

Netscientific PLC

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NetScientific 'confident' in prospects of its three portfolio companies

With the disposal of our Vortex and Wanda interests, we can focus using the remaining cash resources on extending the anticipated lifespan of the Company.

Ian Postlethwaite, chief executive

What it does NetScientific PLC (LON:NSCI) invests in early-stage healthcare companies. Until recently, it had five companies in its portfolio, but it now owns stakes in three companies following the sale of Vortex Biosciences and Wanda for £150,000 in March. First up is Glycotest, in which NetScientific has an 87.5% interest.

Then there is ProAxis, a Northern Irish diagnostics company which is creating a range of easy-to-use tests that can identify biomarkers of certain diseases.

ProAxis' NEATstik measures the amount of active neutrophil elastase in your sputum (spit and mucus), which helps doctors to manage infections in people with pulmonary diseases such as cystic fibrosis and COPD.

Much like NEATstik, ProteaseTag measures active NE, albeit in a slightly different way,

Finally, NetScientific owns an 8.2% stake PDS Biotechnology, which merged with Edge Therapeutics earlier this year and specialises in cancer immunotherapies.

How it's doing

Last year, Glycotest received "positive" results from a clinical evaluation of its HCC Panel device in patients with Hepatocellular Carcinoma (HCC), the most common form of liver cancer.

The portfolio company completed a US\$10mln series A funding round with Chinese healthcare giant Fosun, and the first tranche of US\$3mln was received in February. That money will be used to advance HCC Panel towards commercialisation.

Following the merger with Edge, PDS is now listed on the Nasdaq stock exchange in New York, and NetScientific's holding is worth around £2.5mln.

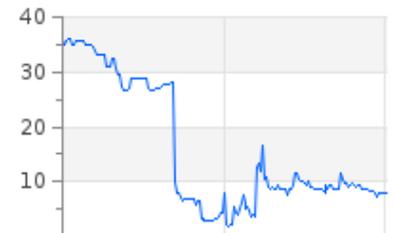
A phase II study of PDS0101 - the lead drug from its Versamune platform - in combination with Merck's Keytruda in head and neck cancer patients is due to kick off later this year.

Neither of those companies require any more funding, and even ProAxis only needs £0.1mln to cover certain operational expenses.

Price: 7.75p

Market Cap: £6.09M

1 Year Share Price Graph



July 2018 February 2019 July 2019

Share Information

Code: NSCI

Listing: AIM

52 week High Low
37.14p 1.55p

Sector: Pharma & Biotech

Website: netscientific.net

Company Synopsis:

A Transatlantic healthcare technology group

□

□Through our US-UK network, we source, develop and manage early/mid-stage healthcare technology companies focused on Diagnostics, Digital health and Therapeutics.

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Speaking of ProAxis, both its ProteaseTag and NEATstik tests have been selected for use in a major upcoming clinical trial into respiratory diseases funded by the European Respiratory Society.

The study will be conducted over three years and involve 1,000 patients suffering from bronchiectasis across Europe, with the two ProAxis being used to explore new biomarkers and determine their impact on clinical outcomes.

For the year ended 31 December 2018, NetScientific reported a loss from continuing operations of £4m, less than the £4.2m loss the year before, while revenues rose to £245,000 from £171,000.

The firm also ended the year with a cash balance of £2.9m, which had increased to £3m as of 30 April.

What the boss says

"With the disposal of our Vortex and Wanda interests, we can focus using the remaining cash resources on extending the anticipated lifespan of the company," said chief executive and chief financial officer Ian Postlethwaite.

"Glycotest and PDS require no further funding at this stage and, whilst ProAxis does need a small additional injection of £0.1m to meet operational requirements as it nears cashflow breakeven, this will be repayable within 2019.

"All three companies have continued to make good progress during the year and we remain confident in their prospects.

"In addition, we have taken measures to reduce our central function costs to extend the company's cash runway and it is therefore expected that the Company has sufficient cash to operate until the end of 2020."

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