Biotech Daily

Wednesday August 26, 2015

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: LIVING CELL UP 18%, CIRCADIAN DOWN 5%**

*** ANTEO BUYS BELGIUM'S DIASOURCE FOR UP TO $34m CASH, SCRIP**

*** DORSAVI PLACEMENT RAISES $4m, 1-FOR-10 OFFER FOR $3m MORE**

*** TISSUE THERAPIES, QUT CONTINUE VITROGRO R&D**

*** COMPUMEDICS REVENUE UP 9% TO $33.5m, PROFIT UP 117% TO $2m**

*** CYCLOPHARM H1 REVENUE DOWN 23% TO $5m, $132k LOSS, MAIDEN DIVIDEND**

*** IMPEDIMED REVENUE UP 38% to $5m, LOSS DOWN 6% TO $8m**

*** USCOM REVENUE UP 48% TO $2m, LOSS DOWN 20% TO $1.2m**

*** DORSAVI REVENUE UP 141% TO $2m, LOSS UP 126% TO $8m**

*** CBA, RELATED PARTIES SELL, RETURN TO 5% OF SIRTEX**

*** PRESCIENT 'ENCOURAGED' BY EARLY PTX-200 FOR CANCER DATA**

*** US PATENT FOR PARADIGM'S PPS FOR BONE BRUISING**

*** SUDA TAKES 100% CONTROL OF ARTIMIST**

*** AVITA REQUESTS 'EQUITY PLACEMENT' TRADING HALT**

*** UNILIFE APPOINTS HARRY HAMILL, MARY WOLD; JIM BOSNJAK GOES**

MARKET REPORT

The Australian stock market climbed 0.69 percent on Wednesday August 26, 2015 with the ASX200 up 35.5 points to 5,172.8 points. Twenty-two of the Biotech Daily Top 40 stocks were up, 10 fell, seven traded unchanged and one was untraded.

Living Cell was best, up 0.6 cents or 18.2 percent to 3.9 cents with 295,750 shares traded, followed by Polynovo up 15.8 percent to 11 cents with 131,000 shares traded. IDT and Oncosil climbed more than nine percent; Actinogen and Benitec were up more than seven percent; Cellmid was up 6.25 percent; Compumedics and Universal Biosensors were up more than five percent; Anteo and Osprey were up more than four percent; Biotron, Prana and Tissue Therapies were up more than three percent; Clinuvel, Medical Developments, Neuren, Optiscan, Pharmaxis and Prima rose two percent or more; with Mesoblast, Psivida and Resmed up more than one percent.

Circadian led the falls, down one cent or 4.8 percent to 20 cents with 2,450 shares traded. Antisense and Orthocell lost more than three percent; with Bionomics, Ellex and Impedimed down more than one percent.

ANTEO DIAGNOSTICS

Anteo says it will acquire the Belgium-based Diasource Immunoassays SA specialty diagnostics company for up to EUR22.7 million ($A34.4 million)

Anteo said that through a share purchase agreement, an initial payment of EUR15.4 million ($A23.3 million) would be paid in cash and/or shares at completion of the acquisition, with an earn-out component up to EUR7.3 million ($A11.1 million), subject to revenue and margin targets, with a minimum 20 percent in shares, subject to financing, regulatory approvals and other conditions.

The company said that the 4,500 square meter Diasource headquarters, located in Louvain-La-Neuve near Brussels, combined offices and laboratories with a fully integrated manufacturing and storage facility.

Anteo said that Diasource was “a vertically-integrated specialty diagnostics company that develops, manufactures, markets and distributes clinical diagnostics products in the fields of endocrinology, especially bone metabolism, fertility, cardiovascular and oncology” servicing customers in 75 countries, selling products directly and through a network of 90 main distributors and 40 “original equipment manufacturers”.

The company said that Diasource generated revenue of $18.0 million in 2014 and $10.9 million in the six months to June 30, 2015, achieving its fifth consecutive revenue growth quarter and fifth consecutive best quarter, thanks to growth in its vitamin D portfolio and its established line of specialty Radioimmunoassays (Ria) and enzyme-linked immunosorbent assay (Elisa) assays.

Anteo said the acquisition was “transformative … [and] an important step in the staged global expansion strategy for Anteo”.

The company said that the Diasource head office and operations were based in the middle of one of the most prosperous and densely populated region in Europe, with good access to core European markets and Anteo’s customers.

Anteo said that the Diasource platform provided significant opportunities for its Mix&Go technology, delivering tailored products and accelerating sales of the Mix&Go technology and product range.

Anteo said it would gain access to a large manufacturing capability, which previously would have required Anteo to undertake significant further investment.

Anteo chief executive officer Dr Geoff said that the Anteo-Diasource combination would be “transformational for Anteo and deliver a strong set of benefits to both companies”.

“Not only will the combined group transition Anteo towards a cash flow positive position, it also delivers a truly global presence through which both Diasource’s and Anteo’s products can be sold,” Dr Cumming said.

Anteo was up 0.4 cents or 4.4 percent to 9.5 cents with 2.5 million shares traded.

DORSAVI

Dorsavi says it has raised $4,000,000 through a placement at 26 cents a share and hopes to raise up to $3.2 million through a one-for-10 rights offer at the same price.

Dorsavi said the proceeds would be used for working capital.

The company said that the record date for the share plan was September 1, the plan would open on September 4 and close on September 17, 2015.

Dorsavi said that the offer was fully underwritten by Canaccord Genuity (Australian) and the company’s largest shareholder Starfish Technology Fund II had agreed to subscribe for its full entitlement.

Dorsavi fell four cents or 13.8 percent to 25 cents.

TISSUE THERAPIES

Tissue Therapies says it has signed a further research and development agreement with the Queensland University of Technology for its Vitrogro wound treatment.

Tissue Therapies acting chief executive officer Nigel Johnson told Biotech Daily that the agreement was for “the continued development of Vitrogro towards regulatory approval”.

Earlier this year, the UK Committee for Medical Products for Human Use said it wanted additional data regarding the insulin-like growth factor-1 components of Vitrogro and following discussions, Tissue Therapies proposed further clinical and pre-clinical studies (BD: Mar 26, May 13, 2015).

In July, Tissue Therapies said it had acquired all the intellectual property under five patent families relating to Vitrogro extracellular matrix (ECM) (BD: Jul 14, 2015).

The company said that the transfer of ownership provided the market with more certainty around its assets and commercialisation potential.

Tissue Therapies said that Vitrogro ECM had been developed for use in the management of chronic wounds, which were characterised by a dysfunctional extracellular matrix which blocked the movement of repair cells to the site and Vitrogro acting as a replacement matrix, allowing repair cells to migrate, attach and proliferate, leading to tissue regeneration and wound closure.

Tissue Therapies was up 0.2 cents or 3.9 percent to 5.3 cents.

COMPUMEDICS

Compumedics says that revenue for the 12 months to June 30, 2015 was up 8.6 percent to $33,495,000 turning with net profit after tax up 116.7 percent to $1,970,000.

Compumedics said that the increase in revenue was largely due to increased business in the US and China, with Europe and Australian “in-line” with the previous year.

The company said that net tangible asset backing per share was up 36.8 percent from 3.8 cents to 5.2 cents, with diluted earnings per share up 140 percent to 1.2 cents compared to the previous year’s 0.5 cents a share.

Compumedics said it had cash and cash equivalents of $2,230,000 at June 30, 2015, compared to $1,054,000 at June 30, 2014.

Compumedics was up 1.5 cents or 5.4 percent to 29.5 cents.

CYCLOPHARM

Cyclopharm says revenue for the six months to June 30, 2015, fell 22.5 percent to $5,077,740, turning the previous period’s profit to a net loss after tax of $132,307.

Cyclopharm managing director James McBrayer told Biotech Daily that revenue was “lumpy” with a of EUR1 million payment in the same period last year from one customer, which was expected to be recognized in the six months to December 31, 2015.

Mr McBrayer said that the Cyclotron business had ended but in the previous corresponding period provided $539,000 in revenue, implying that underlying revenue continued to be strong.

Mr McBrayer said that Cyclopharm would pay an interim dividend and its first dividend of a fully-franked 0.5 cents a share to investors at the record date of October 7, 2015.

The company said that net tangible assets per share climbed 83.3 percent to 11 cents, compared to six cents at June 30, 2014.

Cyclopharm said that cash and cash equivalents at June 30, 2015 was $3,613,361 compared to $3,268,425 at December 31, 2014.

Cyclopharm fell nine cents or 15.25 percent to 50 cents.

IMPEDIMED

Impedimed says revenue for the year to June 30, 2015, was up 37.7 percent to $4,927,000 with net loss after tax up 86.5 percent to $14,797,000.
Impedimed said that revenue related to increases in medical as well as test and measurement, with total lymphoedema test product revenue up 28 percent.
The company said that diluted loss per share increased 50 percent to 6.0 cents at June 30, 2015 and net tangible assets per share was up 120 percent to 11 cents.
Impedimed said it had $35,118,000 in and cash equivalents cash at June 30, 2015, compared to $10,812,000 at June 30, 2014.
Impedimed fell 1.5 cents or 1.5 percent to $1.00 with 1.8 million shares traded.

USCOM

Uscom says that revenue for the year to June 30, 2015, was up 48.0 percent to $2,039,426 with net loss after tax down 20.3 percent to $1,212,143.
Last year, Uscom reported revenue of $1,064,666 for the year to June 30, 2014, implying this year's revenue was up 91.6 percent with net loss after tax also down 20.3 percent from $1,520,500 to $1,212,143.
Uscom executive chairman Prof Robert Phillips told Biotech Daily that the changed figures was due to requirements to meet new accounting standards.
Uscom said that the sales increase was primarily from the Uscom 1A ultra-sonic cardiac output monitor.
Uscom said that net tangible asset per share fell 42.3 percent to 0.015 cents, with diluted loss per share down 25 percent to 1.5 cents.
The company said that it had cash and cash equivalents of $526,317 at June 30, 2015 compared to $1,582,834 at June 30, 2014.
Uscom was unchanged at 15 cents.

DORSAVI

Dorsavi says that revenue for the year to June 30, 2015, was up 141.1 percent to $1,850,416 with net loss after tax up 125.6 percent to $8,036,161.
Dorsavi said that sales revenue from its spine and movement diagnostic products was up 156.6 percent from $529,381 to $1,358,218.
The company said that said that its net tangible asset per share fell 57.5 percent from 11.83 cents at June 30, 2014 to 5.00 cents at June 30, 2015, with diluted loss per share up 81.3 percent to 6.60 cents.
Dorsavi said that it had cash and cash equivalents of 5,743,513 at June 30, 2015 compared to $13,938,445 at June 30, 2014.

SIRTEX MEDICAL

The Commonwealth Bank of Australian and a large number of related parties have reduced their holding from 3,534,663 shares (6.25%) to 2,988,845 shares (5.21%).
The CBA named scores of related companies and said that between May 15 and August 25, 2015 it had bought, sold, borrowed and returned shares in a large number of trades requiring more than 240 pages to report the trades, with some shares subject to share lending agreements.
Sirtex fell 18 cents or 0.5 percent to $33.75 with 370,568 shares traded.

PRESCIENT THERAPEUTICS (FORMERLY VIRAX HOLDINGS)

Prescient says it has "encouraging early clinical data" from its phase Ib/II clinical study of PTX-200 for breast, lung and oesophageal cancer.

Prescient said that 14 patients had been treated with PTX-200 in combination with weekly paclitaxel chemotherapy and the study showed "evidence of anti-tumor activity".

The company said that dose escalation of PTX-200 had proceeded to the third and final dose level of 35mg/m2 and the researchers would initiate an expansion cohort in 12 patients at the expected 35mg/m2 recommended phase II dose of PTX-200 to better characterize the safety profile of the combination.

The company said the study was an investigator-sponsored trial under New York's Montefiore Medical Center and Albert Einstein College of Medicine's Prof Joseph Sparano and had been partly funded by the US National Cancer Institute.

"In the phase II study that will begin upon completion of the expansion cohort, we will determine the pathologic complete response rate after PTX- 200 plus paclitaxel therapy in patients with locally advanced breast cancer," Prof Sparano said.

Prescient said PTX-200 inhibited the protein kinase B, or Akt, tumor survival pathway, which played a role in the development of many tumors and contributed to paclitaxel resistance.

Prescient chief executive officer Dr Rob Crombie said the "one must always be cautious in interpreting data from such small patient numbers, however we are sufficiently encouraged that we are positioned to move into expansion phase of the study".

"To this end, we are pleased to advise that one of the world's largest cancer centres, the [Tampa, Florida-based] Moffitt Cancer Center, will now join the study under the direction of lead investigator Dr Heather Han," Dr Crombie said.

Prescient said that a previous phase I study of PTX-200 as a single agent in patients with advanced leukaemia showed stabilization of disease in 17 of 32 patients after a single round of treatment, with three patients showing a decrease in the number of leukaemic blast cells and one patient showing a marked reduction in leukocytosis and spleen size.

Prescient was up 0.2 cents or three percent to 6.9 cents with one million shares traded.

PARADIGM BIOPHARMACEUTICALS

Paradigm says it has been granted a patent by the US Patent and Trademark Office for the use of pentosan polysulphate sodium (PPS) for bone marrow oedema.

Paradigm chairman Graeme Kaufman told Biotech Daily that the patent was entitled 'Treatment of bone marrow edema (oedema) with polysulfated polysaccharides' and provided coverage until February 2032.

The company said the US patent had been granted in Australia and New Zealand and it had a patent for pentosan polysulphate sodium for respiratory illness granted in Australia, New Zealand and China, with registered trademarks and a 20-year exclusive supply agreement for pentosan polysulphate sodium from the Germany-based manufacturer Bene Pharmachem.

Paradigm said that bone marrow oedema lesions were also known as bone bruising and were a painful and debilitating injury, caused by fluid build-up and micro-fractures inside the bone causing severe pain, with no approved pharmaceutical products.

The company said that current treatment included using both steroidal and non-steroidal anti-inflammatory drugs, which could have serious side effects.

Paradigm said it would begin a phase IIa clinical study of pentosan polysulphate sodium for bone marrow oedema in Australia "from late 2015".

Paradigm was untraded at 31 cents.

SUDA

Suda says it has acquired London Pharma's 20 percent share of its subsidiary Malaria Research Company Pty Ltd for $1.2 million, taking all rights to Artimist for malaria.
Suda said that the Malaria Research Company was owned by the UK-based Protopharma Ltd and its Oxford-based parent company London Pharma and owned the rights to the Artimist sublingual anti-malarial spray.
The company said that the payment was "full and final settlement of all outstanding liabilities between the two companies" and Protopharma and London Pharma had agreed not to compete with the Artimist spray.
Suda said that the acquisition was "an important step towards [its] objective to commercialise Artimist through a collaboration or trade sale".
The company said that it originally licenced commercial rights to Artimist for certain territories from Protopharma in 2006 and in a 2013 agreement, all the intellectual property and global rights were put into the Australian Malaria Research Company, with Suda holding 80 percent and Protopharma owning the balance.
Suda said the payment came from cash reserves and it had a strong cash position as it negotiated with parties regarding Artimist and its other lead clinical projects.
Suda chief executive officer Stephen Carter that simplification of the ownership structure alleviated issues including tax implications on the commercialization of the project, gave Suda full control of commercial negotiations and 100 percent of anticipated deal proceeds.
Suda was up 0.1 cents or 3.3 percent to 3.1 cents with 1.4 million shares traded.

AVITA MEDICAL

Avita has requested a trading halt pending an announcement regarding "an equity placement".
Trading will resume on August 28, 2015 or on an earlier announcement.
Avita last traded at 7.2 cents.

UNILIFE CORPORATION

Unilife says it has appointed Harry Hamill as a director replacing Jim Bosnjak, with Mary Kate Wold as lead independent director
who is retiring after 12 years with the company
Unilife said that Mr Hamill was "a seasoned financial executive" in the public company life sciences sector and prior to retirement held senior finance roles at Wyeth for 18 years including mergers and acquisitions head of Wyeth manufacturing and distribution finance and chief financial officer of an animal health business unit.
The company said that prior to Wyeth, Mr Hamill was a partner at a public accounting firm.
Unilife said that director Mary Kate Wold was appointed as a director in 2010 and had been appointed as the lead independent director.
The company said that Ms Wold was the chief executive officer of the New York Church Pension Fund.
The Church Pension Group website said that Ms Wold was formerly a law firm partner and most was Wyeth's senior vice president, finance, and a principal corporate officer.
Unilife was unchanged at 32.5 cents with 1.3 million shares traded.