



Biotech Daily

Friday August 21, 2015

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: REVA UP 14%, ANALYTICA DOWN 14%**
- * **BIOTA STARTS PHASE I BTA585 FOR RSV STUDIES**
- * **RHINOMED SIGNS BOOTS EXCLUSIVE UK MUTE DISTRIBUTOR**
- * **DORSAVI 3-YEAR COMPLIANCE DEAL WITH DESIGNINC ARCHITECTS**
- * **PRO MEDICUS REVENUE UP 22% to \$18m, PROFIT UP 113% TO \$3m**
- * **MEDICAL DEVELOPMENTS REVENUE UP 24% to \$12m, PROFIT UP 75% TO \$1.5m**
- * **ATCOR REVENUE UP 8% TO \$5.5m, LOSS DOWN 18% TO \$2m**
- * **STARPHARMA REVENUE UP 35% TO \$1.7m, LOSS UP 30% TO \$19m**
- * **GI DYNAMICS CUTS COSTS, STAFF BY 46%**
- * **MEDIBIO COMPLETES CORPORATE STRESS TEST DEVELOPMENT**
- * **AUSTRALIAN ETHICAL REDUCES TO 9% OF IDT**
- * **OCEANIA, HOSKEN SLIP BELOW 5% OF ATCOR**
- * **M-D PAUL RENNIE, KZEE, EAR TAKE 24% OF PARADIGM**
- * **PRESCIENT TO ISSUE 700k CHAIRMAN, DIRECTOR OPTIONS**
- * **REVA APPOINTS MEDTRONIC'S REGINA GROVES CEO, STARTS ON \$540k**
- * **IMMURON HIRES RED CHIP FOR US INVESTOR RELATIONS**

MARKET REPORT

The Australian stock market fell 1.4 percent on Friday August 21, 2015 with the ASX200 down 74.0 points to 5,214.6 points. Eight of the Biotech Daily Top 40 stocks were up, 27 fell, four traded unchanged and one was untraded. All three Big Caps fell.

Reva was the best, up eight cents or 13.6 percent to 67 cents with 158,670 shares traded. Universal Biosensors climbed 4.1 percent; Prana was up 3.45 percent; Acrux, Pharmaxis and Tissue Therapies rose two percent or more; with Anteo up one percent.

Analytica led the falls, down 14.3 percent to 0.6 cents with 900,000 shares traded. Oncosil lost 10 percent; Orthocell fell 9.5 percent; Polynovo shed 8.7 percent; Benitec, Cellmid, Genetic Technologies and Starpharma were down more than seven percent; IDT lost 6.45 percent; Mesoblast and Osprey fell more than five percent; both Biotron and Medical Developments lost 4.8 percent; Actinogen was down 3.3 percent; Circadian, CSL, Impedimed, Living Cell, Psivida and Prima shed two percent or more; with Admedus, Antisense, Avita, Clinuvel, Ellex, Neuren and Resmed down more than one percent.

BIOTA PHARMACEUTICALS

Biota says it has begun a 50-subject, randomized, placebo-controlled, phase I single ascending dose trial of BTA585 for respiratory syncytial virus (RSV).

Biota said the safety and pharmacokinetics study in healthy volunteers had five dose ranging from 50mg to 500mg and one cohort would be dosed fasted and then with food.

The company said that following a safety assessment of the initial dose cohorts it planned to begin a phase I multiple ascending dose study by the end of 2015.

Biota said that BTA585 was "a potent inhibitor of viral entry into cells [and was] an orally bioavailable compound in clinical development for the treatment of respiratory syncytial virus infections in children, the elderly and immune-compromised patients".

Biota chief executive officer Dr Joseph Patti said the start of the study was "a major milestone".

"We believe that BTA585 has the potential to reduce the significant morbidity and mortality associated with acute RSV A and B infections in both children and adults," Dr Patti said.

"In addition to BTA585, we are also advancing our RSV non-fusion inhibitor program and plan to have a lead clinical candidate selected ... by mid-2016."

Last night on the Nasdaq, Biota slipped 4.2 US cents or 1.82 percent to \$US2.25 (\$A3.08, equivalent to 38.45 cents a share before departing the ASX) with 99,852 shares traded.

RHINOMED

Rhinomed says that Boots UK pharmacies will be the exclusive retailer for its Mute snoring and sleep technology in the UK from late October 2015.

Rhinomed said that the terms of the contract, including pricing and minimum order sizes was confidential and the exclusive distribution deal supersedes previous UK distribution deals for Mute.

The company said that the over-the-counter Mute nasal plugs had been shown in a 236-patient trial to reduce snoring in 75 percent of participants and was registered with the US Food and Drug Administration, Australian Therapeutic Goods Administration and had Conformité Européenne (CE) mark approval.

Rhinomed chief executive officer Michael Johnson said that "getting Mute into pharmacies in the UK is an important step for Rhinomed as we seek to expand our global pharmacy distribution footprint".

Mr Johnson said that 75 percent of Britons snored and 30 percent snored almost every night and "ensuring British snorers can purchase Mute through the high street pharmacy channel is critically important and a significant milestone achievement for the company".

Rhinomed was up 0.3 cents or 7.0 percent to 4.6 cents with 18.0 million shares traded.

DORSAVI

Dorsavi says it has a three-year deal with the Melbourne-based architecture firm Designinc to assess and maintain its integrated management system.

Dorsavi said that Designinc employed about 150 people across Australia, providing services from architecture to interior design.

The company said that its compliance team would support Designinc maintaining its international standards certifications, along with "reshaping the current quality, risk management and environment management systems to be contemporary and business specific to Designinc".

Dorsavi did not disclose the value of the contract.

Dorsavi fell half a cent or 1.7 percent to 29 cents.

PRO MEDICUS

Pro Medicus says that revenue for the 12 months to June 30, 2015 was up 21.7 percent to \$17,577,000 with net profit after tax up 113.2 percent to \$3,217,000.

Pro Medicus said that net tangible asset backing per share was constant at 13 cents and diluted earnings per share was up 106.7 percent to 3.1 cents for the year to June 30, 2015 compared to 1.5 cents for the previous corresponding period.

The company said that an unfranked dividend of 1.0 cents per share would be paid on October 2, for holders on the record date of September 11, 2015, following an interim unfranked dividend of 1.0 cents a share.

Pro Medicus said it had in cash and cash equivalents of \$12,935,000 at June 30, 2015, compared to \$15,259,000 at the end of the previous financial year.

Pro Medicus fell 10 cents or 4.8 percent to \$2.00.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says that revenue for the 12 months to June 30, 2015 was up 23.9 percent to \$11,608,000 with net profit after tax up 74.7 percent to \$1,529,000.

Medical Developments said that respiratory sales increased 42 percent in the year to June 30, 2015, with increases in Australia, New Zealand, Asia, Europe and North America.

The company said that sales of its Pentrox inhaled analgesic increased 32 percent, with sales expected to increase with European and US approvals.

Medical Developments said that net tangible asset backing per share rose 123.3 percent to 1.6 cents for the year to June 30, 2015 compared to the previous year's 0.12 cents and diluted earnings per share was up 73.3 percent to 2.6 cents compared to 1.5 cents for the previous corresponding period.

The company said it had in cash and cash equivalents of \$954,000 at June 30, 2015, compared to \$1,659,000 at the end of the previous financial year.

Medical Developments fell 12 cents or 4.8 percent to \$2.40.

ATCOR MEDICAL

Atcor says revenue for the 12 months to June 30, 2015 was up 8.2 percent to \$5,468,953, reducing net loss after tax by 17.6 percent to \$2,108,476.

Atcor said that, for the third consecutive year, all geographic regions posted positive contribution earnings.

The company said that US clinical practice sales of its non-invasive Sphygmocor test for central blood pressure and arterial stiffness, in advance of the common procedural terminology code (CPT-1) introduction, grew 52 percent and driven by government-funded studies, US sales to researchers were equally strong, growing 58 percent.

Atcor said that Asian sales increased by 23 percent but the global pharmaceutical trials business continued to experience delays, with sales falling \$700,000 or 38 percent compared to the previous corresponding period and sales in Europe, Australia and New Zealand declined, primarily due to delayed orders.

The company said the year to June 30, 2015 "was a seminal year", with the US Renal Physicians Association's filing for a CPT-1 code for the Sphygmocor diagnostic, which would become effective from January 1, 2016.

Atcor said that net tangible asset backing per share rose 14.3 percent to 2.4 cents, while diluted loss per share fell 47.1 percent to 0.9 cents and the company had cash and equivalents of 3,449,943 at June 30, 2015 compared to \$2,168,156 at June 30, 2014.

Atcor was unchanged at 23 cents.

STARPHARMA

Starpharma says that revenue for the year to June 30, 2014, was up 34.5 percent to \$1,693,000 with net loss after tax up 29.5 percent to \$18,950,000.

Starpharma said that revenue was predominately of royalty, licencing and research revenue from commercial partners of \$804,000 up 194.5 percent compared to the previous period's \$273,000, with interest income down 8.6 percent to \$889,000.

The company said that net tangible asset backing per share was constant at nine cents with diluted loss per share up 20 percent to 6.0 cents and it had cash and cash equivalents of \$35,080,000 at June 30, 2015 compared to \$24,028,000 at June 30, 2014. Starpharma fell five cents or 7.3 percent to 63.5 cents.

GI DYNAMICS

GI Dynamics says it will reduce its staff by about 46 percent as part of a restructure following the termination of its pivotal US Endobarrier US trial (BD: Jul 30, 31, 2015).

GI Dynamics said that following this staff reduction it expected to have about 29 full-time employees and "sufficient cash available to establish new priorities, continue limited market development and research and to evaluate strategic options".

The company said it would incur costs of about \$US600,000 for employee severance and benefit costs and it expected to complete the staff reduction by December 31, 2015.

GI Dynamics was up 0.2 cents or 5.3 percent to four cents.

MEDIBIO (FORMERLY BIOPROSPECT)

Medibio says it has completed the development and testing of the first internet cloud-based, scalable corporate stress test product.

Medibio said that the product included electro-cardiogram (ECG) data streaming, algorithm processing and data analytics and it had tested end-to-end automation including streaming of live data: from a range of ECG monitors on a range of "smart phones" to its cloud-based algorithms and data analytics platform.

Medibio was up half a cent or 1.1 percent to 46.5 cents.

IDT AUSTRALIA, AUSTRALIAN ETHICAL INVESTMENT

Australian Ethical Australian Share Fund has reduced its substantial holding in IDT from 22,766,419 shares (12.81%) to 17,661,419 shares (9.15%).

Australian Ethical said that on July 1, 2015 it bought 650,000 shares for \$149,500 or 23 cents a share, and sold shares between April 20 and August 14, 2015, with the most recent sale 2,000,000 shares for \$630,000 or 31.5 cents a share.

IDT fell two cents or 6.45 percent to 29 cents.

ATCOR MEDICAL

Oceania Capital Partners and related bodies corporate have ceased their substantial holding in Atcor falling below the 5.0 percent threshold.

The Bellrose, New South Wales and Cape Town South Africa-based Oceania and Hosken Consolidated Investments said they bought 1,361,111 shares for \$245,000 or 18 cents a share in the recent placement and rights issue and sold 40,000 shares for \$9,600 or 24 cents a share on August 4 and 19, 2015 (BD: Jun 17, Jul 22, 2015).

PARADIGM BIOPHARMACEUTICALS

Paradigm managing-director Paul Rennie with Kzee Pty Ltd and Ear Investments say they have become substantial shareholders in Paradigm with 21,214,543 shares (24.22%). Paradigm was unchanged at 35 cents.

PRESCIENT THERAPEUTICS (FORMERLY VIRAX HOLDINGS)

Prescient says it proposes to issue 300,000 options to chairman Steven Engle and 200,000 each to directors Dr James Campbell and Steven Yatomi-Clarke.

Prescient said that the issue would be subject to shareholder approval at the coming annual general meeting.

The company said that the options would be exercisable at 8.5 cents each and vest in three tranches on the day following the next general meeting, and on the 12-month and 24-month anniversary of the grant date.

Prescient said that managing-director Dr Rob Crombie had a separate agreement with the company for options and to date executive director Paul Hopper had declined participation in the option scheme.

Prescient was unchanged at 6.7 cents.

REVA MEDICAL

Reva says that it has appointed Regina Groves as its chief executive officer, effective from September 21, 2015, on a base salary of \$US395,000 (\$A540,392).

Reva said that Ms Groves would replace Robert Stockman who continued as the non-executive chairman of the company.

In May, Reva said it had begun a search for a chief executive officer with expertise in bringing medical device products to market (BD: May 14, 2015).

Today, Reva said that Ms Groves had more than 30 years' experience in medical devices, executive leadership and financial management, most recently as Medtronic's AF Solutions division's vice-president and general manager, where she executed strategies to re-enter the catheter-based atrial fibrillation ablation market and achieved the goal to be market leader in paroxysmal, or intermittent, atrial fibrillation ablation.

The company said that at AF Solutions she acquired and integrated companies, complete clinical trials and launched novel products.

Reva said that prior to AF Solutions Ms Groves was the head of quality and regulatory affairs at Medtronic's cardiac rhythm disease management business from 2006 to 2008 and before that was the head of patient management in the same business.

The company said that Ms Groves gained experience in strategic business consulting and strategy development and mergers and acquisitions for McKinsey & Co.

Reva said that Ms Groves held a Bachelor of Science from the University of Florida and a Masters of Business Administration from Harvard Graduate School of Business Administration.

The company said that Ms Groves would be granted non-qualified stock options over up to 1,670,000 US shares at a per share exercise price equal to the fair market value of a share on the date of the grant, vesting over four years.

Reva said that Ms Groves would be eligible to up to 40 percent of the base salary, (\$A216,157) pending performance goals, except that in calendar year 2016, one-half of this bonus (\$A108,078) shall be guaranteed provided that she remains employed to December 31, 2016.

Reva climbed eight cents or 13.6 percent to 67 cents.

IMMURON

Immuron says it has engaged Red Chip Companies Inc for US investor relations services in conjunction with a US investor road-show.

Immuron said that the Maitland, Florida-based Red Chip had released an analyst report, which the company said had “attracted significant online attention and market discussion”. The company said it would continue to “explore strategies to enhance shareholder value, including securing investment from a wider shareholder base via alternative overseas capital markets”.

Immuron was up 5.5 cents or 13.6 percent to 46 cents.