0.3 percent.

February saw a plethora of small rises and falls, but Viralytics added \$266 million to the index following last week's \$502 million Merck acquisition, and Mesoblast improved \$208 million on positive data from its trial of MSC-100-IV or, remestencel-I, for graft versus host disease on the same day (BD: Feb 22, 2018).

Eighteen of the BDI-40 companies were up, 18 fell and four were unchanged.

Viralytics was the best, up 136.4 percent to \$461 million, followed by Uscom up 35.7 percent to \$38 million, Mesoblast (32.8%), Actinogen (22.6%), Neuren (18.2%), Pharmaxis (17.4%), Bionomics (14.4%) and Dimerix (13.3%).

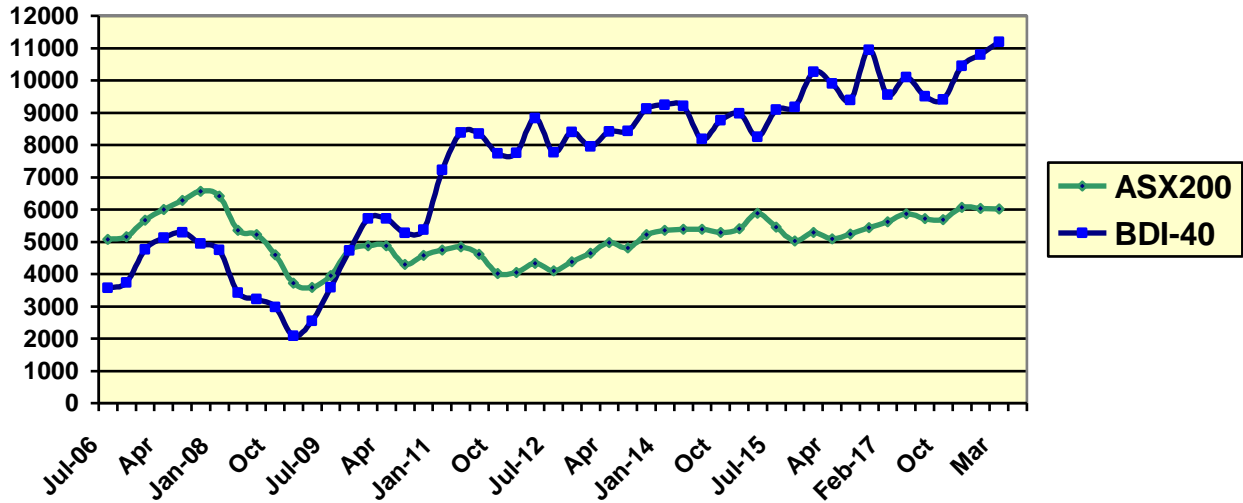
Airxpanders led the falls, down 26.9 percent to \$141 million, followed by Benitec (14.9%), ITL (14.7%), Compumedics (13.5%), Reva (12.5%), Oncosil (11.25%), Ellex (11.1%), Starpharma (8.5%) and Nanosonics (6.4%).

Outside the BDI-40, Cynata and Patrys have made serious progress, up 28.4 percent to \$104 million and 115.8 percent to \$41 million, respectively, with strong share price improvements for Bioxyne, Botanix, Invion, Invitrocue, Medlab Clinical and Noxopharm

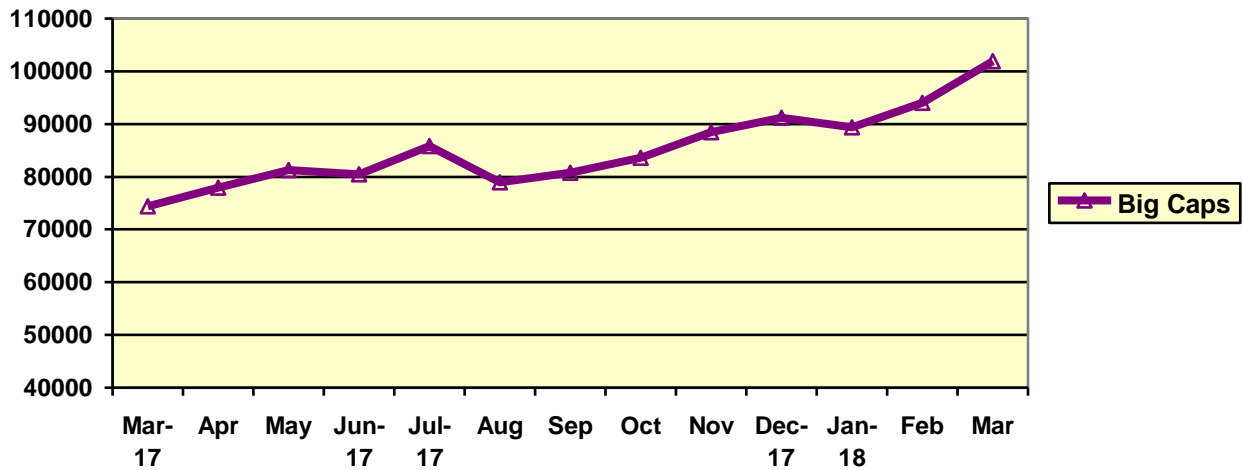
The 15 companies in Cannabis Corner fell 9.3 percent in February to \$1,428 million, with Tasmanian Poppy Industries down 35.2 percent to \$118 million.

In the US, Queensland's Protagonist retreated 23.1 percent from last month's record high of \$581 million to \$447 million, with Israel's Redhill up 7.9 percent to \$177 million, while Vaxart, which is half-held by Aviragen (formerly Melbourne's Biota) shareholders, was down a further 10.7 percent to \$25 million.

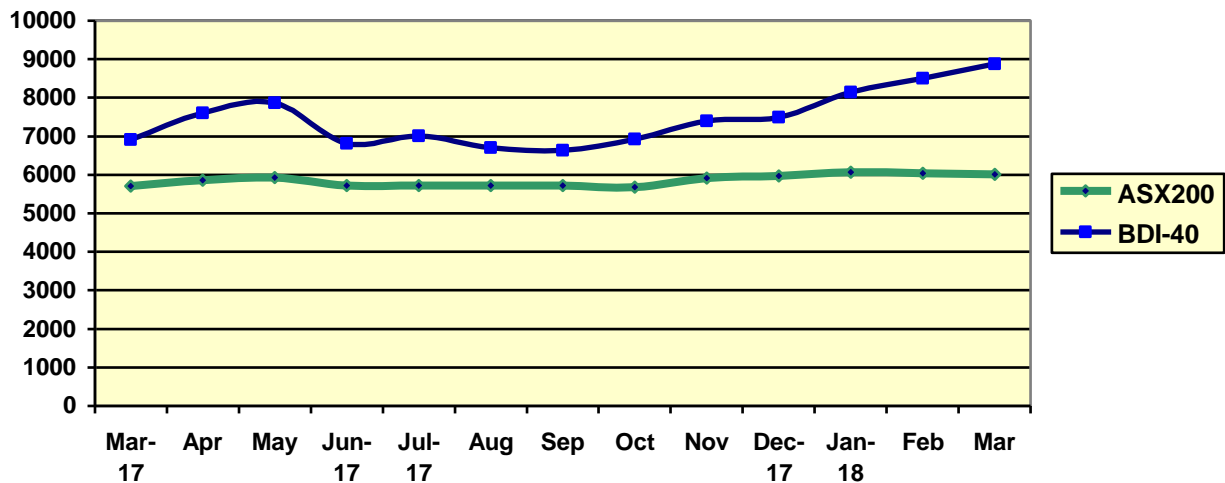
BDI-40 v ASX200 Jun 30, 2006 to February 28, 2018- Adjusted



Big Caps \$m (Cochlear, CSL, Resmed) February 28, 2017 – February 28, 2018



BDI-40 (\$m) v S&P ASX 200 – February 28, 2017 - February 28, 2018



BIOXYNE

Bioxyne has told the ASX that the location of its directors delayed the announcement of a Malaysian order for 10,000 cans of its Mymana milk and honey product.

Bioxyne told the ASX that it first became aware of the Malaysian registration of Mymana on January 29 with the first order on February 20, 2018.

Last week, Bioxyne said it had Malaysian registration approval for Mymana and expected to ship 10,000 cans by June 30, 2018 and was also applying for a Chinese import licence for the product (BD: Feb 26, 2018).

An ASX 'aware' query noted that Bioxyne's share price climbed 27.7 percent from the February 23 closing price 9.7 cents to an intraday high of 12 cents on February 26, 2018, before closing at 9.1 cents on higher than normal volumes during that period.

The ASX asked when Bioxyne first became aware of the registration approval for Mymana in Malaysia and the company said the Malaysian registration was received on January 29 with the first order received on February 20, 2018.

The ASX asked if Bioxyne became aware of the information before February 26, did it "make any announcement prior to February 26, 2018 which disclosed the information ... [and] if not, please explain why this information was not released to the market at an earlier time?"

Bioxyne said that on January 16 in an announcement entitled 'Additional New Products Launched for Direct Sales' the managing-director Nam Hoat Chua said "we have a number of new products in development ... [and] an exciting new product for the China market is at registration stage in Asia and is scheduled to be launched by March 31, 2018".

Bioxyne said the reference to Asia was intended to cover both China and Malaysia.

The company said that until the order was received, it relied on Listing Rule 3.1A.1 which said: "The information comprises matters of supposition or is insufficiently definite to warrant disclosure".

Bioxyne said the supposition was that not all newly registered products will result in sales. The company said that the order was coupled with the registration and an announcement was drafted and circulated to the board for review, but the directors were dispersed, in New Zealand, Malaysia and Australia, so it was finalized between February 21 and 23 and released on Monday February 26, 2018.

Bioxyne was up 0.2 cents or 2.4 percent to 8.6 cents with 1.3 million shares traded.

INVION

Invion has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose 100.0 percent from 1.1 cents on February 28 to 2.2 cents today, March 1, 2018 and noted a "significant increase" in the volume of the company's shares traded.

Invion said that "aside from information that is in the public domain - including that an underwritten rights issue entitlement offer is currently underway, the closure of which [was] due on March 8, 2018, will complete the strategic transaction that the shareholders of Invion approved at the 2017 [annual general meeting] - the company does not have any other explanation for the recent trading of its securities.

Invion was up 0.4 cents or 36.4 percent to 1.5 cents with 121.8 million shares traded.

PARADIGM BIOPHARMACEUTICALS

Paradigm says that 45 knee osteoarthritis patients treated with injected pentosan polysulfate sodium self-reported a 50 percent reduction in pain scores.

Paradigm said that of the 45 patients treated with its injectable pentosan polysulfate sodium (PPS) for knee osteoarthritis and bone marrow lesions, or bone bruising, 38 reported reductions in joint pain and improvements in knee function.

The company said that it reported results for 24 of the patients in October 2017 with an additional 21 patients treated between November 2017 and February 2018.

Paradigm said the 45 patients had a similar treatment regimen to the 100-patients being recruited to its phase IIb, randomized, double-blind, placebo-controlled trial of pentosan polysulfate sodium for knee osteoarthritis and bone marrow lesions (BD: Oct 30, 2017).

Paradigm chief executive officer Paul Rennie said that because the 45 patients had “a very similar treatment regimen ... and these patients have failed current therapies to treat [osteoarthritis], we remain confident of a positive clinical trial outcome, with the expected release of top line results for that trial due [by the end of] 2018”.

Paradigm was unchanged at 30 cents.

MAYNE PHARMA

Mayne Pharma says it has launched methylphenidate extended-release 10mg capsules in the US.

Mayne said that methylphenidate extended release capsules, marketed as Ritalin, and indicated for attention deficit hyperactivity disorder.

The company said the launch of its 10mg methylphenidate extended release capsules complemented its existing methylphenidate product range that included 20mg, 30mg, 40mg and 60mg strengths.

Mayne chief executive officer Scott Richards said “this will be the first generic alternative of the 10mg dose strength, providing more choices to patients in terms of medication affordability”.

Mr Richards said that Mayne Pharma “directly markets more than 55 products and has a growing pipeline of more than 30 products targeting US markets with sales greater than \$US5 billion”.

The company said that US brand sales of methylphenidate 10mg capsules were about \$US20 million for the 12 months to December 31, 2017.

Mayne was unchanged at 73 cents with 5.6 million shares traded.

THE HYDROPONICS COMPANY

Hydroponics says its inaugural revenue for the six months to December 31, 2017 was \$1,843,991 with a net loss after tax of \$2,565,164.

Hydroponics raised \$8,000,000 at 20 cents a share in an initial public offer and listed on the ASX on May 4, 2017 (BD: May 22, 2017)

The company said its net tangible assets per share was 12.0 cents at December 31, 2017.

Hydroponics said that it had a diluted loss per share of 3.09 cents and held cash and cash equivalents of \$11,037,689.

Hydroponics fell 4.5 cents or 5.8 percent to 72.5 cents.

PHARMAUST

Pharmaust says revenue for the six months to December 31, 2017 was up 1.3 percent to \$1,662,945 with a net loss after tax up 261.0 percent to \$1,496,443.

Pharmaust said that the majority of its income came from its Epichem synthetic and medicinal chemistry division.

The company said its net tangible assets per share fell 17.4 percent to 2.37 cents, with diluted loss per share up 116.3 percent to 0.93 cents, and cash and cash equivalents of \$2,945,646 at December 31, 2017 compared to \$2,683,713 at December 31, 2016.

Pharmaust fell 0.3 cents or 5.3 percent to 5.4 cents.

BRAIN RESOURCE

Brain says revenue for the six months to December 31, 2017 was down 17.2 percent to \$1,060,866 with a net loss after tax up 39.0 percent to \$12,107,028.

Brain said that revenue was down due to exiting non-core business with Mybrainsolutions making up \$617,000 of revenue for the period to December 31, 2017.

Brain said its net tangible asset per share fell 40.6 percent to 6.0 cents and diluted loss per share increased 7.38 percent to 6.26 cents., with cash and cash equivalents of \$8,860,657 at December 31, 2017 compared to \$983,677 at December 31, 2016.

Brain fell 0.1 cents or 1.8 percent to 5.5 cents.

TELIX PHARMACEUTICALS

Telix says it has appointed Odile Jaume as chief operating officer of its European operations.

Telix said it had European Union and UK entities as part of its intellectual property management, clinical operations and manufacturing activities and was conducting clinical research activities in Europe supporting its TLX-250 and TLX-101 trials.

The company said that Ms Jaume previously held product management, marketing and commercial roles at Molecubes, Siemens, CTI Molecular Imaging and IBA.

Telix said that Ms Jaume held a Master of Science from the Louvain-la-Neuve, Belgium-based Université Catholique de Louvain and a Master of Business Administration from the University of Chicago.

Telix was unchanged at 54 cents.

CANN GROUP

Cann says it has appointed Neil Belot as a director.

In its notice of annual general meeting in October 2017, Cann said Mr Belot was the business development officer of Aurora Cannabis, which held 19.9 percent of Cann.

Cann said that Mr Belot had also been the chief brand officer at Aurora, responsible for strategic and operational oversight of sales, marketing, client and stakeholder relations, digital technology and business development.

The company said that prior to Aurora, Mr Belot was an executive director of the Canadian Medical Cannabis Industry Association.

Cann said that Mr Belot held a Bachelor of Business Administration from the Nova Scotia, Canada-based Acadia University and a Masters of Business Administration in Finance and International Exchange from Nova Scotia, Canada-based Dalhousie University and the Denmark-based Copenhagen Business School.

Cann fell nine cents or 2.95 percent to \$2.96.

BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION AT FEB 28, 2018

Company \$Am	Mar-17	Feb-18	Mar-18
Cochlear	7,497	9,997	10,583
CSL	53,676	66,221	73,797
Resmed	13,255	17,819	17,576
BDI-20			
Airxpanders	213	193	141
Bionomics	195	181	207
Clinuvel	321	425	417
Compumedics	78	74	64
Ellex	154	135	120
Impedimed	285	302	287
Medical Developments	273	452	459
Mesoblast	667	634	842
Nanosonics	854	847	793
Neuren	122	292	345
Opthea	134	127	127
Pharmaxis	91	86	101
Polynovo	163	314	330
Immutep (Prima)	68	55	54
Pro Medicus	469	833	857
Psivida	80	68	64
Reva	436	200	175
Sirtex	920	1,531	1,539
Telix	21	111	107
Viralytics	219	195	461
Second 20			
Acrux	47	27	27
Actinogen	36	31	38
Admedus	88	64	65
Avita	70	57	61
Benitec	33	47	40
Cyclopharm	50	63	66
Dimerix	13	15	17
Factor Therapeutics	49	30	31
Genetic Signatures	38	33	31
ITL Health	45	34	29
LBT Innovations	37	29	29
Oncosil	40	80	71
Optiscan	20	41	37
Orthocell	32	28	26
Osprey	106	107	100
Prana	27	29	29
Starpharma	260	585	535
Universal Biosensors	68	48	52
Uscom	25	28	38
Volpara	37	67	69

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