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## First light for Advanced Oncotherapy, Clinigen's lateral thinking, Wolf unleashed in Devon

AVO Half Yearly Report, COG Agreement, CLIN Partnership and Acquisition, COS Agreement, ECK Contact Win, FIF Preliminary Results, IKA Grant Award, NWT Contract Win, RGS Acquisition, SAR\* Patent Grants, VENN\* Half Yearly Report, Proposed Acquisition and Placing, WLFE Commissioning Complete

A full archive of previous weeks' Small Cap Wraps can now be viewed on [www.hybridan.com](http://www.hybridan.com).

The Hybridan Small Cap Wrap is a weekly review of some of the most interesting small cap stories of the past week. Our review will usually be of those companies whose market capitalisations are less than £50m although we may occasionally cover larger companies.

### Advanced Oncotherapy (LON:AVO)

Advanced Oncotherapy, the developer of a next generation proton therapy system for cancer treatment, announced unaudited results for the six months ended 30 June 2015. The Company remains on schedule in its technology development to have its LIGHT proton therapy system ready for patient treatment in London's renowned Harley Street in 2017. The LIGHT system accelerates protons to the energy levels achieved in first-generation proton therapy machines but in a system that is a quarter of the size, requires less shielding and is manufactured at a fraction of the cost. It also delivers proton beams with greater precision and electronic control than older technologies. H1 Highlights showed continued technical development of the first LIGHT system in line with the company's plans, with an oversubscribed placing of £21m. H1 also showed the Harley Street lease agreement for the UK's first proton therapy centre using the LIGHT System and the first commercial sale of the LIGHT system in China to Sinophi Healthcare. Post Period End Events & Key Milestones were an extension of lease agreement on Harley Street site to provide a larger treatment facility, the commencement of initial SCDTL testing and delivery of a further two CCL units and a framework agreement between China-Japan Union Hospital of Jilin University and Sinophi.

### Cambridge Cognition (LON:COG)

Cambridge Cognition, which specialises in computerised neuropsychological tests including those enabling the early detection of dementia, announced it has entered into an agreement with Shandwell to launch Cantab Corporate Health (CCHL) and that CCHL has secured its first contract. CCHL will be dedicated to working with employers and their healthcare providers in delivering sensitive and accurate cognitive assessments in all relevant workplace settings using the proprietary CANTAB™ tests from Cambridge Cognition. The tests are run through iPads and provide reports in minutes, helping identify problems which can then be managed in the workplace. CCHL's business development will be managed by Shandwell, a consultancy business specialising in improving the health and wellbeing of the working population, in return for a minority equity stake in the new entity. CCHL will deliver a new revenue stream to Cambridge Cognition through licensing revenues, royalties and product sales, and it will create a vehicle to access the growing global corporate sector that isn't targeted by the Company's current marketing channels.

### Clinigen Group (LON:CLIN)

Clinigen Group, Idis Managed Access (MA) division and Neuraltus Pharmaceuticals, Inc., a privately-held biopharmaceutical company focused on the development of drugs to treat neurodegenerative diseases, announced that the companies are partnering to initiate a Managed Access program for NP001, Neuraltus' investigational therapy for amyotrophic lateral sclerosis (ALS). The partnership makes the Managed Access program immediately available in selected European countries and is expected to gradually expand over the next year. ALS, or Lou Gehrig's disease, is a rare and fatal neurodegenerative disease characterised by the degeneration of motor neurons in the spinal cord and brain. There are approximately 400,000 ALS patients worldwide, including 50,000 patients in Europe. Most patients and

physicians report only modest slowing of ALS progression from existing treatments for ALS, underscoring the need for new and effective drug therapy. The company has also agreed to acquire Link Healthcare, a specialist pharmaceutical and medical technology business focussed on the Asia, Africa and Australasia region, for an initial consideration of £44.5m and a maximum of approximately £100m based on achievement of milestones.

### **Collagen Solutions (LON:COS)**

Collagen Solutions, the developer and manufacturer of medical grade collagen components for use in regenerative medicine, medical devices and in-vitro diagnostics, and Histogenics Corporation (Nasdaq: HSGX), a regenerative medicine company focused on developing and commercialising products in the musculoskeletal space, announced the execution of a supply agreement between Histogenics and Collagen Solutions. The supply agreement will encompass additional collagen material sources for use in Histogenics' investigational product candidate, NeoCart®, a regenerative medicine product currently in Phase 3 clinical trials using autologous cell therapy, biomaterials and engineering to develop a tissue implant to repair knee cartilage damage. The supply agreement may also encompass additional future products in the Histogenics pipeline for use in markets outside of the United States.

### **Eckoh (LON:ECK)**

Eckoh, the global provider of secure payment solutions and multi-channel customer service, announced that it has secured a new contract for its secure payment solution CallGuard with The Co-operative Group following a competitive tender. The three year deal will see CallGuard implemented throughout The Co-operative Group's contact centres in its Electrical, Legal Services, Group Finance and FuneralCare divisions. These divisions take in excess of 250,000 calls per year through approximately 125 customer service representatives. CallGuard will prevent customers' payment card data from entering the contact centres' environment, enabling agents to take payments securely over the phone whilst remaining on-hand to guide customers through the payment process. The Co-operative Group is the UK's largest mutual business, owned by 8.2m members. By implementing CallGuard, The Co-operative Group is demonstrating its continued commitment to the security and privacy of its customers' personal information. In addition, by using Eckoh as its PCI DSS compliant service provider, The Co-operative Group can quickly satisfy a long and detailed part of the compliance process, enabling it to focus on its core business objectives.

### **Finsbury Food Group (LON:FIF)**

Finsbury Food Group, a leading UK speciality bakery manufacturer of cake, bread and morning goods for both the retail and foodservice channels, announced its preliminary results for the financial year ended 27 June 2015. Financial Highlights showed group revenue of £256.2m up 45.8 percent (2014: £175.7m) and up 6.1 percent on a like-for-like basis. Moreover, adjusted operating profit was £12.4m up 61 percent (2014: £7.7m) and up 20 percent on a like-for-like basis. The group operating profit margin was 4.8 percent (2014: 4.4 percent) and profit before tax was £11.4m up 76 percent (2014: £6.5m). The final dividend per share was 1.67p taking total dividend for the year to 2.50p (2014: 1.00p per share). Net debt of £21.3m equates to 1.0 times pro forma annualised EBITDA of the Group and the net debt is well within the long term banking facility of £51m available to support current and future growth plans. Operational Highlights showed an increase in operating profit margin showing the benefits of ongoing capex investment, continuous improvement, business improvement initiatives and overhead management. There was organic sales growth of 6.1 percent versus prior year, driven by market share growth in the UK Cake business. The foodservice sales growth was ahead of market growth with twenty new products launched across five ranges. Strategic highlights showed the company acquiring Fletchers, giving a broader spread of customers across food retail and foodservice channels in cake, bread and morning goods businesses. The company also acquired trade and assets of Johnstone's, augmenting the company's foodservice offering, thus allowing the company to be one of the largest speciality bakery groups in the UK with annualised revenues of approximately £300m.

### **Ilika (LON:IKA)**

Ilika, the accelerated materials innovation company, announced that it has been awarded a £0.47m grant for research and technology, as part of a lead role in a £2.15m, three-year collaborative project with Reliance Precision Engineering, University of Sheffield, GKN and BAE Systems. This follows success in a competition run by Innovate UK on behalf of the Aerospace Technology Institute (ATI), with funding from the Department for Business Innovation & Skills. The project has two objectives. First, the aim is to develop a new generation of self-healing alloys suitable for additive manufacturing (AM) processes. The second aim is to develop a metallic manufacturing process that takes advantage of the flexibility of AM and the precision of subtractive manufacturing. This will pave the way for the manufacture of novel

components with critical feature tolerances, meeting the challenges faced in the design of mechanisms for the aerospace industry with lower weight, structural integrity and functional performance. This project aligns the UK's aerospace supply chain, demonstrating a clear commercialisation route. The proposal was selected for funding from submissions made to Innovate UK's competition, in partnership with the ATI and Department for Business, Innovation & Skills, titled "Building UK's Leadership in Aerospace Technology."

#### **Newmark Security (LON:NWT)**

Newmark, a leading security solutions group, announced that its wholly owned subsidiary, Grosvenor Technology, has secured a contract with a major Global Workforce Management partner for the development, manufacture and supply of one of Grosvenor's next generation terminals. The development costs, partly funded by the Partner, include incentives for completion of the development work and availability of the terminal in late 2016. The contract is for a period of ten years with guaranteed revenues of \$6m over the first five years. The Partner has exclusivity for the terminal for a period of six months from the launch of the terminal (with the exception of one existing major customer of Grosvenor). Workforce Management, an arm of Grosvenor, specialises in the provision of advanced IT clocks and terminals to ensure businesses can manage their workforces in a non-invasive manner, whilst enabling real-time reporting for informed decisions relating to safety, security and effectiveness of their workforce. By exploiting the latest mobile-inspired touch screen technologies, Grosvenor is able to define a new standard for ease of use, performance and productivity in a design that is both elegant and robust in a harsh commercial environment. The new terminal will also feature a familiar, standards-based open architecture, ensuring that Independent Software Vendors can quickly and easily deliver tailored experiences that provide access to a wider range of business applications than was previously possible using today's generation of dedicated Time & Attendance terminals.

#### **Regeneris (LON:RGS)**

Regeneris announced the acquisition of Tabernus, the US market leader and global number 2 provider of data erasure software. Regeneris has agreed to acquire the entire issued share capital of Tabernus LLC and Tabernus Europe, together comprising the entire operations of Tabernus. The consideration is \$12m, comprising cash payment of \$10m funded through the Group revolver facility, and a maximum of \$2m in deferred cash consideration payable after two years. Tabernus is the market leader in data erasure software in the USA, and the global number two player after Blancco. In addition to its numerous accreditations from NATO, US Department of Defense and CESG, Tabernus counts many of the world's most innovative technology, finance and retail brands as global customers. This transaction secures Blancco's global market position. In the year to 30 April 2015, Tabernus generated revenues of \$3.0m and profit before taxation of \$0.4m, with net assets of \$0.1m before fair value adjustments as at 30 April 2015. The acquisition is expected to be earnings accretive.

#### **Sareum (LON:SAR)\***

Sareum, the specialist cancer drug discovery business, announced that the U.S. Patent and Trademark Office and the European Patent Office have issued notifications that patents will be granted for inventions associated with Sareum's Aurora+FLT3 Kinase Inhibitor Programme. These patents describe compounds that inhibit the activity of Aurora and FLT3 kinase enzymes and the medical use of these compounds, particularly in the treatment of cancer. The granting of these patents means that Sareum will have approved patent protection in the US and Europe for its Aurora+FLT3 inhibitor programme. The US patent will be granted on 15 September and the European patent will be granted, subject to the completion of certain formalities, shortly after 25 September. The Company expects that similar patents will be granted in other major markets, including Japan and China, in due course. Sareum's Aurora+FLT3 inhibitor programme targets acute myeloid leukaemia (AML) and other leukaemias and lymphomas. In disease models of AML, the preclinical development candidate molecule demonstrates greater than 98 percent tumour inhibition. Preclinical development studies to obtain approval for human clinical trials are being undertaken in collaboration with, and funded by, Hebei Medical University Biomedical Engineering Centre in China.

#### **Venn Life Sciences (LON:VENN)\***

Venn Life Sciences, a growing Clinical Research Organisation (CRO) providing clinical trial management and resourcing solutions to pharmaceutical, biotechnology and medical device clients, has entered into an agreement to acquire the entire issued share capital of Kinesis Pharma BV, a provider of specialist consultancy services around the chemical-pharmaceutical, non-clinical and early clinical development of drug products, for a total maximum consideration of up to €6.5m. The Acquisition is in line with the Company's strategy of making targeted, complementary

acquisitions that improve the Group's geographical coverage and deepen its service capability, to create a highly differentiated European Contract Research Organisation. Key highlights include a conditional agreement to acquire the entire issued share capital of Kinesis Pharma BV for a total maximum consideration of €6.5m to be satisfied by: €3.6m on completion - €2.0m in cash and €1.6m in Consideration Shares, €2.9m maximum contingent consideration based on future performance - 50:50 in cash/shares and a Contingent consideration payable in four instalments over the four year period following completion. The company also announced an oversubscribed placing to raise c. £3.57m (gross) at 22p. Financial Highlights showed revenue of €4.259m (H1 2014: €1.512m), EBITDA loss of €0.04m (H1 2014: €0.91m) and a loss before tax of €0.26m (H1 2014: €0.99m) with cash and cash equivalents of €1.096m (As at 30th June 2014: €0.119m). Operational Highlights included €9m in new contract wins during H1 bringing greater scale to the business, a successful ongoing recruitment regime to meet work load sees resource base growing to 120 personnel and the management team strengthened with appointment of new CFO in June 2015.

### **Wolf Minerals (LON:WLFE)**

Wolf Minerals, specialty metals development company, announced the completion of commissioning of the processing plant at the Drakelands open pit mine constructed at the Company's Hemerdon tungsten and tin project in Devon, southwest England. Construction of the processing plant started on site in March 2014 and wet commissioning of the plant commenced in June 2015. The entire processing plant, and all the equipment within it, has now run successfully satisfying the requirements for handover to Wolf. As a result, Wolf has taken full operational control of the plant from the project's EPC contractor, GR Engineering Services. The inaugural shipment of tungsten concentrate has also been dispatched from Drakelands for delivery to a long term customer, marking the Company's first generation of revenue and operating cash flow.

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