



Biotech Daily

Wednesday March 27, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: PARADIGM UP 23%; ONCOSIL DOWN 14%**
- * **NEUROTECH, FOUNDER DR ATTARD TREVISAN AND HIS PHD**
- * **MESOBLAST, MT SINAI REVASCOR NEW HEART FAILURE TRIAL**
- * **DORSAVI TELLS ASX 'WE ARE A GOING CONCERN', FUNDING**
- * **MEMPHASYS RAISES \$1.9m, \$1.7m TO GO**
- * **FACTOR SURVIVES BOARD SPILL AGM; 43% REM REPORT 1st STRIKE**
- * **PRESCIENT 5m DIRECTOR OPTIONS EGM**
- * **G MEDICAL \$35m NASDAQ SHARES, 14m DR YACOV GEVA SHARES EGM**
- * **GENETIC TECHNOLOGIES REQUESTS 'EXPANSION' TRADING HALT**
- * **PHOSPHAGENICS DR MURDOCH STEPS DOWN, DR COLLIER STEPS UP**
- * **SUDA APPOINTS DAVID SIMMONDS DIRECTOR**

MARKET REPORT

The Australian stock market edged up 0.09 percent on Wednesday March 27, 2019, with the ASX200 up 5.4 points to 6,136.0 points. Eleven of the Biotech Daily Top 40 stocks were up, 19 fell, seven traded unchanged and three were untraded.

Paradigm was the best on no news, up 37.5 cents or 23.4 percent to \$1.98, with 1.3 million shares traded. Telix climbed 11.6 percent; Antisense was up 8.8 percent; Compumedics and Uscom were up more than six percent; Benitec and Osprey improved more than four percent; Avita was up 3.8 percent; Medical Developments and Volpara rose more than two percent; Neuren was up 1.8 percent; with Resmed up 0.35 percent.

Oncosil led the falls, down 0.7 cents or 13.7 percent to 4.4 cents, with 11.8 million shares traded. Prana lost 10.2 percent; Pro Medicus was down 6.9 percent; Imugene retreated 5.3 percent; Cynata and Kazia fell more than four percent; Actinogen and Pharmaxis were down more than three percent; Airxpanders, Immutep, Nanosonics, Opthea, Optiscan and Starpharma shed more than two percent; CSL, Ellex, LBT and Proteomics were down more than one percent; with Cochlear, Mesoblast and Polynovo down less than one percent.

NEUROTECH INTERNATIONAL

Neurotech has confirmed a Times of Malta report that founder and major shareholder Dr Adrian Attard Trevisan does not hold qualifications claimed in its prospectus.

When Neurotech listed on the ASX in November 2016, the then executive director, inventor, major shareholder and chief scientific officer, Dr Attard Trevisan, claimed to hold a Doctorate of Philosophy in Neuroscience from University College London.

Following a March 25, 2019 report by journalist Jacob Borg in the Times of Malta, Neurotech said today that “Dr Attard Trevisan has admitted that he does not have a PhD from University College London and that Dr Attard Trevisan only has a PhD in Human Physiology from the University of Milan.”

The company said that the assertions referred to Dr Attard Trevisan’s conduct during the period 2012 to 2015 and the article, and the information it contained, were deeply disappointing to Neurotech, its board and management.

Neurotech said that Dr Attard Trevisan “ceased to be an employee of Neurotech in April 2016 and resigned as a director of the company in June 2018 ... and he no longer has any role with Neurotech.” (BD: Jun 28, 2018).

“Dr Attard Trevisan resumed providing specific advisory services to the company as announced on December 20 last year,” the company said. “His role has been a limited one and has now been terminated.” (BD: Dec 20, 2018).

In its February 28, 2019 half year report, the company said it was a 12-month consultancy. In documents filed to the ASX, Neurotech said on December 20, 2016 and in the half year report on March 1, 2017 that Dr Attard Trevisan was the chief scientific officer.

The news of his resignation as an executive director was buried in an announcement titled ‘Quarterly Reports’ on April 26, 2017.

On May 11, 2017, the ASX issued a Compliance Update reminding companies of “paragraph 4.14 of ASX Guidance Note 8, paragraph 12 of ASX Guidance Note 14 and paragraph 9 of ASX Guidance Note 20 about giving an announcement that contains market sensitive information a header that clearly conveys this fact”.

“ASX has had issues with announcements that have headers that convey an impression that they are not market sensitive when they have embedded within them market sensitive information,” the ASX Compliance Note said.

With the Paloma Trust and Krystle Attard Trevisan, Dr Attard Trevisan said he was a major shareholder with 19.1 percent of the company in November 2018.

On March 1, 2019 director Simon Trevisan said he held 8,738,434 shares in the company along with 5,197,334 options.

On February 25, 2019, Neurotech said that it had issued 26,122,966 shares in a rights issue that raised \$783,689 of a hoped for \$3.3 million, taking the total number of shares on issue to 135,743,869 shares, but there has been no change of substantial shareholder notice filed by Dr Attard Trevisan.

Today, Neurotech said that its flagship product Mente for autism was “the result of much more than the work of one person ... [and the] team has worked for many years to create, refine and improve the device and its therapeutic outcomes and that work continues today, and into the future”.

“As a company, we stand behind the peer-reviewed science of Mente and the results it is delivering for children with autism spectrum disorder,” the company said.

“The positive outcomes that Mente enables for children with autism have been validated in a double-blind independent clinical trial in the US and many parent testimonials,”

Neurotech said.

The company said it was “under new operational leadership in 2019”.

Neurotech was up 0.1 cents or 5.6 percent to 1.9 cents with 1.1 million shares traded.

MESOBLAST

Mesoblast says it has an agreement with New York's Mt Sinai Icahn School of Medicine for a trial of Revascor for gastrointestinal bleeding in end-stage heart failure.

Last year, Mesoblast said a 159-patient, phase II trial of mesenchymal precursor cells for heart failure at Mt Sinai did not meet its primary endpoint, but showed benefit for gastrointestinal bleeding (BD: Nov 12, 2018).

The company said at that time that the investigator-led trial of its MPC-150-IM, or Revascor, for end stage heart failure did not meet the primary endpoint of temporary weaning of end-stage heart failure patients from left ventricular assist devices (LVADs), or heart pumps, but showed benefit for a sub-group and reduced the "clinically meaningful" gastro-intestinal bleeding, which would be an endpoint that the US Food and Drug Administration could approve.

Today, Mesoblast said it had a memorandum of understanding with Mt Sinai to develop and conduct a confirmatory clinical trial of to reduce gastrointestinal bleeding in end-stage heart failure patients implanted with a left ventricular assist device, or heart pump.

The company said that the 159-patient trial showed a 76 percent reduction in gastrointestinal bleeding events ($p < 0.001$) and a 65 percent reduction in hospitalizations due to gastrointestinal bleeding ($p < 0.001$).

The study's co-principal investigator, the University of Michigan's Dr Frank Pagani said "gastrointestinal bleeding episodes are a major life-threatening complication of [left ventricular assist device] implants that occur in 20 to 40 percent of recipients in the first six months, resulting in recurrent hospitalizations and compromising quality of life".

"Confirmation of our previous observations that Mesoblast's cell therapy reduced major bleeding episodes and related hospitalizations would identify a therapeutic approach that could greatly benefit these patients," Dr Pagani said.

Mesoblast said it would meet with the FDA by July to discuss approval for Revascor under an existing regenerative medicine advanced therapy (RMAT) designation, following FDA guidance a "reduction in [gastro-intestinal] bleeding and associated hospitalizations are a clinically meaningful outcome that can support marketing approval".

The company said it would present concordant results from the 159-patient trial and an earlier 30-patient trial, along with a plan for a confirmatory trial, powered for the primary endpoint of reduction in gastro-intestinal bleeding.

Mesoblast fell one cent or 0.7 percent to \$1.39 with one million shares traded.

DORSAVI

Dorsavi has told the ASX that it "is able to continue as a going concern" due to a recurring revenue model shift along with cost cutting.

The ASX said Dorsavi's auditor report cast doubt on its ability to continue as a going concern and asked how the directors whether it was able to continue as a going concern.

Dorsavi said it requested an internal review following the release its half year report, in which it had \$6.4 million in assets and \$1.5 million in liabilities and published changes in an announcement titled 'Dorsavi Ltd announces operational changes' (BD: Mar 15, 2019).

The company said it would establish "a range of initiatives to reduce operating costs, build revenue and sales capability and optimize cash reserves", including a reduction in salaries, corporate and marketing overheads and an optimization of spending on core products.

Dorsavi said "it would likely be required to obtain additional working capital through capital raises, alternative means of financial support or both".

Dorsavi was untraded at 4.1 cents.

MEMPHASYS

Memphasys says it has raised \$1,894,735 in a \$3,640,891 one-for-two non-renounceable rights issue at two cents a share.

Memphasys said the 87,307,799 shortfall shares to raise a further \$1,746,156 would be placed by the offer underwriter, Patersons Securities.

Last month, the company said it would use the funds to further develop its Felix sperm separation device, for working capital and to repay director loans (BD: Feb 27, 2019).

Memphasys fell 0.1 cents or 4.35 percent to 2.2 cents.

FACTOR THERAPEUTICS

Factor says the spill resolution against the board has failed, narrowly, but the company has earned a remuneration report first strike, with 42.7 percent of votes against.

Last month, a group of shareholders requested a board spill to replace chair Dr Cherrell Hirst and directors Tim Hughes and John Michailidis with Bruce Lane and David Sanders (BD: Feb 5, Feb 22, 2019).

Today, Factor said the resolution to appoint Mr Lane and Mr Sanders failed with about 57 percent against and about 43 percent in favor, along with the same numbers in support of Dr Hirst, Mr Hughes and Mr Michailidis.

The company said 416,453,751 (57.3%) voted for the remuneration report, with 310,288,800 votes (42.7%) against.

Factor said that a separate resolution to re-elect Mr Hughes passed with 58.08 percent in favor, 63.67 percent opposed the previous issue of placement shares, and 57.22 percent supported the additional 10 percent capacity.

Factor's most recent Appendix 3B new issue announcement said the company had 1,042,835,633 shares on issue, meaning the largest number of votes against the company, 314,182,410 against the placement capacity amounted to 30.1 percent of the shares on issue, sufficient to requisition extraordinary general meetings.

Factor fell 0.05 cents or 14.3 percent to 0.3 cents with 1.3 million shares traded.

PRESCIENT THERAPEUTICS

Prescient says an extraordinary general meeting will vote to grant chief executive officer Steven Yatomi-Clarke and three directors 5,000,000 options.

Prescient said that the options would be exercisable at 145 percent of the 5-day volume-weighted average price to the date of issue, vesting in three equal tranches on the date of issue, and at one and two years, expiring four years from issue.

The company said it proposed to issue 3,500,000 options to Mr Yatomi-Clarke, 670,000 options to chair Steven Engle and 415,000 options each to directors Paul Hopper and Dr James Campbell.

Prescient said the meeting would vote to ratify the prior issue of 35,313,842 shares at five cents a share to professional and sophisticated investors and 17,656,921 options exercisable at 6.25 cents a share by March 31, 2023.

The company said the meeting would vote to issue up to 104,686,158 shares at five cents a share and 52,343,079 options at 6.25 cents a share by March 31, 2023, and 4,200,000 options at 6.25 cents a share by March 31, 2023.

The meeting will be held Chartered Accountants Australia and New Zealand, Level 18, 600 Bourke Street, Melbourne, on April 26, 2019 at 10am AEST.

Prescient was unchanged at 5.6 cents.

G (GEVA) MEDICAL

G Medical says an extraordinary general meeting will vote to approve the issue of \$34,984,607 Nasdaq shares and 14,706,719 shares for founder Dr Yacov Geva. G Medical said the meeting would vote to approve a "US sub-plan" and ratify the issue of 4,050,000 convertible notes, 870,673 shares and 4,657,002 options. The company said that other resolutions would vote to approve up to 13,971,008 amortization waiver options to noteholders, 1,218,311 placement agent options to Amnon Mandelbaum as nominee of Sunrise Securities LLC/INTE Securities LLC and 17,000,000 collateral shares to Acuity Capital. The meeting will be held at Otsana Capital, 108 Outram Street, West Perth, Western Australia on April 24, 2019 at 10am AWST. G Medical fell half a cent or 1.7 percent to 28.5 cents with 1.2 million shares traded.

GENETIC TECHNOLOGIES

Genetic Technologies has requested a trading halt "pending an announcement in relation to overseas jurisdiction government support for a significant business expansion". Trading will resume on March 29, 2019 or on an earlier announcement. Genetic Technologies last traded at 0.75 cents.

PHOSPHAGENICS

Phosphagenics says chief executive officer Dr Ross Murdoch will become a director with chairman Dr Greg Collier taking on the role of executive chairman. Phosphagenics said that Dr Murdoch's role would change from April 30, 2019, allowing him to "pursue a new, undisclosed executive opportunity". In 2015, the company appointed Dr Murdoch chief executive officer (BD: Apr 13, 2015). Phosphagenics was unchanged at 0.4 cents.

SUDA PHARMACEUTICALS

Suda says it has appointed David Simmonds as a non-executive director, effective from March 27, 2019. Suda said Mr Simmonds was currently a director of MS Research Australia's and was formerly a partner at Ernst & Young for 28 years and led the Australian capital markets desk from 2008 to 2013. Suda said Mr Simmonds was an audit partner for the Australian operations of US technology companies Hewlett Packard, Sun Microsystems and Oracle. Suda was unchanged at 0.4 cents with 2.8 million shares traded.