



# Biotech Daily

Thursday August 1, 2019

*Daily news on ASX-listed biotechnology companies*

- \* JULY BDI-40 UP 6%, BIG CAPS UP 7%, ASX200 UP 3%, NBI DOWN 3%  
- CSL BREAKS \$100bn, PRO MEDICUS THROUGH \$3bn
- \* TODAY: ASX, BIOTECH DOWN: IMMUTEP UP 9.5%; LBT DOWN 9%
- \* BOTANIX PLACEMENT TO RAISE \$40m
- \* REGENEUS RAISES \$2.3m, RIGHTS ISSUE FOR \$3.2m MORE
- \* POLYNOVO EXPECTS REVENUE OF \$9.4m
- \* ADMEDUS H1 RECEIPTS \$10m, LESS THAN 2 QUARTERS CASH
- \* TELIX: 'TLX591-CDx BEATS AXUMIN FOR PROSTATE CANCER'
- \* TELIX, MERCK KGAA COMBINE UNNAMED MOLECULES, RADIATION
- \* PROBIOTEC COMPLETES ABS ACQUISITION
- \* MEDADVISOR SECURES 1<sup>st</sup> UK PHARMACY CUSTOMER
- \* ALTHEA LAUNCHES MEDICAL MARIJUANA IN THE UK
- \* CRESO: 1<sup>st</sup> BURLEIGH HEADS CANNQIX 50 MARIJUANA ORDER
- \* ADALTA APPOINTS DR ROSALIND WILSON DIRECTOR
- \* BOTANIX APPOINTS RICHARD PETERSON CFO, HOWIE MCKIBBON, CCO
- \* AUSBIOTECH, J&J INNOVATION EXCELLENCE AWARDS OPEN

## MARKET REPORT

The Australian stock market fell 0.35 percent on Thursday August 1, 2019, with the ASX200 down 23.7 points to 6,788.9 points. Thirteen of the Biotech Daily Top 40 stocks were up, 17 fell, seven traded unchanged and three were untraded. All three Big Caps fell.

Immutep was the best, up 0.2 cents or 9.5 percent to 2.3 cents, with 9.4 million shares traded followed by Polynovo up 9.4 percent to \$1.75 with 4.1 million shares traded. Prescient and Pro Medicus climbed more than eight percent; Opthea was up 7.9 percent; Telix rose 6.4 percent; Dimerix and Next Science were up five percent or more; Volpara improved four percent; Orthocell and Resonance rose more than two percent; Mesoblast was up 1.7 percent; with Ellex up 0.8 percent.

LBT led the falls, down one cent or 8.7 percent to 10.5 cents, with 2.05 million shares traded. Universal Biosensors lost 6.25 percent; Avita shed 5.75 percent; both Amplia and Imugene fell four percent; Clinuvel, Compumedics, Impedimed and Proteomics were down more than three percent; Antisense, Optiscan and Osprey shed two percent or more; Nanosonics, Oncosil and Paradigm were down more than one percent, with Cochlear, CSL, Neuren, Resmed and Starpharma down by less than one percent.

## BIOTECH DAILY TOP 40 INDEX (BDI-40)

July has taken both the Biotech Daily Top 40 Index (BDI-40) and the three Big Caps to record highs, in line with the ASX200.

The BDI-40 was up 6.4 percent for the month to a collective market capitalization of \$12,636 million, the ASX200 rose 2.9 percent to 6,813 points, while the Nasdaq Biotechnology Index (NBI) fell 3.1 percent.

For the year to July 31, the BDI-40 was up 42.9 percent, the ASX200 rose 8.5 percent, the NBI fell 9.4 percent, with the three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) up 19.2 percent.

For July, the three Big Caps were up a collective 7.4 percent to a record \$144,004 million. Resmed led the trio, up 10.7 percent to \$27,236 million, Cochlear improved 6.7 percent to \$12,718 million and CSL broke through the \$100 billion mark for the second time, up 6.7 percent to \$104,050 million.

Twenty-one of the BDI-40 stocks were up in July, with 15 up by more than 10 percent and 10 up more than 20 percent; while 17 fell, with eight down by more than 10 percent.

The difference in market capitalization between the BDI-40 and Second 20 requires they be reported separately.

Cynata was the best of the BDI-20, up 44.1 percent to \$183 million. Telix rose 29.5 percent to \$351 million and Pro Medicus put on \$585 million in July, up 22.5 percent, to break the \$3 billion mark at \$3,186 million, followed by Compumedics (18.5%) and Ellex (18.4%).

Genetic Signatures led the BDI-20 falls, down \$31 million or 22.1 percent to \$109 million followed by Immutep (16.5%) and Pharmaxis (11.9%).

From much smaller bases, Impedimed was the best of the Second 20, recovering 68.2 percent to \$74 million, followed by Imugene (55.2%), Amplia (50%), Oncosil (27.3%), Prescient (26.7%), Dimerix (23.1%), Kazia (13.6%), Antisense (10.5%) and Universal Biosensors (10.3%).

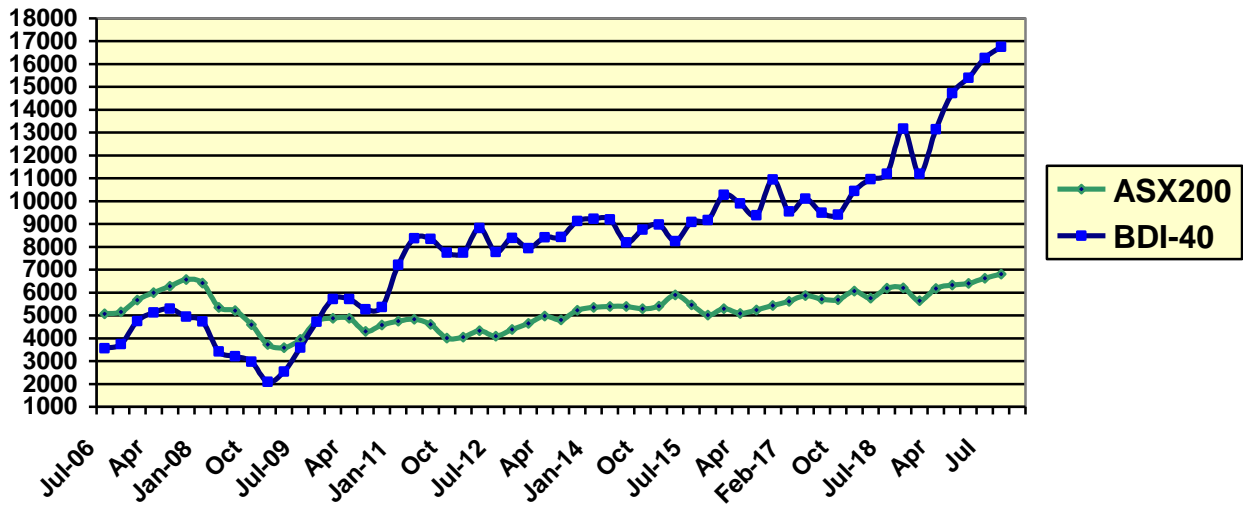
Orthocell led the Second 20 falls, retreating 14.1 percent from last month's record high to \$67 million, followed by Benitec (13.3%), Alterity (12.0%), Optiscan (11.1%) and Proteomics (10.7%).

It was a mixed month for the 18 companies in Cannabis Corner, up 11.5 percent to \$1,913 million.

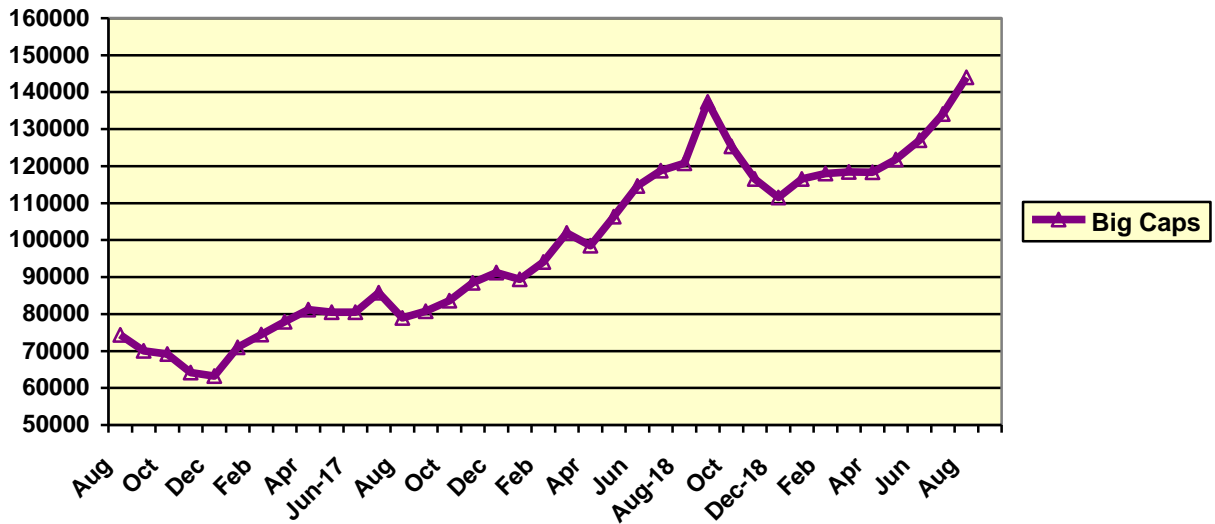
In the US, Vaxart (Biota) was up 6.7 percent to \$16 million, Eyepoint (Psivida) fell 13.3 percent to \$215 million, Queensland's Protagonist shed 6.7 percent to \$377 million, while Israel's Redhill with Australian assets was up 4.2 percent to \$274 million.

Next Science will be promoted into the Second 20, replacing Benitec.

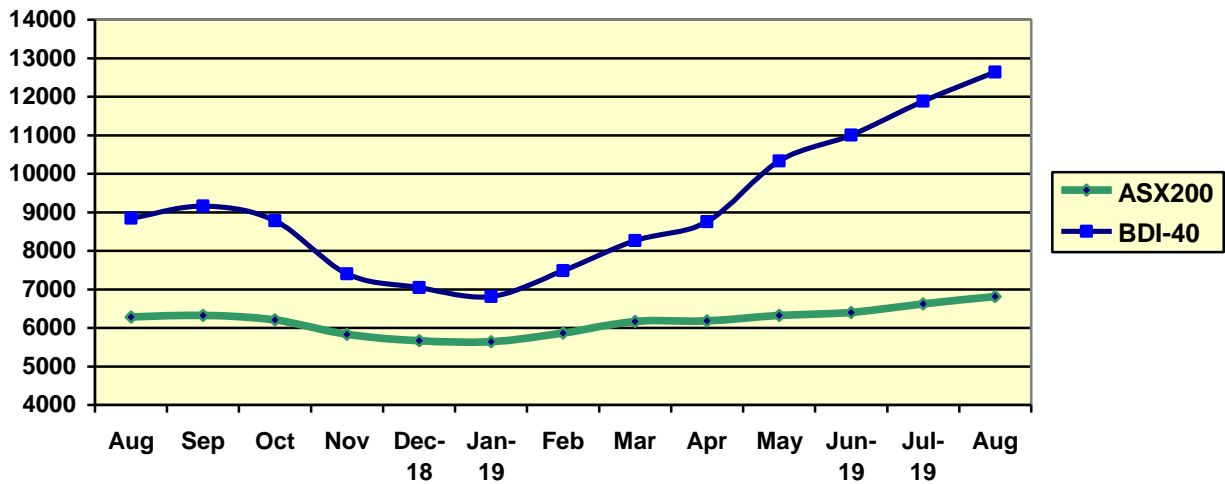
**BDI-40 v ASX200 Jun 30, 2006 to Jul 31, 2019- Adjusted**



**Big Caps \$m (Cochlear, CSL, Resmed) Jul 31, 2016 – Jul 31, 2019**



**BDI-40 (\$m) v S&P ASX 200 – Jul 31, 2018 - Jul 31, 2019 (current, raw data)**



## BOTANIX PHARMACEUTICALS

Botanix says it has commitments for a \$40 million placement at 21 cents a share and led by US institutional investors for its marijuana-derivatives program.

Botanix said the 21 cents placement price was a 16.7 percent discount to the 15-day volume weight average price of 25.2 cents a share at the July 29, 2019 closing price.

The company said it would use the funds for clinical development, commercialization, taking its anti-microbial program to clinical studies, general working capital and for studies prior to its phase III trial of BTX1503 for acne and BTX1204 for atopic dermatitis.

Botanix said Cowen and Company LLC was the lead placement agent, with Argonaut Securities and Bell Potter Securities Australian joint lead managers.

Botanix fell 2.5 cents or 9.6 percent to 23.5 cents with 15.4 million shares traded.

## REGENEUS

Regeneus says it has raised \$2.34 million in a private placement at 8.0 cents a share and hopes to raise a further \$3.2 million in a one-for-six rights issue.

Regeneus said the placement was to institutional, sophisticated and professional investors in Australia, Japan, China, Singapore and the US.

The company said the rights issue would be partially underwritten by directors, with \$1.4 million in directors' loans to be converted into equity and \$400,000 to be contributed by non-executive directors Barry Sechos and Glen Richards.

Regeneus said the rights offer record date was August 8, it would open on August 13, and close on August 27, 2019.

The company said the funds would be used for ongoing operations and for a licencing deal for Progenza for osteoarthritis in Japan, which it hoped to commercialize by 2023.

Regeneus was up one cent or 11.8 percent to 9.5 cents.

## POLYNOVO

Polynovo says it expects revenue of \$9.4 million for the year to June 30, 2019, "in line with broker consensus".

Polynovo said product sales for the three months to June 30, 2019 were \$3.9 million, indicating an annual run rate without growth of \$15.6 million, with no sales of products in South Africa, Israel and the European Union for the year to June 30, 2019.

Polynovo was up 15 cents or 9.4 percent to \$1.75 with 4.1 million shares traded.

## ADMEDUS

After the market close last night, Admedus filed its Appendix 4C quarterly report, which indicated that the company did not have two quarters cash.

Admedus said receipts from customers for the six months to June 30, 2019 fell 29.7 percent to \$10,106,000, with receipts for its Adapt products for the three months to June 30 down 45.6 percent to \$4,133,000.

Admedus said it had a cash burn of \$6,748,000 for the three months to June 30, with cash and cash equivalents at June 30 of \$4,887,000 and an estimated cash outflow for the three months to September 30 of \$10,076,000, including \$4,281,000 for staff costs, \$2,196,000 for product manufacturing and operating costs, \$2,092,000 for administration and corporate costs, \$1,097,000 for research and development and \$410,000 for advertising and marketing.

Admedus was in an extended refinancing suspension and last traded at six cents.

## TELIX PHARMACEUTICALS

Telix says an independent study has found that its TLX591-CDx is superior to Axumin for positron emission tomography (PET) scan prostate cancer imaging.

Telix said the paper, entitled '18F-fluciclovine PET-CT and 68Ga-PSMA-11 PET-CT in patients with early biochemical recurrence after prostatectomy: a prospective, single-centre, single-arm, comparative imaging trial' was published in Lancet Oncology, with an abstract available at: <https://bit.ly/2YwT3N7>.

The company said the University of California Los Angeles (UCLA) study evaluated prostate cancer bio-chemical recurrence patients who had a radical prostatectomy and had prostate-specific antigen (PSA) levels of between 0.2 and 2.0 nanograms per millilitre (ng/mL).

Telix said three independent blinded readers compared the scans of patients who received both TLX591-CDx or 68-gallium prostate membrane specific antigen-11 (68GA-PSMA-11) and Axumin or anti-1-amino-3-18F-fluorocyclobutane-1-carboxylic acid (18F-fluciclovine) within 15 days.

The company said TLX591-CDx lesion detection was superior to Axumin in a biochemical recurrence setting and detection rates were 56 percent compared to 26 percent for Axumin.

Under the final heading of 'Interpretations', the article said that "with higher detection rates, PSMA should be the PET tracer of choice when PET [and computed tomography] imaging is considered for subsequent treatment management decisions in patients with prostate cancer and biochemical recurrence after radical prostatectomy and low PSA concentrations (<2.0 ng/mL)".

"Further research is needed to investigate whether higher detection rates translate into improved oncological outcomes," the research article concluded.

Telix chief executive officer Dr Christian Behrenbruch said that the "nicely executed study ... clearly demonstrates the clinical efficacy of PSMA imaging in a very important prostate cancer population".

"The ability to detect disease in this early metastatic setting has the potential to deliver important new intervention options for these patients," Dr Behrenbruch said.

"The clear superiority of 68GaPSMA-11 compared with the existing approved Axumin product in the United States bodes well for the clinical adoption of this technology," Dr Behrenbruch said.

Telix was up nine cents or 6.4 percent to \$1.50.

## TELIX PHARMACEUTICALS

Telix says it has a collaboration agreement with Merck Healthcare KGaA to study its molecularly-targeted radiation therapy with Merck molecules.

Telix said it would have access to the Darmstadt, Germany-based Merck molecules for a research plan to evaluate efficacy with its molecularly-targeted radiation therapy in "models relevant to clinical translation".

The company said the agreement included collaborative intellectual property provisions and Merck had no intellectual property rights to its therapy.

Telix said follow-on clinical collaborations with Merck would be subject to the initial research outcome and would require a separate clinical trial agreement.

The company said that the details of the collaboration, including the nature of the Merck molecules was confidential.

## PROBIOTEC

Probiotec says it has completed the acquisition of pharmaceutical and consumer product contract packer Australian Blister Sealing Pty Ltd.

In July, Probiotec says it will buy the Sydney-based Australian Blister Sealing for up to \$28,000,000 (BD: Jul 1, 2019).

Today, the company said Australian Blister Sealing could pack a range of formats including foil, carded and clamshell blister, bottle filling, labelling, secondary packaging and additional services for pharmaceuticals, cosmetics and food.

Probiotec was untraded at \$1.62.

## MEDADVISOR

Medadvisor says that London's Day Lewis Pharmacy Group is its first UK contracted pharmacy and it will launch in the UK in early 2020.

Medadvisor said that Day Lewis would pay licence and monthly messaging fees and promote and distribute a Day Lewis branded version of its consumer prescription reminder application for general practitioner-approved prescriptions for customers.

The company said Day Lewis had more than 270 pharmacies for more than one million customers.

Medadvisor chief executive officer Robert Read said "the UK market has been a focus for Medadvisor's international business development given the similarities with the Australian market and importantly having less ownership fragmentation, meaning the ability to achieve scale is easier."

"We have been clear that we want to partner or have lead customers who validate and de-risk the market entry," Mr Read said.

Medadvisor was up 0.7 cents or 15.6 percent to 5.2 cents with 1.7 million shares traded.

## ALTHEA GROUP

Althea says it has exported the first shipment of medical marijuana to the UK and the first prescribed patient has received the product.

In June, Althea said it had prescribed its first medical marijuana patient in the UK, which would serve as a "second distribution channel for Althea's current and future Australian manufactured, medicinal cannabis products" (BD: Jun 21, 2019).

Today, the company it would expand its Australian supply and distribution agreement with the Melbourne-based Cannvalate to non-exclusively provide its medical marijuana products in the UK and increase its network of existing prescribers.

Althea was up five cents or 4.8 percent to \$1.10 with 1.7 million shares traded.

## CRESO PHARMA

Creso says it has received the first orders of its marijuana derived Cannaqix 50 from the Queensland's Burleigh Heads Cannabis.

In April, Creso said it had an import licence to ship Cannaqix to Burleigh Heads and the first shipment would arrive in October 2019 (BD: Apr 30, 2019).

Today, the company said Burleigh Heads would distribute Cannaqix 50, a buccal, or cheek-delivered, lozenge for chronic pain that contained 50mg of cannabidiol and niacin, vitamins B6, B12, C and zinc, as Lozacann.

Creso was unchanged at 36.5 cents.

## ADALTA

Adalta says it has appointed Dr Rosalind Wilson as a non-executive director. Adalta said Dr Wilson had 20 years' experience in leadership and advisory roles and previously held strategy and portfolio management roles at F Hoffmann-La Roche. The company said Dr Wilson was previously the chief executive officer at Factor Therapeutics and a research program officer at the Lung Foundation Australia. Adalta said Dr Wilson held a Bachelor of Medicine and Bachelor of Surgery from Monash University and a Master of Business Administration from the London Business School. Adalta was up 1.5 cents or 7.3 percent to 22 cents.

## BOTANIX PHARMACEUTICALS

Botanix says it has appointed Richard Peterson as chief financial officer and Howie McKibbon as chief commercial officer. Botanix said Mr Peterson was previously the chief financial officer at Dermavant Sciences, Sienna Biopharmaceuticals, and Novan and Medicis Pharmaceuticals, and was currently a director at Universal Insurance Holdings. The company said Mr McKibbon was previously the head of commercial operations at Dermavant Sciences, and an executive at Anacor Pharmaceuticals and Medicis Pharmaceuticals.

## AUSBIOTECH, JOHNSON & JOHNSON INNOVATION

Ausbiotech and Johnson & Johnson Innovation say that nominations have opened for their 'Industry Excellence Awards' nominations

A joint media release said that the awards "recognize and honor high achievers in the Australian life sciences industry".

The media release said that the awards recognized "the leading lights of Australia's world-class biotechnology, medical technology and healthcare sectors by celebrating those who have and continue to make a considerable contribution to the biotechnology industry and the growth of the bio-economy".

Ausbiotech and Johnson & Johnson said that past recipients included researchers who successfully translated their discoveries into clinical practice and companies that pioneered the developments of new treatments and reliable diagnostics.

The media release said that the three awards were for Industry Leadership; Australian Company of the Year; and Australian Emerging Company of the Year.

Ausbiotech and Johnson & Johnson said that nominations for would close on September 27 and the awards would be presented on October 31 at the Ausbiotech 2019 conference.

For more information about the awards and to nominate for the three categories go to:

[www.ausbiotechnc.org/ausbiotech-and-johnson-johnson-innovation-awards](http://www.ausbiotechnc.org/ausbiotech-and-johnson-johnson-innovation-awards).

## BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION AT JULY 31, 2019

<b>Company \$Am</b>	<b>Aug-18</b>	<b>Jul-19</b>	<b>Aug-19</b>
Cochlear	11,703	11,915	12,718
CSL	88,947	97,511	104,050
Resmed	20,110	24,613	27,236
<b>BDI-20</b>			
Avita	103	785	814
Clinuvel	591	1,680	1,592
Compumedics	111	108	128
Cyclopharm	62	101	96
Cynata	120	127	183
Ellex	107	76	90
Genetic Signatures	41	140	109
Immutep	103	85	71
Medical Developments	275	347	375
Mesoblast	910	706	736
Nanosonics	946	1,683	1,653
Neuren	271	115	153
Opthea	116	167	190
Paradigm	112	269	284
Pharmaxis	104	101	89
Polynovo	336	1,018	1,058
Pro Medicus	868	2,601	3,186
Starpharma	500	518	489
Telix	126	271	351
Volpara	135	359	349
<b>Second 20</b>			
Actinogen	64	11	10
Alterity (Prana)	25	25	22
Amplia (Innate)	14	4	6
Antisense	9	19	21
Dimerix	16	13	16
Impedimed	153	44	74
Imugene	79	58	90
Kazia (Novogen)	27	22	25
LBT Innovations	26	27	27
Next Science	168	434	323
Oncosil	131	33	42
Optiscan	29	27	24
Orthocell	27	78	67
Osprey	66	33	31
Patrys	47	27	25
Prescient	24	15	19
Proteomics	24	28	25
Resonance	9	42	41
Universal Biosensors	47	39	43
Uscom	23	19	19

\* Biotech Daily editor, David Langsam, owns shares in Acrux, Amplia, Benitec, Mesoblast, Nanosonics, Neuren, Patrys, Polynovo, Prana, 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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