



Biotech Daily

Wednesday June 13, 2018

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: AIRXPANDERS UP 24%; CLINUVEL DOWN 10%**
- * **COGSTATE: 'NO IMPACT FROM ELI LILLY ALZHEIMER'S TRIAL CLOSE'**
- * **AUSTRALIA APPROVES BOTANIX PHASE II BTX1503 ACNE TRIAL**
- * **OPTISCAN: SLOW VIEWNVIVO SALES, REVENUE \$250k**
- * **AUSTRALIAN ETHICAL TAKES 10% OF CYCLOPHARM**
- * **SG HISCOCK BELOW 5% OF SOMNOMED**

MARKET REPORT

The Australian stock market fell 0.51 percent on Wednesday June 13, 2018 with the ASX200 down 30.9 points to 6,023.5 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 18 fell, seven traded unchanged and one was untraded.

Airxpanders was the best for the second day in a row, following the appointment of chief executive officer Frank Grillo, up three cents or 24 percent to 15.5 cents with 4.1 million shares traded.

Avita and Osprey climbed more than seven percent; Dimerix improved 6.4 percent; ITL, Opthea and Prescient were up four percent or more; Impedimed and Reva rose more than two percent; Medical Developments, Optiscan, Pro Medicus, Resmed and Volpara were up one percent or more; with Starpharma up 0.85 percent.

Orthocell led the falls, down two cents or 5.4 percent to 35 cents with 294,206 shares traded.

Oncosil fell 4.8 percent; Compumedics, Cynata, Imugene and Nanosonics were down more than three percent; Ellex, Neuren and Uscom shed more than two percent; Actinogen, Bionomics, CSL, Mesoblast, Pharmaxis and Polynovo were down one percent or more; with Cochlear, Sirtex and Telix down by less than one percent.

COGSTATE

Cogstate says the closing of a phase III Alzheimer's disease trial by Eli Lilly & Co will have "no impact to [2017-'18] earnings" nor "materially change" next year's earnings.

Last year, Cogstate said it was chosen as a preferred provider of cognitive testing services for Eli Lilly's Alzheimer's disease platform to provide services for high-quality neuropsychological outcome measures in trials and the two companies would improve the way that research sites trained and collected endpoint data (BD: May 18, 2017).

Today, the company said that as the discontinuation of the study would take several months, there would be no impact on current year earnings and it was "not expected to materially change Cogstate's [2018-'19] earnings or Cogstate's previously announced contracted revenue position".

The company said that Eli Lilly and development partner Astrazeneca had announced that they were discontinuing the phase III trials of lanabecestat, an oral beta secretase cleaving enzyme (BACE) inhibitor, for Alzheimer's disease, based on recommendations by an independent data monitoring committee which concluded that the trials were not likely to meet their primary endpoints and should be stopped for futility.

Cogstate said it was providing services to one of the two phase III clinical trials.

The company said that the committee recommendation was not based on safety concerns and discontinuation activities were expected to take "some months" during which time the company would provide services.

Cogstate said it considered the risk of clinical trial failure or cancellation when calculating its contracted future revenue position, and because it would continue to support the planned discontinuation activities, the study cancellation was not expected to have a significant impact on previously announced contracted revenue.

The company said that Eli Lilly had reiterated its commitment to Alzheimer's disease research and had multiple clinical assets in its pipeline.

Cogstate said it continued to work with Eli Lilly on other trials.

Cogstate fell two cents or 2.8 percent to 69 cents.

BOTANIX PHARMACEUTICALS

Botanix says it has Australian ethics approval for its 360-patient, phase II trial of the synthetic cannabidiol BTX1503 for acne.

In January, Botanix says its 21-patient, phase Ib trial of BTX1503 showed it was safe and effective at reducing acne after four weeks of treatment, reducing inflammatory lesions by an average 47 percent by day-28, a "significant reduction ... greater than any other [US Food and Drug Administration] approved topical acne product, for which data is available after four weeks of treatment" and compared to 42 percent for Allergan's Epiduo and 38 percent for Galderma's Aczone (BD: Jan 29, 2018).

Last month, the company said the US Food and Drug Administration has approved the 360-patient, phase II trial (BD: May 8, 2018)

Today, Botanix said that the first patients were "set to be enrolled in June 2018" at seven Australian dermatology sites, including four that participated in the phase Ib study.

The company said the trial was expected to take about 12 months to complete.

Botanix said that patients would be treated with one of two high doses, a low dose or placebo.

Botanix executive director Matt Callahan said the company had "done a fantastic job moving two programs into the clinic in the last 12 months with the third program, BTX1308 for psoriasis, expected to follow [by October] this year".

Botanix fell one cent or 6.9 percent to 13.5 cents with 3.7 million shares traded.

OPTISCAN IMAGING

Optiscan says that sales of its Viewnivo confocal microscope have taken longer than expected, with revenue expected to be about \$250,000 for the year to June 30, 2018. Optiscan said it was “working with its North American and Chinese distributors in relation to multiple sales opportunities ... [and] feedback from recent market activities ... will be incorporated in planned future activities”.

The company said it had conducted a review of expenditures and had taken steps which would reduce recurring costs by more than \$500,000 for the year ending June 30, 2019. Optiscan said it expected a Federal Research and Development Tax Incentive for the year to June 30, 2017 prior to the end of June 2018.

Optiscan was up 0.1 cents or 1.5 percent to 6.8 cents.

CYCLOPHARM

Australian Ethical Investment says it has increased its substantial shareholding in Cyclopharm from 4,802,443 shares (7.00%) to 6,881,168 shares (10.08%).

Australian Ethical said it bought the 2,078,725 shares between July 11, 2017 and June 8, 2018 for \$2,069,496 or an average price of 99.6 cents a share.

Cyclopharm was unchanged at \$1.00.

SOMNOMED

SG Hiscock and Co says it has ceased its substantial shareholding in Somnomed.

In April, SG Hiscock, Aidan Brooksby and Lochinvar Securities said they had become substantial holders in Somnomed with 3,000,803 shares (5.11%) (BD: Apr 17, 2018).

The Collins Street Melbourne-based SG Hiscock said at that time that the shares were held by the Sydney-based HSBC Custody Nominees, and the Melbourne-based Lochinvar and Mr Brooksby, acquiring 400,000 shares for \$1,406,000 or \$3.515 a share between October 31 and December 11, 2017.

Somnomed was up 10 cents or 4.43 percent to \$2.35.