Biotech Daily

Thursday February 11, 2016

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: COCHLEAR UP 14%, ANTISENSE DOWN 13%**

*** COCHLEAR H1 REVENUE UP 27% TO $558m, PROFIT UP 32% TO $94m**

*** AUSTRALIA WELCOMES NZ'S $4.5m FOR SYNCHROTRON**

*** REVA ENROLS 200 TRIAL PATIENTS, GOLDMAN SACHS EXERCISES $16m**

*** COLLEGE OF RADIOLOGY, FLORIDA UNI TO USE PRO MEDICUS VISAGE 7**

*** MMJ: 'MARIJUANA CAPSULES EQUAL OR BETTER THAN SATIVEX'**

*** MEDLAB WELCOMES FEDERAL MEDICAL MARIJUANA BILL**

*** AVITA APPOINTS MSM MEDICAL FOR GERMAN-SPEAKING COUNTRIES**

*** DENMARK'S AARHUS MUNICIPALITY TAKES SIMAVITA'S SIM SYSTEM**

*** LA TROBE UNI APPOINTS DR DAN GRANT TO ENGAGE INDUSTRY**

MARKET REPORT

The Australian stock market recovered 0.95 percent on Thursday February 11, 2016 with the ASX200 up 45.4 points to 4,821.1 points. Eighteen of the Biotech Daily Top 40 stocks were up, 12 fell, nine traded unchanged and one was untraded. All three Big Caps rose.

Not included in the BDI-40, Cochlear was the best, up $12.87 or 14.1 percent to $104.05 with 813,851 shares traded, followed by Optiscan up 0.2 cents or 9.5 percent to 2.3 cents with 420,000 shares traded.

Polynovo climbed eight percent; Neuren was up 7.1 percent; Genetic Technologies, Reva and Universal Biosensors were up more than five percent; Prana was up 4.2 percent; Actinogen and Pro Medicus were up more than three percent; Acrux, CSL, Ellex, Prima and Sirtex rose two percent or more; Admedus, Living Cell, Opthea and Resmed were up more than one percent; with Mesoblast and Nanosonics up by less than one percent.

Antisense led the falls, down 0.7 cents or 12.7 percent to 4.8 cents with 69,043 shares traded. Both Biotron and Osprey lost 11.9 percent; Tissue Therapies was down 7.1 percent; Benitec, Compumedics and Orthocell fell more than five percent; Avita fell 4.8 percent; Starpharma shed 2.5 percent; with Anteo, Impedimed and Viralytics down more than one percent.

COCHLEAR

Cochlear says that revenue for the six months to December 31, 2015 was up 27.3 percent to $558,088,000 with net profit after tax up 31.7 percent to $94,033,000.
Cochlear said that diluted earnings per share climbed 31.6 percent to $1.644 with net tangible assets per share up 100.1 percent to $3.159 compared to December 31, 2014.
The company said that a fully-franked interim dividend of $1.10 a share for shareholders on the record date of March 11 would be paid on April 1, 2016, up 22.2 percent on the partly franked 90.0 cents for the previous corresponding period.
Cochlear said research and development expenditure was up 14.4 percent to $70,193,000 or 12.6 percent of total revenue.
The company said that total units sold was up 26.2 percent to 14,748 units for the six months to December 31, 2015, with sales revenue up across all divisions led by cochlear implants up 33.7 percent to $362,709,000.
Cochlear said that sales revenue in the Americas were up 35.2 percent to $264,081,000, with Asia Pacific sales up 68.6 percent to $107,219,000 and sales in Europe, Middle East and Africa were up 15.9 percent to $210,420,000.
Cochlear chief executive officer Chris Smith told a teleconference that the full year profit guidance had been increased to between $180 million and $190 million.
Mr Smith said that the company had benefitted from the fall of the Australian dollar, but it had also made “five major product releases in the past 12 months” and was focused on sales and market penetration.
Mr Smith said 360 million people world-wide had hearing loss, of which one in three were over the age of 65 years and there was a less than five percent market penetration.
He said the company had targeted improving access through clinics and referrals as well as direct-to-consumer techniques including the use of social media and search engines.
Cochlear chief financial officer Neville Mitchell told the teleconference that the net foreign exchange benefit amounted to $16.3 million and the company had paid $48.1 million taxation in the year to December 31, 2015 compared to $20.9 million but that partly reflected a move to monthly rather than quarterly payments as well as the increased profit.
Mr Mitchell said that Cochlear was “comfortable” with the reduction in net debt from $140.5 million to $132.9 million and retained $135 million in further debt facilities.
Cochlear climbed $12.87 or 14.1 percent to $104.05 with 813,851 shares traded.

FEDERAL GOVERNMENT, AUSTRALIAN SYNCHROTRON

The Minister for Industry, Innovation and Science Christopher Pyne says New Zealand has committed $4.5 million to the Australian Synchrotron over the next three years.
A media release from Mr Pyne’s office said that the New Zealand Government had approved funding alongside co-investment by the New Zealand research sector for a total contribution of $1.5 million each year over three years.
“The Synchrotron is one of Australia’s most important research infrastructure platforms, delivering ground breaking scientific discoveries,” Mr Pyne said.
“New Zealand’s announcement of a three year commitment comes after the Australian Government set aside $520 million in funding to operate the Synchrotron over the next 10 years as part of the National Innovation and Science Agenda,” Mr Pyne said.
“It’s a warmly welcomed commitment to continuing what has been an excellent demonstration of trans-Tasman research collaboration,” Mr Pyne said.
“New Zealand has been a long-time backer and user of the Synchrotron for important work that supports their scientific work and I’m delighted that they will continue to participate in and support this valuable piece of research infrastructure,” Mr Pyne said.

REVA MEDICAL

Reva says it has enrolled more than 200 patients in its Fantom coronary scaffold trial and Goldman Sachs will exercise $16.1 million in options.

Last year, Reva said that it had enrolled the first cohort of 110 patients in the trial of the Fantom drug-eluting bio-resorbable scaffold, and they were undergoing a six-month imaging assessment (BD: Oct 1, 2015).

Today, the company said the data on the first 110 patients was planned to be collected by July and used in a Conformité Européenne (CE) mark application by October 2016, which if approved would allow it to sell in Europe and countries that recognized the CE mark.

Reva said it expected to complete enrolment of at least 220 patients by April and data from the second cohort would be used for market support and other commercial purposes.

The company said that Goldman Sachs International intended to exercise its option over 4,375,000 shares of common stock, which would provide the company with about $US11.4 million ($A16.1 million) in cash and combined with the $US16.9 million in cash at December 31, 2015, the proceeds would provide more than $US28 million in cash, ensuring it had the resources to approach Fantom's commercialization.

Reva said that it had negotiated modifications to the September 2014 convertible note, subject to shareholder approval (BD: Sep 26, 2014).

In 2014, Reva said it expected to raise up to $US48.2 million (then $A54.9 million) through the issue of convertible notes and options to Goldman Sachs International and Senrigan Master Fund, each taking half of the $US25 million in convertible notes with the 8,750,000 in attaching options raising up to $US23.2 million.

Today, Reva said that the $US25 million in outstanding convertible notes, automatically convert to common stock on receipt of a CE mark for Fantom combined with a trading price of at least 60 cents for at least 20 consecutive days and the proposed modifications was to add a third condition that Reva also be listed on the Nasdaq or another US exchange, for an automatic conversion to take place and extended the redemption date from January 14, 2017 to June 30 2017.

Reva was up six cents or 5.3 percent to $1.20.

PRO MEDICUS

Pro Medicus says the American College of Radiology and the University of Florida have chosen its Visage 7 technology for training and assessing radiology residents.

Pro Medicus said that its US subsidiary Visage Imaging would provide the College with Visage 7 technology to be used as a component of its assessment platform for emergent and critical care imaging simulation for "resident" medical practitioners and followed a nine-month evaluation the College and University.

The University of Florida College of Medicine chairman Prof Anthony Mancuso said that the "lack of consistency, capability and performance of our prior image viewers had presented significant challenges to the efficiency of simulation delivery".

"Visage stands to improve the image viewing experience of the simulation (program), creating a professional, clinically appropriate and an even more realistic simulated interpretation environment," Prof Mancuso said.

Pro Medicus chief executive officer Dr Sam Hupert said that the American College of Radiology's selection of Visage 7 was "the latest expert validation of the breakthrough, world-class capabilities Visage has brought to enterprise imaging".

Dr Hupert said that medical residents in both civilian and military roles in the US "will have the very best training tools available to them as part of the … program".

Pro Medicus was up nine cents or 3.1 percent to $2.96.

MMJ PHYTOTECH

MMJ Phytotech says that a phase I trial of its two medicinal cannabis oral capsule formulations showed higher bioavailability of active compounds than the Sativex spray.
MMJ said it compared two unstated doses of its pro-nano-lipospheres against GW Pharmaceuticals Sativex oromucosal spray in 15 patients, with 14 completing the trial.
The company said its formulations demonstrated safety and tolerability with no significant side effects, very rapid onset and eight hours exposure time in the blood.
MMJ said that the oral capsules showed good on-going stability results at room temperature, leading to a cost effective and consumer-friendly product.
The company said it was developing oral capsules containing a standardized combination of tetrahydrocannabinol and cannabidiol with the first product in development for the relief of pain and spasticity in multiple sclerosis patients.
MMJ said that it would conduct a phase II oral capsule efficacy trial in multiple sclerosis to begin by the end of 2016, with results expected by July 2017.
The company said that the results showed its formulations performed “at the same or even higher level when compared to GW Pharmaceutical’s product”.
The company said that the phase I trial was a single-centre, multi-arm, randomized, crossover study to assess the safety, tolerability and pharmacokinetics undertaken at Israel’s Sourasky Medical Clinical Research Center.
MMJ was unchanged at 29.5 cents with 1.9 million shares traded.

MEDLAB CLINICAL

Medlab says it welcomes legislation introduced into Federal Parliament yesterday to allow cultivation of cannabis for medical or scientific purposes.
Medlab said that Health Minister Sussan Ley introduced the Narcotic Drugs Amendment Bill 2016 which would allow the controlled cultivation of cannabis for medicinal or scientific purposes through a single national licencing scheme, allowing patients and their doctors access to a safe, legal and reliable supply of medicinal cannabis products for the management of painful and chronic conditions.
Medlab said that in July 2015 it became one of the first commercial entities in New South Wales to receive State Government approval for use of cannabis in medical research and had developed a therapy for pain management, using its Nanocelle mouth spray delivery platform.
Medlab was up three cents or 15 percent to 23 cents.

AVITA MEDICAL

Avita says it has appointed the Gomadingen, Germany-based MSM Medical GmbH as the distributor for its wound repair devices in Germany, Austria and Switzerland.
Avita said that MSM sold “advanced wound care products into the key German-speaking territories through its eight sales staff located in offices in Gomadingen, Vienna and Zurich”.
The company said the agreement came into effect on February 10 and it would support MSM Medical with publicity and clinical platforms and a focused training program for clinicians deploying the single-use device.
Avita said that it had previously appointed distributors for the UK, France, Japan and South Korea and had begun discussions with parties in other territories.
Avita fell half a cent or 4.8 percent to 10 cents.

SIMAVITA

Simavita says that Danish distribution partner Abena A/S has signed a contract with the Municipality of Aarhus to supply its smart incontinence management (SIM) system.
Simavita said that the contract was partly a result of a series of trials in 2015 and was for a two year period.
Simavita was untraded at 12.5 cents.

LA TROBE UNIVERSITY

La Trobe University says that it has appointed former Pfizer executive Dr Dan Grant as its first pro-vice-chancellor to lead industry engagement.
The University said that Dr Grant was formerly Pfizer Australia's senior director and head of external research and development innovation for Australia, New Zealand and Singapore and he had held academic and business development positions at Monash University and the University of Melbourne.
The University said that Dr Grant would lead its engagement with industry through partnerships and by supporting staff and student entrepreneurship, and would oversee the University's technology transfer strategies and policies.
Latrobe University vice-chancellor Prof John Dewar said the appointment was "an essential element of La Trobe's strategy to better engage with industry".
"Our top priorities at La Trobe are to create more opportunities for commercialisation, research and development as well as to boost the employability of our graduates [and] Dr Grant will play a key role in all of these," Prof Dewar said.