



# Biotech Daily

Tuesday May 1, 2018

*Daily news on ASX-listed biotechnology companies*

- \* APRIL BDI-40 DOWN 1.4%, ASX200 UP 4%, BIG CAPS UP 8%, NBI DOWN 3%
- \* TODAY: ASX, BIOTECH UP: DIMERIX UP 9.5%; ADMEDUS DOWN 8%
- \* COMPUMEDICS \$3m CHINA DEAL
- \* PRO MEDICUS \$1.4m, 5-YEAR VISAGE DEAL WITH I-MED
- \* ORTHOCELL BONE REPAIR '26% BETTER THAN COMPARATIVE'
- \* SUDA TO MEET WITH HC BERLIN
- \* GENETIC TECHNOLOGIES, MELBOURNE UNI \$478k BREAST CANCER GRANT
- \* CLINUVEL TO TAKE 100% OF SINGAPORE VALLAURIX
- \* ADHERIUM, VITALUS FOR COPD SMARTINHALER USE
- \* MEDIBIO CORPORATE MENTAL HEALTH APPLICATION LAUNCH
- \* FMR TAKES 9% OF NANOSONICS
- \* FIL REDUCES TO 9% OF CLINUVEL
- \* AIRXPANDERS 1.3m DIRECTORS OPTIONS AGM
- \* LORRAINE CHIROIU TO REPLACE AUSBIOTECH CEO GLENN CROSS
- \* ADMEDUS APPOINTS MICHAEL OSWELL DEVELOPMENT HEAD
- \* BIOXYNE APPOINTS PETER HUGHES-HALLETT DIRECTOR
- \* COGSTATE: COO GEORGE HUNNEWELL 'CONCLUDED'

## MARKET REPORT

The Australian stock market was up 0.54 percent on Tuesday May 1, 2018 with the ASX200 up 32.5 points to 6,015.2 points. Seventeen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and two were untraded. All three Big Caps fell.

Dimerix was the best, up one cent or 9.5 percent to 11.5 cents with 262,532 shares traded. Orthocell climbed 7.9 percent; Bionomics and Uscom improved more than four percent; Actinogen, Compumedics, Optiscan, Prana, Prescient and Pro Medicus rose more than two percent; ITL, Medical Developments, Mesoblast and Nanosonics were up more than one percent; with Neuren, Sirtex and Viralytics up by less than one percent.

Admedus led the falls, down three cents or 7.9 percent to 35 cents with one million shares traded. Impedimed and Osprey lost more than six percent; Avita, Benitec and Reva were down more than five percent; Immutep, Telix and Volpara fell more than four percent; Airxpanders, Clinuvel and Oncosil shed more than three percent; with Cynata, Polynovo and Starpharma down more than one percent.

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

April was as weird as Melbourne's weather.

The BDI-40 slipped 1.4 percent for the month but was up 8.6 for the year to April 30, 2018; the ASX200 was up 3.9 percent for the month, but improved just 1.0 percent for the year; while the three Big Caps of Cochlear, CSL and Resmed rose 8.0 percent for the month and 30.9 percent for the year.

The Nasdaq Biotechnology Index (NBI) was down 2.95 percent for the month and up 4.5 percent for the year (see charts below).

Psivida departed the Biotech Daily Top 40 Index (BDI-40) with an 84.9 percent bang, a raft of big companies had small falls and all three Big Caps hit new record highs.

The collective market capitalization of Cochlear, CSL and Resmed (which are not included in the BDI-40) again exceeded \$100 billion, with CSL up 9.6 percent to \$77,071 million, Cochlear up 6.85 percent to \$11,168 million and Resmed up 2.6 percent to \$18,119 million.

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

Psivida was the best, closing its ASX journey up 84.9 percent to \$135 million, followed by Volpara up 42.6 percent to \$97 million, Genetic Signatures (32.0%), Admedus (22.8%), Clinuvel (18.6%), Immutep (15.9%) and Factor Therapeutics (13.8%).

Two seemingly well-run US-based device companies led the falls: Airxpanders tumbled 65.6 percent to \$42 million on the departure of chief executive officer Scott Dodson and a 582.5 percent increase in revenue to \$US1,754,000 for the three months to March 31, 2018, compared to March 31, 2017 but down \$US35 million compared to December 31, 2017; and Osprey fell 45.4 percent to \$53 million despite claiming its 14<sup>th</sup> consecutive quarter of revenue growth.

Ellex fell 27.4 percent to \$90 million, followed by Impedimed (24.8%), Universal Biosensors (18.75%), ITL (18.5%), Uscom (12.5%), Opthea (12.3%) and Dimerix (11.1%).

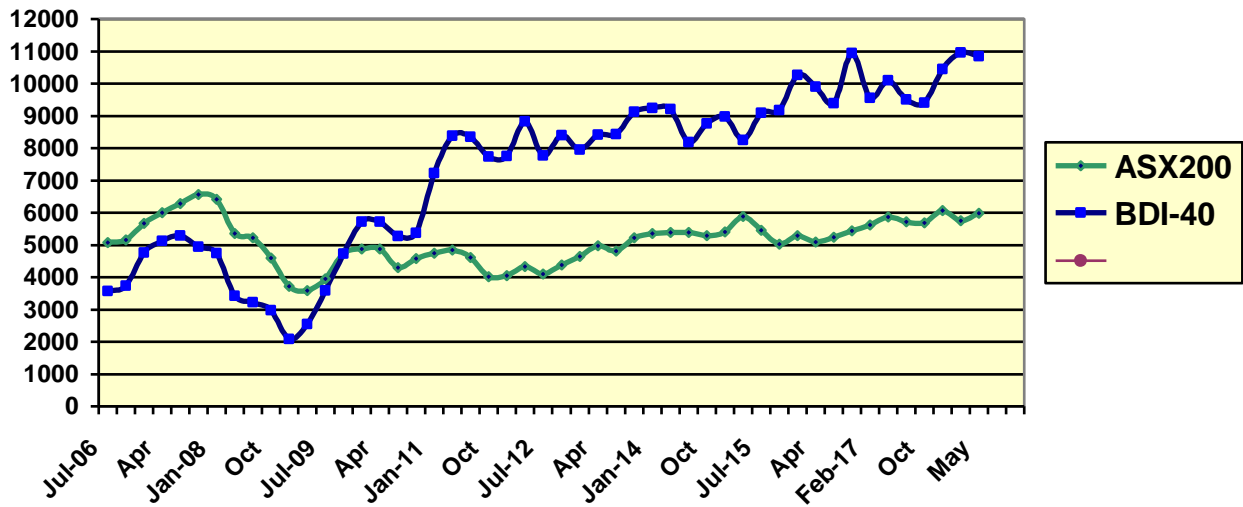
The 16 companies in Cannabis Corner rose a collective 10.3 percent to \$1,634 million, with Cann Group up a further 20.1 percent to \$382 million on rumors of a takeover offer from 22.9 percent owner Aurora Cannabis.

In the US, Queensland's Protagonist recovered 3.0 percent to \$243 million, Vaxart (half Biota) fell 49.0 percent to \$25 million and Redhill fell 4.2 percent to \$137 million.

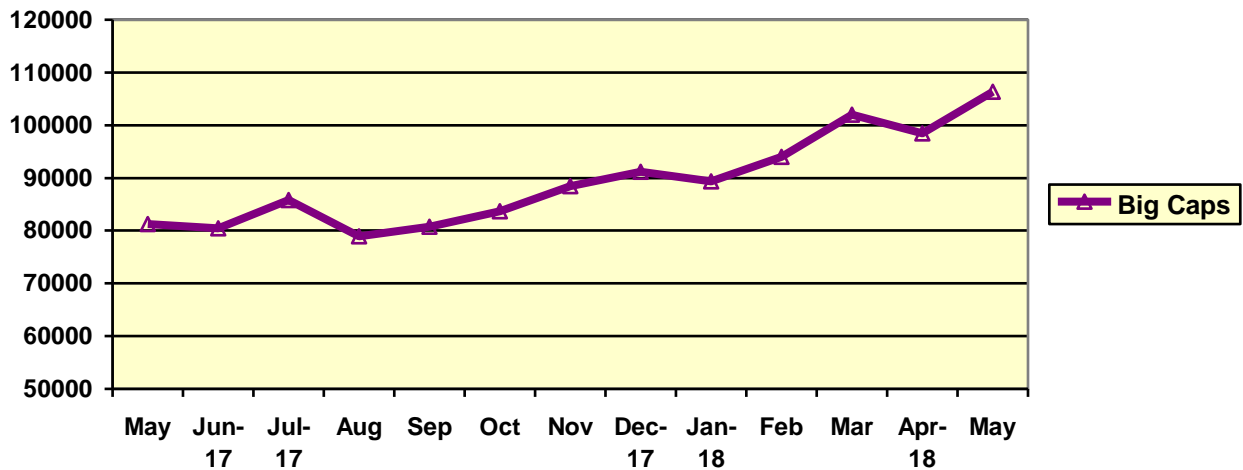
Outside the BDI-40, Invitroque, Nuheara, Probiotec and several others consolidated gains.

With Psivida's departure and the demotion of Acrux, which is effectively back to the drawing board following the closure of its lead program, Cyclopharm has been promoted into the BDI-20, with Cynata and Prescient promoted into the BDI-40. There will be further changes when Sirtex and Viralytics depart the ASX, expected on May 28 and June 20, respectively.

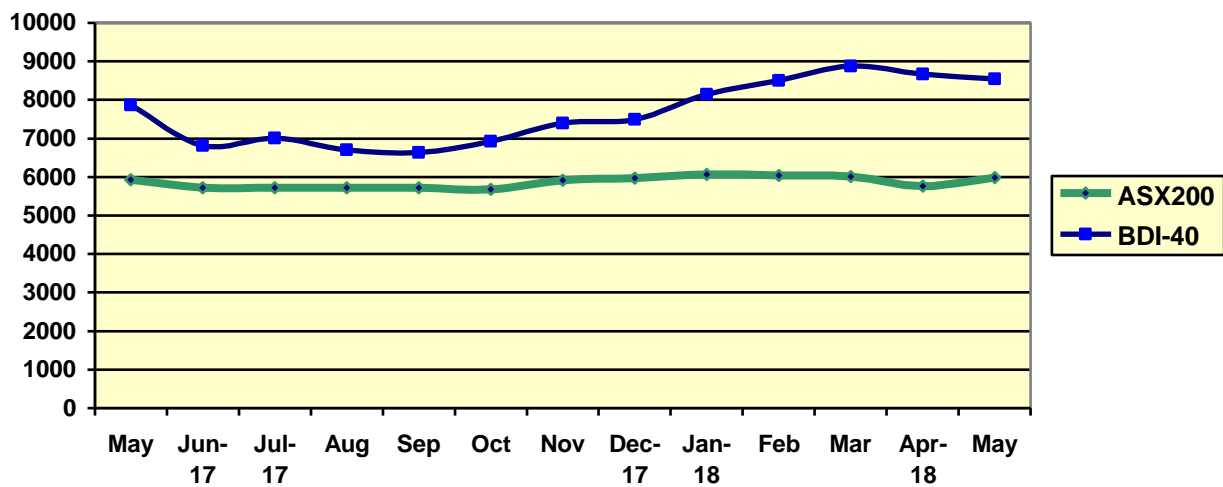
**BDI-40 v ASX200 June 30, 2006 to April 30, 2018- Adjusted**



**Big Caps \$m (Cochlear, CSL, Resmed) April 30, 2017 – April 30, 2018**



**BDI-40 (\$m) v S&P ASX 200 – April 30, 2017 - April 30, 2018**



## COMPUMEDICS

Compumedics says its German-based DWL business has a 12-month \$2.9 million sleep diagnostics and brain monitoring order from its China distributor.

Compumedics said the order would result in a 15 percent increase in sales from last year. Compumedics chief executive officer Dr David Burton said his company “has a significant presence in China and has spent almost two decades with our Chinese partners, building a foundation for future growth in one of the world’s most challenging but highest growth markets”.

“Compumedics continues to be the number one premium supplier of sleep diagnostic and neurological research systems in China and is carving out a similar position in transcranial doppler sonography systems,” Dr Burton said.

Compumedics was up one cent or 2.6 percent to 39.5 cents.

## PRO MEDICUS

Pro Medicus says it has signed a five-year agreement with I-med Radiology to adopt the Visage radiology information system in all its practices, worth \$1.4 million a year.

Pro Medicus said that I-med would transition its regional imaging and Queensland practices to Visage over the next 12 months, as well as extend its existing Visage contract for Victoria, New South Wales and the Australian Capital Territory for a further five years. Pro Medicus chief executive officer Dr Sam Hupert said “I-med is the largest diagnostic imaging provider in Australia and with this deal we further cement our position as leaders in the Australian [radiology information system] market”.

Pro Medicus was up 17 cents or 2.1 percent to \$8.17.

## ORTHOCELL

Orthocell says its 10-patient dental implant study shows an 18 to 26 percent higher quality bone regeneration than previously published data, with no side-effects.

Orthocell said the study, by its chief scientific officer Prof Ming Hao Zhen and Dr Brent Allen, trialled the company’s Celgro collagen medical device in dental guided bone regeneration, and involved a two-stage implant procedure on 16 implant sites.

The company said the newly formed bone tissue quality was assessed on a scale of zero to six, up to six months post-treatment and showed that the newly formed bone from Celgro was superior to those reported from two separate studies of the current market leader in guided bone regeneration, Biogide.

Orthocell was up 2.5 cents or 7.9 percent to 34 cents.

## SUDA PHARMACEUTICALS

Suda says it will meet with HC Berlin Pharma’s receiver to discuss a satisfactory outcome to the long-running dispute between the parties.

In 2016, Suda said it had rejected a \$6.15 million statement of claim in relation to a lawsuit against HC Berlin Pharma AG (BD: Jun 3, 2016).

Today, Suda said that executive chairman Stephen Carter and former chairman and now-consultant Michael Stewart intended to fly to Germany next week to undertake the discussions.

Last week, the company said a German court had dismissed its appeal regarding a judgement in its case against HC Berlin Pharma AG (BD: Mar 29, 2018).

Suda was unchanged at 1.3 cents.

## GENETIC TECHNOLOGIES

Genetic Technologies says a \$478,000 National Health and Medical Research Council Partnership Grant will improve breast cancer risk prediction and patient access.

Genetic Technologies said that the grant was to the University of Melbourne Centre for Epidemiology and Biostatistics' Prof John Hopper with the company's scientific director Dr Richard Allman a co-investigator on the study.

The company has been attempting to commercialize the Brevagen and Brevagenplus breast cancer diagnostic.

Today Genetic Technologies said there was a "growing acceptance of [single nucleotide polymorphism]-based risk assessment both within the medical and scientific communities".

The company said that one commercial barrier was clinical validity and the research program would inform strategies for wider-scale community adoption.

Genetic Technologies said that under the collaboration it would have the right of first refusal to commercialize any new scientific discoveries.

Genetic Technologies was unchanged at 1.1 cents with 3.3 million shares traded.

## CLINUVEL PHARMACEUTICALS

Clinuvel says it will own 100 percent of its 2014 joint venture Vallaurix, after acquiring Biotech Lab Singapore's 18 percent holding.

Clinuvel said it would issue 33,559 shares, equivalent to \$360,000 (\$A359,668) or \$10.727 a share, for Biotech Lab Singapore's 18 percent equity stake in Vallaurix.

In 2014, the company said it held a majority interest in the partnership but did not disclose the financial terms and said it would lead and oversee scientific aspects of the venture, including the regulatory development of melano-cortins, while Biotech Lab Singapore managed chemistry and formulation development in Asia (BD: Sep 19, 2014).

Clinuvel said at that time that the joint venture had been created to complete the development of Scenesse, a topical paediatric afamelanotide, and the melanocortin peptide skin care drug CUV9900.

Today, the company said it would continue to invest in its research and development operations in Singapore to further expand and develop its products, particularly the melanocortin to which its drug Scenesse belonged.

Clinuvel chief financial officer Darren Keamy said the company would "have all of Clinuvel's Singaporean activities under one roof, resulting a simplified business structure".

Clinuvel fell 43 cents or 3.7 percent to \$11.32.

## ADHERIUM

Adherium says it will launch a program with Vitalus Health, targeting patients with chronic obstructive pulmonary disease to use its Smartinhaler technology.

Adherium said that the Houston, Texas-based Vitalus was a provider of "health and wellness solutions" for pulmonary disease in the southwest of the US.

The company said Vitalus lung specialists would promote patient use of its Smartinhaler, which measures and reports drug doses, to "support Vitalus Health's efforts to achieve impactful results throughout the patient-care spectrum while reducing healthcare costs".

Adherium chief executive officer Arik Anderson said that "establishing relationships with leading healthcare providers focused on improved patient care through better compliance is a key component of our strategy in the US".

Adherium fell one cent or 8.3 percent to 11 cents.

## MEDIBIO

Medibio says it will launch Medibio Inform, its corporate mental health mobile application, in Australia, New Zealand and the US in the first two weeks of May 2018.

Medibio said that the mobile phone application pricing would be subject to business size and structure but would initially range between \$15 to \$45 per user

Medibio said the application would allow employees to evaluate their mental health using traditional assessments and biometric measures and said it would be compatible with heart rate monitoring applications Fitbit and Garmin, with Apple Watch support expected. The company said that businesses would be provided with mental health results at an aggregate level not tied to individual employees and displayed through data trends, which could help companies examine the mental health of their workplace.

Chief executive officer Jack Consentino said that “for the first time wearable technologies including Garmin and Fitbit will be able to track and monitor individuals’ circadian heart rhythm, sleep cycles and activity to round out an objective understanding of the onset and existence of mental disfunction”.

Medibio was up half a cent or three percent to 17 cents.

## NANOSONICS

Fidelity Management and Research (FMR) says it has increased its shareholding in Nanosonics from 24,102,232 shares (8.05%) to 27,940,361 shares (9.33%).

The Boston-based FMR said it bought and sold shares between January 30, 2018 and April 4, 2018, at prices ranging from \$2.30 to \$2.87.

Nanosonics was up four cents or 1.7 percent to \$2.45 with 1.4 million shares traded.

## CLINUVEL PHARMACEUTICALS

FIL Investment Management, formerly Fidelity Investments) says it has decreased its shareholding in Clinuvel from 4,531,171 shares (9.62%) to 4,109,676 shares (8.61%).

The Bermuda-based FIL said it bought and sold shares between April 15, 2016 and April 26, 2018, at prices ranging from \$4.10 to \$12.00.

## AIRXPANDERS

Airxpanders says it will vote to grant five non-executive directors options over the equivalent of 1,257,555 Chess depository instruments (CDIs).

Last year, Airxpanders shareholders granted chief executive officer Scott Dodson and five directors options over the equivalent of 1,349,250 CDIs, but with up to 31.5 percent opposition (BD: May 23, 2017).

Today, Airxpanders proposed that directors Barry Cheskin, Dennis Condon, Elizabeth Hammack, Gregory Lichwart and Zita Peach, who all received options at last year’s annual general meeting, would each be granted options over 83,837 US shares, equivalent to 251,511 CDIs, exercisable at the price on the date of the grant, vesting in monthly instalments over 12 months from the date of the grant and expiring after 10 years. Airxpanders said shareholders would vote to approve the 10 percent placement facility and re-elect director Barry Cheskin.

The meeting will be held at Johnson Winter & Slattery, Level 34, 55 Collins Street, Melbourne, on May 22, 2018 at 9am (AEST).

Airxpanders fell half a cent or 3.45 percent to 14 cents.



## AUSBIOTECH

Ausbiotech says that deputy chief executive officer Lorraine Chiroiu will replace chief executive officer Glenn Cross when he retires in July, 2018.

Ausbiotech chair Julie Phillips said that Mr Cross had a "passion for the organization and its place in the Australian life sciences industry".

"His achievements are both numerous and significant, including leading roles in establishing the Ausmedtech and the annual conference, forming [conference organiser] Ausevents and building Ausbiotech's global investment program," Ms Phillips said.

Ausbiotech said that after July, Mr Cross would have a part-time contract role leading a business development effort for Ausevents.

Ms Phillips said that Ms Chiroiu had worked for "almost a decade" with Ausbiotech, working on state and federal public policy impacting the sector and specializing on regulation, tax incentives, patent protection, medical research and its commercialization.

Ausbiotech said that Ms Chiroiu was previously its chief industry affairs officer and national communications and media manager, and had worked in corporate and public affairs roles for the Pharmacy Guild of Australia and the University of Melbourne.

Ausbiotech said that Ms Chiroiu held a Bachelor of Arts from Geelong's Deakin University and a Master of Business Administration from the University of Melbourne's Melbourne Business School.

## ADMEDUS

Admedus says it has appointed Michael Oswell as its head of development, based in Minneapolis, Minnesota, effective from May 15, 2018.

Admedus said Mr Oswell would be responsible for accelerating its pipeline, which included three-dimensional surgical products and its transcatheter aortic valve replacement.

The company said that Mr Oswell was previously employed by Boston Scientific's Guidant Corp and the Dublin-based Medtronic, where he was most recently a senior program manager, and held a Bachelor of Science from the University of Wisconsin.

Admedus fell three cents or 7.9 percent to 35 cents with one million shares traded.

## BIOXYNE

Bioxyne says it has appointed the New Zealand-based Peter Charles Hughes-Hallett as a non-executive director, effective from today.

Bioxyne said Mr Hughes-Hallett had experience selling in Asian markets from his employment with Amway, where he was head of sales for Japan, and held a Bachelor of Business from the University of New South Wales.

Bioxyne was up 0.1 cents or 1.6 percent to 6.5 cents.

## COGSTATE

Cogstate says George Hunnewell has "concluded his role" as chief operating officer and clinical trials president.

Cogstate said it did not plan to replace the position, instead chief executive officer Brad O'Connor would return to a "more active role" in the running of clinical trials business.

In 2016, the company said that Mr Hunnewell would be responsible for operations including regulatory and quality assurance, product development, human resources, as well as profit and loss responsibility for the clinical trials business (BD: Nov 24, 2016).

Cogstate was up 2.5 cents or three percent to 86 cents.

## BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION AT APR 30, 2018

<b>Company \$Am</b>	<b>May-17</b>	<b>Apr-18</b>	<b>May-18</b>
Cochlear	8,033	10,452	11,168
CSL	60,232	70,330	77,071
Resmed	12,972	17,661	18,119
<b>BDI-20</b>			
Airxpanders	242	122	42
Bionomics	166	270	280
Clinuvel	325	473	561
Compumedics	83	65	68
Cyclopharm	46	81	74
Ellex	129	124	90
Impedimed	272	282	212
Medical Developments	292	416	409
Mesoblast	1,348	705	693
Nanosonics	941	769	721
Neuren	124	295	303
Opthea	183	114	100
Pharmaxis	88	102	101
Polynovo	135	347	340
Immutep	67	63	73
Pro Medicus	559	845	827
Reva	426	161	157
Sirtex	897	1,547	1,552
Telix	21	114	124
Viralytics	255	469	479
<b>Second 20</b>			
Actinogen	55	35	32
Admedus	83	79	97
Avita	56	59	59
Benitec	37	41	38
Cynata	41	125	116
Dimerix	13	18	16
Factor Therapeutics	45	29	33
Genetic Signatures	37	25	33
ITL Health	56	27	22
LBT Innovations	45	26	28
Oncosil	59	73	80
Optiscan	43	32	30
Orthocell	31	25	26
Osprey	117	97	53
Prescient	19	22	21
Prana	34	24	22
Starpharma	273	463	441
Universal Biosensors	79	48	39
Uscom	22	32	28
Volpara	38	68	97

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