Biotech Daily

Thursday March 20, 2014

Daily news on ASX-listed biotechnology companies

*** ASX DOWN, BIOTECH UP: ADMEDUS UP 7%, ELLEX DOWN 7%**

*** BIOPROSPECT TECHNICAL REPORTS BACK DEPRESSION HEART TEST**

*** BIODIEM RECEIVES $359k FEDERAL R&D TAX REFUND**

MARKET REPORT

The Australian stock market fell 1.15 percent on Thursday March 20, 2014 with the S&P ASX 200 down 61.6 points to 5,294.0 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 11 fell, 11 were unchanged and three were untraded.

Admedus was the best, up one cent or 6.9 percent to 15.5 cents with 4.0 million shares traded.

Medical Developments, Phosphagenics, QRX and Uscom climbed five percent or more; Avita was up 4.55 percent; Oncosil and Prana were up more than three percent; Circadian and Neuren rose more than two percent; Clinuvel and Reva were up more than one percent; with Benitec, Bionomics and Starpharma up by less than one percent.

Ellex led the falls, down 2.5 cents or 6.8 percent to 34.5 cents with 64,000 shares traded.

Pharmaxis lost 5.7 percent; Acrux and Viralytics fell three percent or more; GI Dynamics, Mesoblast, Sirtex and Universal Biosensors shed more than two percent; Alchemia, Anteo and Genetic Technologies were down more than one percent; with Cochlear and CSL down by less than one percent.

BIOPROSPECT

Bioprospect says that technical due diligence reports confirm the potential viability of the Invatec and Heartlink mental illness diagnosis technology it proposes to acquire.

Bioprospect said it was waiting for the final report on corporate and legal due diligence, which was expected shortly and pending acceptable results it would proceed with the Invatec and Heartlink transaction.

The company previously said that Heartlink was an Australian company holding the patents to the Invatec heart rate variability technology developed by its research director Dr Addis and Invatec chief executive officer Claude Solitario (BD: Jan 22, 2014).

Bioprospect chairman Peter May said that independent experts evaluated the technology, its theoretical background, past clinical research, diagnostic performance and competing technologies.

“We are pleased that both reports independently confirm the view that the Invatec technology is a breakthrough innovation in the diagnosis of mental health disorders and appears to have excellent potential as the world’s first objective and quantitative tool for diagnosing a wide range of mental health disorders,” Mr May said.

The company said that historical research supported the use of heart rate variability as a biomarker for major depression and other mental health disorders.

Bioprospect said that longer periods of heart rate variability measurement might provide greater diagnostic capabilities for mental health disorders in at risk patients.

The company said that most research on heart rate variability focused on shorter time intervals, while Invatec had focused on 24 hour periods.

The unnamed university research team said the “results from this review can only suggest that [heart rate variability] measurement may be a useful means to diagnose psychopathology within a patient”.

Bioprospect said an unnamed Perth private hospital consultant psychiatrist found that Invatec has undertaken systematic clinical investigations conducted over an extended period and that the standard of work was at an acceptable level and comparable to a typical investigator-initiated clinical study and that results from clinical studies undertaken consistently supports the diagnostic value of circadian heart rate variability measurement.

The unnamed psychiatrist said the “the correlation results of the blinded validation study are impressive, reaching statistical significance”.

“And importantly it demonstrates in a convincing fashion the link between certain diagnostic categories and recognizable changes in heart rate pattern,” the psychiatrist said.

Bioprospect said that in a blinded test of patients with a range of mental health disorders and healthy controls, totaling 98 case files, the heart rate heart rate variability technology demonstrated a successful diagnosis rate of more than 80 percent in comparison to clinician diagnoses.

The company said that diagnostic heart rate method has been in development for 10 years and involved more than 6,000 test cases.

Bioprospect said that the case studies demonstrated that as the patient’s mental health disorder improved, the heart rate pattern normalized.

The company said that this opened the possibility of the technology being used as a monitoring tool to evaluate the effectiveness of various treatments such as medication and/or psychotherapy.

Bioprospect said that there was “a high level of interest in heart rate monitoring amongst clinicians with knowledge of the technology”.

Bioprospect fell 0.2 cents or 40 percent to 0.3 cents with 36.3 million shares traded.

BIODIEM

Biodiem says it has received $359,022 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Biodiem said the rebate related to research and development expenditure for the year to June 30, 2013.

Biodiem chief executive officer Julie Phillips said that the Research and Development Tax Incentive program "plays a vital role for small Australian biotech companies such as ours".

"The program offsets some of the costs in conducting the important research and development activities which are needed to bring new medicines and vaccines to market," Ms Phillips said.

"The support this Federal Government program provides allows us to extend and accelerate the amount of [research and development] which we can undertake in Australia," Ms Phillips said.

"The proceeds of these funds will be used to fund the company's main programs developing and commercializing vaccines and infectious disease therapies," Ms Phillips said.

Biodiem is a public unlisted company.