



# Biotech Daily

Wednesday July 3, 2019

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: DIMERIX UP 12%; ORTHOCELL DOWN 7%**
- \* **NEUROSCIENTIFIC: 'EMTIN-B GROWS NERVES, SYNAPSES IN RATS'**
- \* **SIRTEX CEO GILMAN WONG PLEADS 'GUILTY' TO INSIDER TRADING**
- \* **UNNAMED COMPANY WITHDRAWS \$83m NUHEARA BID INTENT**
- \* **NUHEARA REQUESTS CAPITAL RAISING TRADING HALT**
- \* **UNIQUEST APPOINTS EX-WEHI DR JULIAN CLARK DIRECTOR**
- \* **TELIX APPOINTS GRUPO RPH FOR TLX591-CDX IN LATIN AMERICA**
- \* **CRESO REPAYS \$5.15m CONVERTIBLE NOTE DEBT FOR ACQUISITION**
- \* **BTC DIRECTOR PETER JONES, HELEN JONES INCREASE, DILUTED TO 7%**
- \* **EMVISION: RUTH CREMIN HEAD OF QUALITY, REGULATORY AFFAIRS**
- \* **STEMCELL APPOINTS THENG DAR TENG ADVISOR**

## MARKET REPORT

The Australian stock market was up 0.49 percent on Wednesday July 3, 2019, with the ASX200 up 32.3 points to 6,685.5 points. Fifteen of the Biotech Daily Top 40 stocks were up, 13 fell, nine traded unchanged and three were untraded.

Dimerix was the best, up one cent or 11.8 percent to 9.5 cents, with 418,735 shares traded. Polynovo climbed 7.7 percent; Prescient and Telix improved more than five percent; Impedimed was up 4.35 percent; Ellex and Paradigm were up more than three percent; Cynata, Immutep and Universal Biosensors rose two percent or more; Benitec, Clinuvel and Cochlear were up more than one percent; with Compumedics, Mesoblast and Starpharma up by less the one percent.

Orthocell led the falls, down 3.5 cents or 6.73 percent to 48.5 cents, with 4.95 million shares traded, followed by Genetic Signatures down 6.72 percent to \$1.11, with 113,201 shares traded and Imugene down 6.67 percent to 1.4 cents, with five million shares traded. Patrys fell 4.2 percent; Medical Developments and Nanosonics were down more than three percent; Avita, Osprey, Pharmaxis and Volpara shed two percent or more; Pro Medicus and Proteomics were down more than one percent; with CSL, Neuren and Resmed down by less than one percent.

## NEUROSCIENTIFIC BIOPHARMACEUTICALS

Neuroscientific says that Emtin-B has shown “the largest ... improvement in neurite growth” and increased nerve cell connections in a spinal cord injury model in rats.

Neuroscientific chairman Brian Leedman told Biotech Daily that the company raised \$5 million to list on the ASX last year, but this was its first major scientific announcement.

Mr Leedman said that the company acquired the Emtin peptide family from the University of Copenhagen and had partnered the research with Perth’s University of Western Australia and Hobart’s University of Tasmania.

In a media release to the ASX, Neuroscientific said the research performed by the Zürich-based MD Biosciences showed that treatment with Emtin-B “produced [the] longest axon ever sampled by this disease model”.

The company said that “an increase in the length of axon is a measure of nerve’s cell ability to regenerate” and Emtin-B stimulated nerve regeneration exceeding 300 percent compared to control and double that of Copaxon, the leading marketed drug for multiple sclerosis with peak annual sales of \$4 billion dollars.

Neuroscientific said that the results “clearly demonstrate significant promise of Emtins’ neuroprotective effects in multiple neurodegenerative diseases”, such as Alzheimer’s, disease, multiple sclerosis and Parkinson’s disease.

The company said it expected the first human studies of Emtin-B for Alzheimer’s disease to begin by October 2019.

Neuroscientific said the rat model focused on measuring neurite outgrowth, that occurs via cyto-skeletal reorganization, an early cellular response to a variety of extracellular signals, and was an important step during normal neuronal development.

The company said that neurons organized themselves into complex functional networks connected synaptically with one neuron passing an electrical or chemical signal to another neuron and modulation of the neurite outgrowth process was implicated in a wide range of central nervous system diseases, including neurodegenerative disorders such as Alzheimer’s disease, multiple sclerosis, Parkinson’s disease and spinal cord injuries.

Neuroscientific said that isolated injured nerve cells were treated with either Emtin-B, sterile water or Copaxon, and at its highest dose of 30 microgram per millilitre it “significantly stimulated regeneration of nerve cells by more than 300 percent in comparison to controls incubated with sterile water and in one sample achieved the distinction of forming the longest axon ever measured in this model”.

“Furthermore, Emtin-B treatment of injured nerve cells was more effective than ... Copaxon across all concentrations, with [the] higher dose of Emtin-B producing 200 percent improvement,” the company said.

Neuroscientific said Emtin-B “significantly increased the number of synaptic connections per cell” ... indicating [it was] able to stimulate the reformation of the neuronal network and restore function of injured nerve cells [and] nerve cells were able to effectively communicate again”.

The company said that Alzheimer’s disease was its lead indication, with potential for Emtin-B in other neurodegenerative diseases.

Neuroscientific chief executive officer Matthew Liddelow said the results “far exceeded our expectations for efficacy in every test in the model”.

“We could finally have a disease modifying therapy for Alzheimer’s,” Mr Liddelow said.

“Our company goal is to create new products that reach their target in the brain and act as a protector against nerve cells injury,” Mr Liddelow said.

“Currently, there are no approved drugs that can slow down or halt neurodegeneration,” Mr Liddelow said.

Neuroscientific fell 6.5 cents or 15.5 percent to 35.5 cents with 17.7 million shares traded.

## SIRTEX MEDICAL

The Australian Securities and Investments Commission says that former Sirtex chief executive officer Gilman Wong has pleaded guilty to insider trading.

Last year, ASIC said that Mr Wong had been charged with one count of insider trading under the Corporations Act (BD: Sep 26, 2018).

ASIC said at that time that the Commonwealth Director of Public Prosecutions was prosecuting Mr Wong who appeared at Sydney's Downing Central Local Court and it was alleged that "Mr Wong was in possession of inside information, concerning Sirtex's sales, when he sold 74,698 shares in Sirtex on October 26, 2016".

In November 2016, Mr Wong said he sold 74,968 of his 274,968 shares "to cover the tax incurred in relation to the recently vested tranche of rights" (BD: Nov 7, 2016).

In December 2016, Sirtex downgraded its SIR-Spheres growth estimates leading to a significant fall in the share price (BD: Dec 9, 2016).

Shortly afterwards, Mr Wong took leave while his sale of shares was investigated and in January 2017, he was dismissed from the company (BD: Dec 19, 2016; Jan 25, 2017).

Last year, Sirtex was acquired by CDH Genetech and China Grand Pharmaceuticals for \$1.87 billion or \$33.60 a share (BD: May 4, Jun 15, Sep 12, 2018).

Today, ASIC said that Gilman Edwin Wong pleaded guilty to one charge of insider trading at the Downing Centre Local Court and was committed to the Sydney District Court for sentencing on a date to be fixed.

ASIC has previously said that the maximum penalty for an insider trading offence is 10 years' imprisonment.

## NUHEARA

Nuheara says an unnamed consumer electronics company offered \$82,505,665 or 8.4 cents a share to acquire it in April, but withdrew the bid, fearing transparency.

In an announcement, titled 'Capital Raising', Nuheara said the offer, in an indicative non-binding letter of intent, was subject to due diligence, Nuheara divesting its mining interests, a unanimous board recommendation and entry into a scheme implementation agreement, along with shareholder, court and regulatory approvals.

The company said it would need to conduct a capital raising to meet ongoing funding requirements and "would be required to provide a cleansing notice which would disclose the [letter of intent] and the name of the counterparty".

Nuheara said the electronics company withdrew its letter of intent and ceased discussions.

The company said it had recommenced previous discussions for original equipment manufacturer opportunities and other partnerships.

Nuheara was in a trading halt and last traded at 5.5 cents.

## NUHEARA

Nuheara says it has requested a trading halt "pending release of an announcement regarding a capital raising".

In a separate announcement, Nuheara said it was in the process of conducting a placement bookbuild to institutional, sophisticated and professional investors.

Nuheara said Azure Capital was its financial adviser, Herbert Smith Freehills its legal adviser for the indicative proposal and Rawson Lewis was the capital raising lead manager.

Trading will resume July 5, 2019 or on an earlier announcement.

## UNIQUEST

The University of Queensland's commercialization company Uniquet has appointed Dr Julian Clark to its board, replacing Greg Brown.

Uniquet chairman Dr Jay Hetzel said that Dr Clark had 40 years' experience in governance and executive roles, most recently as the Walter and Eliza Hall Institute's head of business development, where he commercialized Venetoclax for chronic lymphocytic leukaemia and acute myeloid leukaemia.

Uniquet said that Dr Clark had commercialized multiple products and technologies in Europe, Asia and North America and had worked with more than 20 biomedical boards, including Cancer Trials Australia, Biogrid Australia, Nexpep and Catalyst Therapeutics. "Through his consulting company, Dr Clark has assisted more than 100 organizations in Australia with commercialization strategies and know-how," Dr Hetzel said.

"His extensive experience in technology transfer makes him an invaluable member of the Uniquet board," Dr Hetzel said.

Dr Hetzel said he acknowledged the contribution of Greg Brown who had been on the board since 2012 "and helped guide the company to take advantage of some significant opportunities, such as the launch of the Queensland Emory Drug Discovery Institute for small molecule drug discovery".

Uniquet said Dr Clark held a Bachelor of Science from Adelaide's Flinders University, a Doctor of Philosophy from the University of Glasgow, was a post-doctoral fellow at the Stockholm-based Karolinska Institute and held an honorary doctorate from the University of South Australia.

## TELIX PHARMACEUTICALS

Telix says that Grupo RPH will distribute its products in Latin America, starting with TLX591-CDx for positron emission tomography prostate imaging.

Telix said the Porto Alegre, Brazil-based nuclear medicine distributor Grupo RPH had exclusive manufacturing and distribution rights for TLX591-CDX in Brazil and would provide commercial-scale kit manufacturing at its cold kit manufacturing facility.

The company said it would expand to potentially include other products and gain marketing authorization in Brazil for prostate-specific membrane antigen imaging.

Grupo RPH managing director Rafael Madke said that "Telix's rapid growth over the past 12 months has been impressive, with a promising product portfolio" for Latin America.

Telix was up 7.5 cents or 5.8 percent to \$1.375 cents with 823,310 shares traded.

## CRESO PHARMA

Creso says it has repaid its \$5,150,000 convertible note debt in preparation of being bought by Pharmacielo.

In April, Creso said it would raise \$5.35 million in loans for convertible notes from strategic and sophisticated investors, including \$200,000 from the Vancouver, British Columbia-based Pharmacielo (BD: Apr 11, 2019).

Last month, the company said it would be acquired by Pharmacielo for \$122 million in a share and option scheme (BD: Jun 7, 2019).

Today, Creso said lenders, except Pharmacielo, converted \$5,150,000 in loans on 103 convertible notes into 10,300,000 shares and 15,450,000 listed CPHO options.

The company said it had issued 6,900,000 shares on the vesting of directors and other parties 'performance' rights and issued 500,000 performance rights to a consultant.

Creso fell two cents or 3.9 percent to 49 cents.

### BTC HEALTH

BTC director Peter Jones and Helen Jones say they have increased and been diluted in the company from 15,816,823 shares (9.76%) to 16,984,323 shares (6.95%).

Mr Jones said that between May 28 and June 12, 2019 they acquired 355,000 shares on market for \$36,114 or an average of 10.2 cents a share.

Mr Jones said that on June 13 and 27 they acquired 812,500 shares in the share plan and placement at eight cents a share which raised \$8 million to buy the Admedus' hospital infusion business (BD: May 15, Jun 12, 2019).

BTC fell 0.4 cents or 4.4 percent to 8.6 cents.

### EMVISION MEDICAL DEVICES

Emvision says it has appointed Ruth Cremin as head of quality and regulatory affairs.

Emvision said Ms Cremin was previously the head of quality and regulatory affairs at Nanosonics and prior to that a Cochlear regulatory affairs specialist and a Pfizer quality and regulatory officer.

The company said that Ms Cremin had more than 18 years' experience in quality and regulatory assurance in Australia, the US, Canada, Europe and Asia.

Emvision was unchanged at 38 cents.

### STEMCELL UNITED

Stemcell says it has appointed Theng Dar Teng as an advisor for business development in the Asia Pacific and Middle East.

Stemcell said Mr Teng was currently Singapore's non-resident ambassador to the Sultanate of Oman, an advisor to Japan's Shizuoka Prefecture Government and a business advisor to the Japan's Miyagi Prefecture Government.

The company said Mr Teng was previously a chair and co-chair of the Asia Pacific Economic Cooperation business advisory council.

Stemcell was unchanged at 1.6 cents.