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Alchemia demerges Audeo on NASDAQ, ASX

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Alchemia demerges Audeo Oncology



Singapore: Alchemia has demerged its subsidiary, Audeo Oncology, on NASDAQ and the ASX. The company has announced that it has been unable to secure sufficient new investment for Audeo at terms acceptable to the Alchemia board.

Whilst the company was greatly encouraged by the quality and level of investor interest in the Audeo's oncology program, US investor concerns around market conditions, timing and the domestic economy were felt to have had a significant impact in the level and pricing of available investment. As a result, the demerger and listing of Audeo on NASDAQ and the ASX will not proceed under the court approved scheme of arrangement.

The company will continue to evaluate alternative longer term financing options, including options of creating financial independence for Audeo. Such options may include the listing of Audeo in the New Year, but will depend on a number of factors including market conditions.

Taking into account the group's current cash resources including the recent receipt of $1.4 million under the federal government's R&D Tax Incentive scheme, the expected receipt of over $2 million in the New Year as a result of the Alchemia Oncology's recent successful overseas finding under the R&D Tax Incentive scheme for overseas expenditure, as well as the expected continued receipt of quarterly cashflows from Dr Reddy's as a result of fondaparinux sales in the US, the Company is adequately financed in the short to medium term.

Alchemia's chairman, Dr Melvyn Bridges, said that, "While we are disappointed we could not secure sufficient investment at acceptable financial terms for Audeo and Alchemia this year, we are encouraged by investor feedback on Audeo's oncology platform and have great confidence in the value of Audeo, especially given the execution of its phase III trial is on track. We will continue to evaluate financial options for Audeo, while also ensuring the phase III trial of HA-Irinotecan in metastatic colorectal cancer is delivered on time and on budget."