



Biotech Daily

Tuesday November 12, 2019

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: OPTISCAN UP 9%; PATRYS DOWN 5%**
- * **PROTEOMICS: 'PROMARKERD CE MARK FOR DIABETIC KIDNEY DISEASE'**
- * **US PATENT FOR ORTHOCELL CELGRO COLLAGEN ROPE**
- * **CRESO TERMINATES SALE TO PHARMACIELO**
- * **NDIS EXTENDS NOVITA'S TALI HEALTH PLATFORM REGISTRATION**
- * **IMPEDIMED AGM: 44% BACK SPILL CALL; REM REPORT PASSES**
- * **ADHERIUM CLARIFIES \$1.2m DEBT NOTE TO \$1.1m**
- * **ALTHEA APPOINTS NIMBUS GERMAN MARIJUANA DISTRIBUTOR**
- * **MGC \$25k FEDERAL GRANT; LONDON LISTING**
- * **UIL, UTILICO TAKE 5% OF STARPHARMA**
- * **PETER, DIANA DIAMOND REDUCE TO 6% OF NOVITA**
- * **DR BERNARD HOCKINGS INCREASES, DILUTED TO 13% IN PHYLOGICA**
- * **ELLUME APPOINTS JOANNE MOSS DIRECTOR**

MARKET REPORT

The Australian stock market fell 0.29 percent on Tuesday November 12, 2019, with the ASX200 down 19.5 points to 6,753.0 points. Sixteen of the Biotech Daily Top 40 stocks were up, 11 fell, 10 traded unchanged and three were untraded.

Optiscan was the best, up 0.4 cents or 9.1 percent to 4.8 cents with 882,713 shares traded. Osprey climbed 7.3 percent; Impedimed was up 6.7 percent; Opthea, Proteomics and Starpharma were up three percent or more; Genetic Signatures rose 2.9 percent; Cochlear, Medical Developments, Neuren and Telix were up more than one percent; with Compumedics, Cynata, Nanosonics, Next Science, Paradigm and Polynovo up by less than one percent.

Patrys led the falls, down 0.1 cents or five percent to 1.9 cents, with 607,977 shares traded. Clinuvel, Oncosil and Volpara lost more than three percent; Dimerix, LBT and Pharmaxis shed more than two percent; CSL, Cyclopharm, Immutep and Orthocell were down more than one percent; with Mesoblast and Resmed down less than one percent.

PROTEOMICS INTERNATIONAL

Proteomics says it has received Conformité Européene (CE) mark approval for its in-vitro, mass spectrometry, predictive diagnostic test for diabetic kidney disease.

Proteomics said that Promarkerd was a blood test which assessed the risk of diabetic kidney disease in patients with type 2 diabetes.

The company said Promarkerd used a protein “fingerprint” to detect the onset of disease up to four years before clinical symptoms appear.

Proteomics said chronic kidney disease was one of the major complications arising from diabetes and if unchecked could lead to dialysis or kidney transplant.

Proteomics managing-director Dr Richard Lipscombe that “the CE mark is another important milestone for Promarkerd as we move forward with new deals in the region”.

The company said that the CE mark for the mass spectrometry Promarkerd test would encourage “future CE marking of Promarkerd on other technology platforms such as the recently validated Promarkerd immunoassay” (BD: Sep 17, 2019).

Proteomics was up one cent or three percent to 34.5 cents.

ORTHOCELL

Orthocell says a US patent has been accepted for its Celgro collagen rope device to enhance the surgical repair of anterior cruciate ligament injuries.

Orthocell said the patent, titled ‘Collagen Construct and Method for Producing the Collagen Construct’ would protect its intellectual property until October 12, 2035.

The company said the patent had been approved in Australia and Japan.

Orthocell fell one cent or 1.8 percent to 55 cents with 3.9 million shares traded.

CRESO PHARMA

Creso says its acquisition by the Vancouver, British Columbia-based Pharmacielo has been terminated, following a BDO Corporate Finance independent expert’s report.

Creso said that on November 1, 2019, it received a supplementary independent expert report from BDO which said that the share scheme was “neither fair nor reasonable and not in the best interests of Creso Pharma shareholders”.

In June and July, the company said it had one quarter of cash, but expected to be acquired by Pharmacielo for \$122 million, and receive a \$C3,500,000 (\$A3,825,140) loan, repayable by December 31, 2019 or within four months if the scheme was not approved (BD: Jun 7; Jul 25, 2019).

In August and September, Creso said it lodged and re-lodged the proposed schemes of arrangement with Pharmacielo for a statutory review, including a BDO report which said the scheme was not fair but was reasonable and the option scheme was both fair and reasonable, so both were in the best interests of shareholders, which was later withdrawn, but ultimately resubmitted (BD: Sep 27, 2019).

In October, the company said the Supreme Court of Western Australia allowed scheme meetings to implement the acquisition by Pharmacielo (BD: Oct 3, 2019).

Today, Creso said it had agreed with Pharmacielo to terminate the acquisition.

The company said it was required to repay the outstanding amounts from the advanced loan by November 30, 2019 and it was “pursuing various fundraising initiatives” to repay the Pharmacielo loan and to fund its ongoing operations and would remain in a suspension to finalize the terms of the fundraising on or by November 15, 2019.

Creso last traded at 20 cents.

NOVITA HEALTHCARE

Novita says that Australia's National Disability Insurance Agency has expanded the registration classifications of its Tali Health platform for attention training in children. Novita said that Tali Health was available in three classes: assistive products for personal care and safety; the innovative community participation program; and communication and information equipment.

The company said the registration classes would provide the Tali Health platform to participants in the National Disability Insurance Agency.

Novita managing-director Glenn Smith said that children with developmental delay disorders or autism spectrum disorder would be able to access Tali products through their self-managed plans with no out-of-pocket cost.

Novita said that the expanded classes of registration would provide access for users and revenue for the company.

Novita fell 0.3 cents or 3.7 percent to 7.9 cents with 353.4 million shares traded.

IMPEDIMED

Impedimed's annual general meeting passed all resolutions with 44 percent voting for a conditional spill resolution and 16 percent opposing the remuneration report.

Last year, the company said 44.3 percent of votes opposed the remuneration report with more than 22 percent opposition to shares and options for chief executive officer Richard Carreon and the election of three directors (BD: Oct 17, 2018).

Today, the remuneration report passed the 'second strike' 75 percent required majority with 189,098,463 votes (83.82%) in favor and 36,503,004 votes (16.18%) against.

But Impedimed said that the conditional spill resolution, required should the company face a second strike, was supported by 97,024,176 votes (43.85%) with 124,244,618 votes (56.15%) opposing the board spill.

According to the company's most recent Appendix 3B new issue announcement, it had 507,282,481 shares on issue, meaning that the votes for a spill amounted to 19.1 percent of the company, sufficient to requisition extraordinary general meetings.

Impedimed said that resolutions granting Mr Carreon 1,992,612 options exercisable at the 5-day volume-weighted average price to the date of grant and 1,962,871 performance rights, pending performance targets, were opposed by about 15.9 million votes (7.0%) with about 210.6 million votes (93.0%) in favor (BD: Oct 11, 2019).

All other resolutions, including the grant to non-executive directors Scott Ward, Judith Downes, Don Williams, Armit Patel, Gary Goetzke and Dr Robert Graham of shares in lieu of cash, the re-election of directors Mr Patel and Mr Williams, the 10 percent capacity and a constitutional amendment were passed with significantly wider margins.

Impedimed was up one cent or 6.7 percent to 16 cents.

ADHERIUM

Adherium has amended yesterday's debt note announcement, saying it had commitments to raise \$1,126,000 through secured debt notes.

Yesterday, Adherium said it had commitments to raise a further \$1.2 million through secured debt notes to the London, Canada-based Trudell Medical, in addition to the \$1.8 million raised through convertible notes to One Funds Management and Summatix in August (BD: Nov 11, Aug 22, 2019).

Adherium was untraded at 3.5 cents.

ALTHEA GROUP HOLDINGS

Althea says that pharmaceutical wholesaler Nimbus Health GmbH will sell and distribute its medical marijuana products in Germany.

Althea said that the Frankfurt, Germany-based Nimbus would sell and distribute its pharmaceutical grade medicinal marijuana products under the Althea brand name through the Nimbus network, with access to about 25 percent of medical marijuana patients in Germany.

The company said that both companies would “establish yearly sales targets, marketing and commercial strategies and develop real world anonymized patient data”.

Althea said it expected the first shipment to arrive in Germany “early in the first half of 2020”, subject to approvals from Germany’s Federal Institute for Drugs and Medical Devices and Australia’s Office of Drug Control.

The company said that chief executive officer Josh Fegan would relocate to London next year to scale up Althea’s UK business and coordinate the company’s expansion into Germany.

Althea said that it would develop a localized version of its Concierge marijuana prescription platform and its Medicinal Education in Cannabinoids learning portal for the German market, to provide ‘medical education for healthcare professionals and streamline the process required to prescribe Althea products’.

Althea was up four cents or 9.2 cents to 47.5 cents with 5.4 million shares traded.

MGC PHARMACEUTICALS

MGC says it has received \$25,000 of a \$50,000 Federal Government grant for its 50-patient phase IIb Cognicann trial and hopes to list on the London Stock Exchange.

MGC said the double-blind, placebo-controlled trial would be conducted in collaboration with the Perth-based University of Notre Dame and assess symptoms associated with dementia and Alzheimer’s disease.

In the same announcement, the company said it had “positioned itself to be one of the first companies utilizing cannabis for medicinal purposes to list on the [London Stock Exchange], or any major exchange in the UK”.

In August, MGC said it had raised \$4.75 million in a placement at four cents a share to list on the London Stock Exchange and it had appointed Cannacord Genuity as its equity capital markets advisor to lead its planned dual listing on the London Stock Exchange by 2020 (BD: August 21, 2019).

Today, the company said that to prepare for its London listing it would release 10.3 million shares held in voluntary escrow relating to the reverse takeover of Erin Resources in 2012.

MGC said it would have 1,366,710,986 shares on issue.

MGC was up 0.2 cents or 5.9 percent to 3.6 cents with 5.4 million shares traded.

STARPHARMA HOLDINGS

UIL Limited and Utilico Emerging Markets Trust PLC say they have a substantial holding in Starpharma with 19,046,000 shares or 5.12% of the company.

The Surrey, UK and Bermuda-based UIL said that between July 18, 2018 and November 6, 2019 it bought 10,000,000 shares for \$12,499,938 or \$1.25 each.

Utilico said that between April 5 and November 6 2019 it bought 9,046,000 shares for \$10,831,178 or \$1.197 each.

Starpharma was up five cents or 3.9 percent to \$1.33 with 957,356 shares traded.

NOVITA HEALTHCARE

Peter and Diana Diamond say they have reduced their holding in Novita from to 50,000,000 shares (7.70%) to 40,000,000 (6.16%).

The Perth-based Mr and Ms Diamond said that between November 4 and 7, 2019 they sold 10,000,000 shares for \$1,001,131 or 10.0 cents each.

Last week, Mr and Ms Diamond said they had reduced their holding from 60,000,000 shares (9.45%) to 50,000,000 shares (7.70%), selling 10,000,000 shares for \$595,000 or 5.95 cents a share (BD: Nov 5, 2019).

PHYLOGICA

Phylogica director Dr Bernard Hockings says he has increased but been diluted in the company from 317,924,185 shares (14.86%) to 351,257,519 shares (13.0%).

Dr Hockings said that on November 30, 2018 he purchased 33,333,334 shares for \$1,000,000 or 3.0 cents a share in a placement (BD: Sep 12, 2018).

Dr Hockings said that his holding was diluted following Phylogica's institutional entitlement issue last week, which raised \$14.3 million at 5.5 cents (BD: Nov 4, 2019).

Phylogica was up 0.05 cents or 0.9 percent to 5.7 cents with 2.5 million shares traded.

ELLUME

Ellume says it has appointed Joanne Moss as an independent non-executive director, effective immediately.

Ellume said that the appointment supported its "commitment to good governance and strengthens management resources in preparation for a potential initial public offer to list on the ASX to commercialize "its digital diagnostic product suite ... for the fast and effective detection of high-burden diseases".

The company said that most recently Ms Moss was Pizza Hut Australia chief legal and corporate affairs officer and previously was a lawyer at Norton Rose Fulbright, with experience in corporate advisory and dispute resolution, mergers and acquisitions, banking and finance, major projects, energy and resources, and commercial teams. Ellume said that Ms Moss held a Bachelor of Laws from the University of Technology Sydney and a Master of Laws from the University of New South Wales.

Ellume is a public unlisted company.