



Biotech Daily

Thursday September 13, 2018

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN: AIRXPANDERS UP 9%;
- COMPUMEDICS DOWN 6%**
- * **BIOTECH REVENUE UP 17% TO \$17b; NON-BIG CAP UP 6% TO \$1.6b**
- * **BIOTECH DAILY TOP 40: SIRTEX OUT, STARPHARMA UP, PARADIGM IN**
- * **GENESISCARE INVESTS \$5m IN CLARITY FOR CANCER COLLABORATION**
- * **EYEPOINT REVENUE DOWN 61% TO \$4.1m, LOSS UP 188% TO \$74m**
- * **REDHILL MEETS FDA FOR 2 PHASE III RHB-102 IBS TRIALS**
- * **RECCE TAKES RADIUM R&D TAX INCENTIVE LOAN**
- * **IMAGION REQUESTS CAPITAL RAISING HALT**
- * **GOODBYE 1-PAGE**

MARKET REPORT

The Australian stock market fell 0.76 percent on Thursday September 13, 2018 with the ASX200 down 47.2 points to 6,128.7 points. Fifteen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and four were untraded. All three Big Caps fell.

Airxpanders was the best, up one cent or 9.1 percent to 12 cents with 45,520 shares traded.

Impedimed climbed 8.9 percent; Neuren and Prescient were up five percent or more; Immutep improved 4.9 percent; Ellex and Pharmaxis were up more than three percent; Avita, Cynata and Factor rose more than two percent; Clinuvel, Genetic Signatures and Orthocell were up more than one percent; with Opthea and Sirtex up by less than one percent.

Yesterday's 13.0 percent best, Compumedics, led the falls, down three cents or 5.77 percent to 49 cents, with 89,496 shares traded, followed by Benitec down 5.71 percent to 16.5 cents with 162,427 shares traded.

Imugene fell 4.35 percent; Dimerix lost three percent; CSL, Prana, Pro Medicus, Starpharma and Telix shed more than two percent; Actinogen, Bionomics, Cochlear, Nanosonics, Resmed and Volpara were down more than one percent; with Medical Developments, Mesoblast and Polynovo down by less than one percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

With Sirtex departing the ASX and the BDI-40 at tonight's close, Starpharma has been promoted back into the BDI-20 and will be replaced in the Second 20 by Paradigm. Sirtex closed up three cents or 0.09 percent to \$33.55 with 1.1 million shares traded. Starpharma fell 3.5 cents or 2.3 percent to \$1.46 with 2.05 million shares traded. Paradigm was up half a cent or 0.5 percent to 96.5 cents.

BIOTECHNOLOGY SECTOR REVENUE, PROFIT

The reporting season is over and Australian biotech has improved, but the three Big Caps of Cochlear, CSL and Resmed have performed exceptionally well.

Total revenue for the year to June 30, 2018, as well as companies reporting to December 31, 2017, was up 16.8 percent to \$16,593 million, with the collective Big Caps of Cochlear, CSL and Resmed up 18.55 percent to \$15,037.5 million.

The 59 biotech companies (not including the three Big Caps) which posted revenue of \$1 million or more had total revenue of \$1,555.55 million, up 6.1 percent compared to the 53 companies the previous year.

Net profit after tax reported by the three Big Caps was up 29.9 percent to \$3,068.7 million. Despite more companies reporting revenue, many had increased losses, resulting in an overall loss of \$421.9 million compared to the previous year's overall loss of \$115.95 million.

Year	Revenue All \$m	Revenue (-Big Caps) \$m	Profit \$m	Profit (-Big Caps) \$m
2008-'09	\$7,296.46	\$464.31	\$1,519.24	\$68.24
2009-'10	\$7,079.13	\$508.33	\$1,512.80	\$97.2
2016-'17	\$14,203.45	\$1,519.45	\$2,246.95	-\$115.95
2017-'18	\$16,593.05	\$1,555.55	\$2,646.82	-\$421.88

CLARITY PHARMACEUTICALS

Clarity says Sydney's Genesiscare has provided \$5 million as a "strategic investment" to develop its clinical pipeline of combined therapeutics and diagnostics for cancer.

Clarity said that Genesiscare acquired Theranostics Australia, a provider of cancer therapy and diagnostics in 2017 and the funds would support a collaboration including clinical development, supply chain logistics, patient access, contract research organization services and new market entry opportunities with Genesiscare.

Genesiscare spokesperson told Biotech Daily that the company treated patients at 30 cancer centres across Australia as well as centres in the UK, Spain and was intending to operate centres in China.

The spokesperson said Genesiscare had the largest cardiology private practice in Australia, operated sleep disorder centres and was involved in more the 100 clinical trials.

Clarity said that "theranostics" combined diagnostics and therapy using agents labelled with isotopes to bind to markers on cancers to deliver precise, personalized therapy.

Clarity chairman Dr Alan Taylor said the investment "comes at a time when the radio-pharmaceutical industry is gaining real momentum".

Dr Taylor said the company was "immediately commencing an additional \$5 million rights issue to current shareholders on the same terms as the Genesiscare investment to provide shareholders with an opportunity to invest on the same basis".

"Any shortfall would be offered firstly to shareholders who take up their entire rights in the rights issue, and then, if any shortfall remains, to new investors," Dr Taylor said.

Clarity is a public unlisted company.

EYEPOINT PHARMACEUTICALS (FORMERLY PSIVIDA)

Eyepoint says its revenue for the year to June 30, 2018 fell 60.7 percent to \$US2,961,000 (\$A4,118,000) with net loss after tax up 187.6 percent to \$US53,171,000 (\$A73,947,000). Eyepoint said it had received \$US25.5 million from the Toronto, Canada-based Rosalind Advisors and Chicago-based EW Healthcare Partners and it was transitioning from a “clinical-stage company into a commercial company”.

The company said that its Yutiq for posterior segment uveitis had been accepted for filing by the US Food and Drug Administration and its Dexycu for post-operative inflammation had been approved by the FDA.

Eyepoint said that research and development expenses increased by 8.7 percent to \$US16,178,000.

The company said that net loss per share was up 121.1 percent to \$US1.15 cents and it had \$US38,776,000 in cash and cash equivalents at June 30, 2018, compared to \$US16,898,000 at June 30, 2017.

On the Nasdaq, Eyepoint fell one US cent or 0.44 percent to \$US2.28 (\$A3.175) with 375,223 shares traded.

REDHILL BIOPHARMA

Redhill says that following an end of phase II trial meeting with the US Food and Drug Administration it will conduct two phase III trials of RHB-102 for irritable bowel syndrome. Redhill said it had discussed the results from its 126-patient phase II trial of its Bekinda RHB-102 extended release oral tablet for diarrhoea-predominant irritable bowel syndrome with the FDA, as well as the design of two phase III trials.

The company said its phase II study of RHB-102 met its primary endpoint of improving the primary outcome of stool consistency “by an absolute difference of 20.7 percent” compared to placebo ($p = 0.036$) (BD: Oct 4, 2017).

Redhill chief operating officer Gilead Raday said the company was “very pleased with the outcome of our meeting with the FDA, which provided clarity on the planned endpoints as well as other important aspects for the design of the pivotal phase III studies to support potential [new drug application] filing”.

In 2010, Israel's Redhill bought Myoconda (RHB-104), Heliconda (RHB-105) and Picoconda (RHB-106) from Sydney's Giaconda (BD: Aug 17, 2010).

On the Nasdaq, Redhill was up 26 US cents or 3.61 percent to \$US7.46 (\$A10.39) with 120,602 shares traded.

RECCE PHARMACEUTICALS

Recce says it has an agreement with Radium Capital to receive advanced payments for its Federal Research and Development Tax Incentive.

Recce said it would receive an upfront payment of \$543,699 and on-going advances equivalent to 80 percent of its research and development expenditure.

The company said that it would pay Radium an upfront fee of \$769 and pay 1.25 percent per month on money received from Radium.

Recce said the loan would be used to advance its antibiotics development program.

The company said it expected to receive an “above forecast” Research and Development Incentive Tax Rebate of \$679,623 from the Federal Government for the year ending June 30, 2018.

Recce was up half a cent or 2.8 percent to 18.5 cents.

IMAGION BIOSYSTEMS

Imagion has requested a trading halt pending an “announcement ... in relation to a proposed capital raising”.

Imagion said trading would resume on September 17, 2018 or on an earlier announcement.

Imagion last traded at 7.4 cents.

1-PAGE (TO RENAME AS EUROPEAN CANNABIS CORPORATION)

The ASX says that 1-Page will be removed from the market list at the close of trading today, September 13, 2018.

In July, 1-Page said it had requested to be removed from the ASX to list on another “more suitable” exchange, where there would be more interest in its medical marijuana (BD: Jul 23, 2018).

Yesterday, 1-Page said its shareholders had passed all resolutions relating to the acquisition of marijuana company Hapa Medical and to delist from the ASX.

1-Page last traded at 16.5 cents.