# Biotech Daily

Tuesday January 25, 2022

*Daily news on ASX-listed biotechnology companies*

*** ASX, BIOTECH DOWN: ANTISENSE UP 6%; PATRYS DOWN 17%**

*** RESONANCE, VGI SIGN $100k HEPAFAT-AI TRIAL DEAL**

*** ATOMO: COVID TESTS PUSH H1 RECEIPTS UP 33% TO $7.7m**

*** VISIONEERING RECEIPTS UP 46% TO $11m**

*** RHINOMED H1 REVENUE UP 216% TO $4.1m; BTNX RHINOSWABS**

*** AUSTCO: H1 REVENUE UP 15% TO $16m; PROFIT UP 93% TO $1.6m**

*** OPTHEA RECEIVES $6.6m FEDERAL R&D TAX INCENTIVE**

*** PARADIGM 39% REM REPORT 2nd STRIKE, 66% OPPOSE CHAIR SHARES**

*** CANN GROUP: TGA GMP LICENCE**

*** CRESO APPLIES FOR CANADA PSYLOCIBIN PTSD TRIAL**

*** REDMILE REDUCES TO 5.4% OF AVITA**

*** AROVELLA APPOINTS DR MINI BHARATHAN PRE-CLINICAL LEAD**

## MARKET REPORT

The Australian stock market fell 2.49 percent on Tuesday January 25, 2022, with the ASX200 down 177.9 points to 6,961.6 points. Five of the Biotech Daily Top 40 companies were up, 33 fell and two traded unchanged. All three Big Caps fell.

Antisense was the best, up one cent or 6.1 percent to 17.5 cents, with 1.9 million shares traded. Resonance rose 3.2 percent; Avita was up 1.1 percent; with Nanosonics and Universal Biosensors up by less than one percent.

Patrys led the falls for the second day in a row, down 0.5 cents or 17.2 percent to 2.4 cents, with 40.15 million shares traded. Emvision lost 11.4 percent; both Atomo and Orthocell fell 9.1 percent; Kazia, Paradigm and Volpara were down eight percent or more; Neuren, Polynovo and Telix retreated more than seven percent; Alcidion and Imugene lost more than six percent; Clinuvel and Immutep fell five percent or more; Actinogen, Dimerix, Mesoblast, Next Science, Oncosil, Pharmaxis and Proteomics fell four percent or more; Cynata, Medical Developments and Nova Eye lost more than three percent; Micro-X, Prescient, Starpharma and Uscom shed more than two percent; Compumedics, CSL, Cyclopharm and Pro Medicus were down more than one percent; with Cochlear, Genetic Signatures, Opthea and Resmed down by less than one percent.

## RESONANCE HEALTH, VGI HEALTH TECHNOLOGY

VGI says it will pay Resonance $100,000 to image the 100 patients in its phase II, non-alcoholic steato-hepatitis trial of IVB001, using the Hepafat-AI (artificial intelligence) system.

VGI said that Resonance would use its magnetic resonance imaging-based Hepafat-AI platform to measure, grade and quantify the liver-fat of trial participants at two or three timepoints over the 18-month trial period.

Resonance said the trial was the first time Hepafat AI platform would be used in a third-party, clinical non-alcoholic steato-hepatitis trial "which validates the efficacy of the device in a clinical trial context and establishes a precedent for other clinical trial procurement efforts in the prolific and growing fatty-liver space".

Resonance said that VGI had the option to extend or discontinue the contract at any time, with changes in contract terms to be paid on a pro-rata basis.

VGI managing-director Dr Glenn Tong said "non-alcoholic steato-hepatitis is an unmet need which has presented great challenges to many drug development groups".

"Our non-alcoholic steatohepatitis drug candidate IVB001 targets multiple parts of the disease pathway including the steatosis, the accumulation of fat in the liver, which causes oxidative stress which in turn causes inflammation which results in fibrosis, the production of collagen and scarring of the liver," Dr Tong said.

"The partnership with Resonance Health will vastly improve the efficiency with which we measure key endpoints for this clinical study which is due to commence recruitment of patients shortly," Dr Tong said.

Resonance managing-director Mitchell Wells said "the study is a material achievement in that this is the first time Hepafat-AI will be used in a non-alcoholic steato-hepatitis clinical trial and it sets an important precedent."

Resonance was up half a cent or 3.2 percent to 16 cents.

On the National Stock Exchange, VGI was untraded at 25 cents.

## ATOMO DIAGNOSTICS

Atomo says that receipts from customers for the six months to December 31, 2021 was up 33.0 percent to $7,772,000 compared to the previous corresponding period.

Atomo said that receipts for the three months to December 31, 2021 improved 100.25 percent to $5,545,000, including $4.1 million in revenue from its sales of severe acute respiratory syndrome coronavirus-2 (Sars-Cov-2) rapid antigen tests - also known as Covid-19 antigen tests - and HIV Rapid tests, as well as $1.4 million from Access Bio.

The company said that demand for Sars-Cov-2 tests "strengthened materially over the Christmas holiday period and into the New Year, such that Atomo's stock in Australia was fully committed and sold during January 2022, with January's volumes exceeding total volume sold in [the six months to December 31, 2021]".

Atomo said it had the right to purchase up to 20 million Covid-19 rapid antigen tests with 10 million for professional-use and 10 million domestic self-tests from Access Bio.

The company said it was working to obtain Australian Therapeutic Goods Administration approval for a Covid-19 rapid antigen self-test.

The company said it had a cash burn for the three months of $422,000, cash and cash equivalents of $13,683,000 at December 31, 2021, compared to $24,691,000 at December 31, 2020.

Atomo fell two cents or 9.1 percent to 20 cents with 10.9 million shares traded.

## VISIONEERING TECHNOLOGIES

Visioneering says receipts from customers for the year to December 31, 2021 was up 45.7 percent to $US7,801,000 ($A10,882,750) compared to the prior corresponding period.
Visioneering said that receipts for the three months to December 31, 2021 for its range of contact lenses was up 135.3 percent to $US2,640,000.
Visioneering said that it had “record revenues … aided by the successful launch of its new product Naturalvue Enhanced Multifocal”.
The company said it had a cash burn for the three months to December 31, 2021 of $US2,128,000, with cash and cash equivalents of $US10,985,000 at December 31, 2021, compared to $US2,408,000 in the previous corresponding period.
Visioneering was unchanged at 94.5 cents.

## RHINOMED

Rhinomed says receipts from customers for the six months to December 31, 2021, were up 216.4 percent to $4,078,000, and it will supply Rhinoswab to Canada’s BTNX.
Rhinomed said revenue was primarily from orders of two million of its Rhinoswab nasal dilators for severe acute respiratory syndrome coronavirus-2 (Sars-Cov-2) testing from the New South Wales and Victoria Governments (BD: Aug 11; Sep 10, 2021).
The company said it would supply the Markham, Ontario-based BTNX with Rhinoswab and Rhinoswab Junior, as part of BTNX’s plans to launch the world’s first test kit for children featuring Rhinoswab Junior.
Rhinomed said that BTNX was “a world leader in rapid, point-of-care diagnostics across a range of markets”.
“BTNX is the largest supplier of rapid antigen test kits to the Canadian government where it is under contract to supply over 150 million kits,” the company said.
Rhinomed said it had a cash burn of $777,000 for the three months to December 31, and had cash and cash equivalents of $1,636,000 at December 31, 2021 compared to $5,520,000 at December 31, 2020.
Rhinomed was up 3.25 cents or 12.5 percent to 29.25 cents.

## AUSTCO HEALTHCARE

Austco says it expects revenue for the six months to December 31, 2021, to increase 15.1 percent to $16.0 million with net profit after tax up 93 percent to $1,600,000.
Austco said that it expected net profit after tax from its healthcare communication and clinical workflow management products to increase between 75 and 93 percent, from $827,000 in the six months to December 31, 2020, to between $1,450,000 and $1,600,000.
Austco fell 1.5 cents or 10.7 percent to 12.5 cents.

## OPTHEA

Opthea says it has received $6,624,508 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.
Opthea said the rebate related to research and development expenditure for the year to June 30, 2021.
Opthea fell one cent or 0.8 percent to $1.215.

## PARADIGM BIOPHARMACEUTICALS

Paradigm says investors voted a 39 percent remuneration second strike, stopped the issue of shares to chair Paul Rennie and the 80 percent directors pay pool increase.
On Christmas Eve, December 24, 2021, Paradigm said investors would vote on the potential remuneration second strike, as well as to increase the non-executive director pay by 80 percent and issue 525,000 director shares (BD: Jan 16, 2022).
Paradigm said at that time that its annual general meeting would vote to increase the maximum pay pool from $500,000 to $900,000 a year and issue 450,000 shares to chair Paul Rennie and 375,000 shares to executive director Dr Donna Skerrett.
Today, the company said that 18,138,957 votes (38.60%) opposed the remuneration report.
At its previous annual general meeting in November 2020, Paradigm said that 21,993,784 votes (35.34%) opposed the remuneration report, with 40,233,204 votes (64.66%) in favor, earning a 'first strike' for the report but all other resolutions put to the meeting were passed (BD: Nov 19, 2020).
Under the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 any company sustaining a vote of 25 percent or more against the remuneration report in two successive annual meetings is required to vote on a board spill and if passed the directors must stand for re-election.
Today, Paradigm said the board spill resolution failed with 34,725,838 votes (86.83%) against.
The company said the issue of shares to Mr Rennie was opposed by 30,882,649 shares (65.83%), while Dr Skerrett's shares were opposed by a similar number but 45.42 percent of votes cast.
Paradigm said that the increase in the directors pay pool was opposed by 28,580,534 votes (60.99%) and supported by 18,280,157 votes (39.01%).
The company said that the election of directors Helen Fisher, Amos Meltzer and John Gaffney were opposed by 16.08 percent, 16.69 percent and 20.37 percent of the meeting, respectively.
Paradigm's most recent filing said it had 227,595,795 shares on issue, meaning that the votes against Mr Rennie's shares amounted to 13.6 percent of the company, sufficient to requisition extraordinary general meetings.
Paradigm fell 12.5 cents or 8.25 percent to $1.39 with 1.1 million shares traded.

## CANN GROUP

Cann Group says it has received Australian Therapeutic Goods Administration good manufacturing practice (GMP) licence for its Melbourne 'Southern' marijuana factory.
Cann Group said the licence authorized it to begin manufacture of medical marijuana for therapeutic goods for supply in Australia and overseas and it expected to offer its dried cannabis flower products to patients under the TGA's special access scheme and authorized prescriber scheme within the next few weeks.
Cann Group chief executive officer Peter Crock said the licence was "another important achievement for Cann as we develop our integrated supply chain".
The company said its Mildura facility had recently been inspected by the TGA for its GMP licence application.
Cann Group was up half a cent or 1.8 percent to 28 cents with 2.5 million shares traded.

## CRESO PHARMA

Creso says it has applied to Health Canada for an up-to 20 patients, phase II trial of psylocibin for treatment-resistant post-traumatic stress disorder (PTSD).
Creso said the application for the single-arm trial would be subject to a 30-day review and approval process, and if approved, would determine the feasibility of further clinical trials of psylocibin for PTSD.
Creso said it hoped to begin the trial by June, and it was seeing “strong demand from potential patients”.
Creso fell 0.1 cents or 1.2 percent to 8.2 cents with 4.0 million shares traded.

## AVITA MEDICAL

Avita says the San Francisco-based Redmile Group has reduced its substantial holding from 1,668,327 US shares (6.70%) to 1,346,217 US shares (5.40%).
There are five Australian shares for each US share.
Avita did not disclose the price Redmile sold the shares.
Avita was up three cents or 1.1 percent to $2.68 with 418,354 shares traded.

## AROVELLA (FORMERLY SUDA PHARMACEUTICALS)

Arovella says it has appointed Dr Mini Bharathan to lead its pre-clinical activity for its newly acquired DKK1-targeting technology and its invariant killer T-cell therapy.
Arovella said Dr Bharathan previously worked for Cellectis as director of translational medicine.
The company said Dr Bharathan had more than 15 years’ experience in immunology with more than 12 years focused on the development of cell therapies.
Arovella said that Dr Bharathan held a Doctor of Veterinary Medicine and a Doctor of Philosophy from the Blacksburg-based Virginia Tech.
Arovella fell 0.1 cents or 2.4 percent to four cents with 2.1 million shares traded.