



Biotech Daily

Monday August 29, 2022

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ALCIDION UP 3%; POLYNOVO DOWN 17%**
- * **SYDNEY UNI \$478m FOR BIOMEDICAL PRECINCT**
- * **CRONOS REVENUE UP 209% TO \$67m, LOSS TO \$6m PROFIT; DIVIDEND**
- * **MACH7 'RECORD' REVENUE UP 42% TO \$27m, LOSS DOWN 56% TO \$4.2m**
- * **IMPEDIMED REVENUE UP 26% TO \$10.6m, LOSS DOWN 4% TO \$19.9m**
- * **CANN GROUP REVENUE UP 49.3% TO \$6.4m, LOSS UP 5.4% TO \$26.5m**
- * **PRO MEDICUS SIGNS 3 CONTRACTS WORTH \$16.5m, FLORIDA UNI \$15.5m**
- * **FEDERAL \$5m FOR EMVISION PORTABLE BRAIN SCANNER**
- * **PROTEOMICS, UWA OXIDX J-V FOR OXIDATIVE STRESS TEST**
- * **CYNATA DATA BACKS STEM CELLS FOR CORONARY ARTERY DISEASE**
- * **ASX REMOVES IQ3, OSPREY FROM OFFICIAL LIST; OVENTUS LIVES**
- * **CRESO COMPLETES SIERRA SAGE ACQUISITION**
- * **ALLEGRA DIRECTOR NICHOLAS HARTNELL INCREASES, DILUTED TO 38%**
- * **PROF KATE HOY JOINS BIONICS INSTITUTE FOR BRAIN STIMULATION**

MARKET REPORT

The ASX obsequiously followed the US down 1.95 percent on Monday August 29, 2022, with the ASX200 down 138.6 points to 6,965.5 points. Five Biotech Daily Top 40 stocks were up, 29 fell, three traded unchanged and three were untraded. All three Big Caps fell.

Alcidion was the best, up 0.5 cents or 3.45 percent to 15 cents, with 3.5 million shares traded. Cynata, Micro-X, Neuren and Next Science were up more than one percent.

Polynovo led the falls for the second day in a row, down 28 cents or 17.1 percent to \$1.36, with 9.4 million shares traded. Dimerix lost 12.5 percent; Atomo, Cyclopharm, Imugene and Universal Biosensors fell eight percent or more; Actinogen and Medical Developments shed more than seven percent; Immunetep was down 6.7 percent; Emvision, Compumedics, Nova Eye and Prescient lost more than five percent; Impedimed, Kazia, Mesoblast, Starpharma and Telix fell four percent or more; Antisense, Avita, Patrys, Pharmaxis and Proteomics were down more than three percent; Clinuvel, Cochlear, Orthocell Pro Medicus and Resmed shed more than two percent; Oncosil and Opthea were down more than one percent; with CSL and Paradigm down less than one percent.

THE UNIVERSITY OF SYDNEY

The University of Sydney says that its \$478 million to build a bio-medical precinct is its largest capital investment.

The University said that the Sydney Biomedical Accelerator would be a “first-in-Australia, 36,000m² (3.6ha; 387,501sq ft; 8.9ac) health, education and research precinct co-located at Royal Prince Alfred Hospital and the University’s Camperdown campuses, within the Tech Central precinct”.

The University said that the Accelerator would “tackle some of our most complex health challenges, including cancer and neurodegenerative diseases and position Sydney as a global leader in bio-medical research”.

The University of Sydney vice-chancellor Prof Mark Scott said the investment was “a key component of the University’s new 10-year strategy”.

“This is a historic investment for any University,” Prof Scott said.

“The range of world-class buildings and facilities that will make up the Sydney Biomedical Accelerator will bring together the brightest scientific and clinical minds with entrepreneurs, industry and government,” Prof Scott said.

“It gives our renowned researchers and partners the infrastructure to take a major step forward in the global quest to find solutions to our biggest health challenges,” Prof Scott said. “Once the Accelerator is completed, the long-term relationship between our University and the Royal Prince Alfred Hospital will be further strengthened by the physical sharing and linkage of facilities, accelerating the pathway between findings made at a patient’s bedside to the research bench and back again.”

The University said that more than 1,200 biomedical researchers and clinician scientists would be located at the precinct, including university laboratory researchers, doctoral students and industry researchers.

The University said funding included \$73 million in “philanthropy”, including \$20 million from the Susan and Isaac Wakil Foundation for the Isaac Wakil Biomedical Building.

CRONOS AUSTRALIA

Cronos says revenue for the year to June 30, 2022 was \$66,991,732 compared to \$21,712,166 in 2021, with a loss turned to a \$6,048,534 net profit after tax.

Cronos said the financial report covered the merger with Cannabis Doctors Australia (CDA) and the company was the first Australian Stock Exchange-listed medical marijuana company to pay a dividend, and possibly the first in the world.

The company said the sales of its medicinal marijuana products generated \$64,927,918 and its medical clinic business in Australia and New Zealand had related fees of \$1,839,527.

Cronos said it would pay its first dividend, fully-franked at 1.0 cent a share, with the record date of September 19 and a payment date of October 11, 2022.

Cronos chief executive officer Rodney Cocks said his company was “the first ASX-listed medicinal cannabis company to report a profit and now, the first to declare a dividend”.

The company said that “while all three revenue streams increased as compared to the previous corresponding year, the growth in sales of medicinal cannabis products was particularly strong, recording year-on-year growth of more than 220 percent”.

Cronos said last year’s diluted loss per share of 3.0 cents was turned to a profit of 1.24 cents per share, with net tangible asset backing per share up 312.6 percent to 3.92 cents, from last year’s 0.95 cents a share, and cash and equivalents of \$16,077,031 at June 30, 2022 compared to \$2,079,307 at June 30, 2021.

Cronos was up 2.5 cents or 7.25 percent to 37 cents.

MACH7 TECHNOLOGIES

Mach7 says it has 'record' revenue for the year to June 30, 2022, up 42.3 percent to \$27,080,145, with net loss after tax down 55.5 percent to \$4,167,850.

Mach7 said that the revenue was a combination of medical imaging licence fees, annual support fees, professional service fees and interest.

The company said that US revenue was up 65.8 percent to \$20.6 million, Asia Pacific revenue fell 1.3 percent to \$5.4 million, and Middle Eastern revenue was up 3.0 percent to \$1.0 million, with \$102,956 of sales in Europe and other regions.

Mach7 managing-director Mike Lampron said the year it was "the most successful year in the company's history with record sales orders, revenue, cash receipts and operating cashflows".

Mach7 said that diluted loss per share was down 50.0 percent to 2.0 cents, with net tangible asset backing per share down 21.25 percent to 6.3 cents, and cash and equivalents of \$25,747,608 at June 30, 2022 compared to \$18,363,398 at June 30, 2021.

Mach7 was up six cents or 9.2 percent to 71 cents.

IMPEDIMED

Impedimed says revenue for the year to June 30, 2022 was up 25.65 percent to \$10,566,000 with net loss after tax down 4.0 percent to \$19,874,000.

The company said Sozo body fluid assessment revenue was up 20.4 percent to \$9,883,000 with legacy revenue from L-Dex bio-impedance spectroscopy device down 14.3 percent to \$612,000 and \$71,000 in other revenue.

Impedimed chair Donald Williams said that more than 880 Sozo units had been installed with more than 450,000 patient tests conducted.

Impedimed said that the decreased loss from continuing operations was "primarily attributed to increased revenue from the group's high margin [software as a service] revenue and a decrease in clinical trial costs, slightly offset by a decrease to proceeds from tax incentives and government grants and an increase in staff costs".

The company said that net cash used in operating activities for the year ended 30 June 2022 was \$15.7 million, from \$13.3 million in the prior corresponding period, "attributable to short term incentives paid to employees related to from [the year to June 30, 2021] and reduced government grant receipts, offset by increased receipts from customers and payments to suppliers".

Impedimed said diluted loss per share fell 50.0 percent to 1.0 cent, with net tangible asset backing per share up 100 percent to 2.0 cents, and cash and equivalents of \$40,730,000 at June 30, 2022 compared to \$19,681,000 at June 30, 2021.

Impedimed fell 0.3 cents or 4.2 percent to 6.8 cents with 1.7 million shares traded.

CANN GROUP

Cann Group says revenue for the year to June 30, 2022 was up 49.3 percent to \$6,411,000, with net loss after tax up 5.4 percent to \$26,468,000.

The company said revenue was primarily from sales of marijuana products, increasing due to "strong and increasing domestic demand for medicinal cannabis products".

Cann Group said that diluted loss per share was down 19.0 percent to 7.90 cents, with net tangible asset backing per share down 25.0 percent to 24 cents.

The company said it had cash and cash equivalents of \$1,914,000 on June 30, 2022 compared to \$3,105,000 on June 30, 2021.

Cann Group was unchanged at 26.5 cents.

PRO MEDICUS

Pro Medicus says has three customer contracts, totalling \$16.5 million, and a seven-year, \$15.5 million extension to its contract with the University of Florida.

Pro Medicus said that subsidiary Visage Imaging had contracts with Montage Health in Monterey, California, the Children's Hospital of Philadelphia, Pennsylvania and San Francisco's Bay Imaging Consultants.

The company did not disclose the commercial terms of each contract but said that all three would be deployed on its internet cloud-based network "within the next six months".

Pro Medicus said it had a \$15.5 million, seven-year extension to its contract with the University of Florida in Gainesville and Jacksonville, "negotiated at a higher per transaction cost than the original pay per view contract".

Pro Medicus chief executive officer Dr Sam Hupert said that the contracts with "three very different organizations ... highlights the fact that our offering is ideally suited to a broad range of diagnostic imaging market segments".

"With the University of Florida renewal, we have been successful in continuing our aim of 100 percent client retention," Dr Hupert said. "The fact that they have re-signed for seven years, we see as a strong endorsement of our technology."

Pro Medicus fell \$1.48 or 2.8 percent to \$52.21 with 266,926 shares traded.

EMVISION MEDICAL DEVICES

Emvision says it has a \$5 million Federal Government Modern Manufacturing Initiative grant for its first-generation portable brain scanner product.

Emvision said that the grant from the Department of Industry, Science, Energy and Resources would be split into \$3,750,000 for the year to June 30, 2022, and \$1,250,000 for the year to June 30, 2023, and support initial production of the first-generation portable brain scanner as well as quality systems, engineering personnel and other expenditure.

Emvision fell eight cents or 5.4 percent to \$1.41.

PROTEOMICS INTERNATIONAL LABORATORIES

Proteomics says it has a joint venture with the University of Western Australia to develop diagnostic products using its '2-tag' measure for oxidative stress.

Proteomics said it would own 66 percent of the Oxidx Pty Ltd joint venture with the University of Western Australia holding 33 percent, with one percent for the inventors.

The company said the '2-tag' method was developed in collaboration with the University of Western Australia and had target applications in "chronic fatigue, muscular dystrophy, high-performance athletes and the horse-racing industry".

Proteomics said that Ian Brown had been appointed executive chair of Oxidx.

Proteomics managing-director Dr Richard Lipscombe said that Proteomics and Oxidx "cater to different medical technology markets, and this will enable each company to focus on its core business and assets".

Proteomics said the patents covering the '2-tag' method were held by Two-Tag Holdings Pty Ltd, a wholly-owned subsidiary of Oxidx, with one family of patents relating to 'Methods for determining the redox status of proteins' and had been granted in Australia and the US, valid until November 2026.

The company said that a second family of patents related to 'Methods for measuring relative oxidation levels of a protein' and are pending in all major global jurisdictions and, if granted, would be valid until March 2039.

Proteomics fell three cents or 3.1 percent to 94.5 cents.

CYNATA THERAPEUTICS

Cynata says that further data has been published describing the optimization of its Cymerus mesenchymal stem cells (MSCs) for coronary artery disease.

In 2019, Cynata said it had been awarded a Federal Government grant for the project that identified optimal cell culture matrices, which primed its stem cells to secrete factors that stimulated new blood vessel growth, or angiogenesis, with positive effects shown in-vitro and maintained after the cells were frozen and then thawed, which was “of significant importance from a commercialization perspective” (BD: Oct 28, 2019.)

Cynata said at that time that the project would profile the pro-angiogenic factors released from the primed mesenchymal stem cells, establish the ability of primed cells to promote new blood vessel formation in-vivo, followed by in-vivo safety and efficacy in a pre-clinical animal model, expected to be completed by the end of 2020.

Today, the company said the research, titled ‘Biomaterials directed activation of a cryostable therapeutic secretome in induced pluri-potent stem cell derived mesenchymal stromal cells’ had been published in the Journal of Tissue Engineering and Regenerative Medicine and was at: <https://onlinelibrary.wiley.com/doi/epdf/10.1002/term.3347>.

Cynata said the research was led by the University of New South Wales Prof Kristopher Kilian, and the article was co-authored by Cynata chief operating officer Dr Kilian Kelly. Dr Kelly told Biotech Daily that the new data related to cytokine expression profiles, mechanism of action and in-vivo neo-vascularisation, and “strengthens the previously announced data and confirms in a chicken embryo that which had been shown in previous in-vitro studies”.

Cynata said that the therapeutic effects of mesenchymal stem cells in coronary artery disease were believed to result from secretion of bioactive molecules that stimulated the formation of new blood vessels and modulation of the immune system.

The company said that Prof Kilian’s studies showed that modification of the cell culture matrix, the material on which the cells were grown, primed the stem cells and enhanced their pro-angiogenic and immune-modulatory properties.

Prof Kilian said there had been “a lot of interest in cell-based therapies to treat [coronary artery disease] over the past twenty years, but clinical efficacy has often been disappointing, due to inconsistencies in [mesenchymal stem cell] isolation, reproducibility and lack of insight into mechanisms of action”.

Cynata was up half a cent or 1.45 percent to 35 cents.

IQ3 CORP, OSPREY MEDICAL, OVENTUS MEDICAL

The ASX says it removed IQ3 and Osprey from its official list at the close of business on Friday, August 26, 2022, after the companies failed to pay listing fees.

Last week, the ASX said it had suspended IQ3, Osprey and Oventus due to unpaid annual listing fees, with companies to be removed from the ASX List if fees were not paid by August 26, 2022 (BD: Aug 22, 2022).

Oventus last traded at two cents.

CRESO PHARMA

Creso says it has completed its acquisition of the Lyons, Colorado-based Sierra Sage Herbs LLC, issuing it a total of 357,614,203 shares.

In February, Creso said it would buy Sierra Sage Herbs LLC for \$US21 million (\$A29.5 million) in scrip, with additional milestone payments (BD: Feb 3, 2022).

Creso fell 0.1 cents or 2.7 percent to 3.6 cents with 4.1 million shares traded.

ALLEGRA ORTHOPAEDICS

Director Nicholas Hartnell says he has increased his substantial holdings and been diluted in Allegra from 31,801,503 shares (43.48%) to 39,499,038 shares (37.81%).

The Bowral-based Mr Hartnell said that between March 6, 2017 and June 2, 2020, he bought shares and participated in rights offers and placements, with the single largest issue in a placement on November 9, 2017 of 3,333,333 shares at 15 cents a share.

Mr Hartnell did not disclose how he was diluted and the company has not issued shares in the past two years.

Allegra was untraded at 17 cents.

THE BIONICS INSTITUTE

Melbourne's Bionics Institute says it has appointed Prof Kate Hoy and two members of her team to conduct research into brain stimulation for Alzheimer's disease.

The Bionics Institute said that Prof Hoy had been appointed as a clinical neuropsychologist and senior research scientist and was previously Monash University's head of interventional neuropsychology, as well as the Epworth Centre for Innovation in Mental Health deputy director.

The Institute said that Prof Hoy had led clinical trials "aimed at improving cognition in Alzheimer's disease using brain stimulation".

Bionics Institute chief executive officer Robert Klupacs said that the "use of trans-cranial magnetic stimulation in the research carried out by Prof Hoy's team is a potential game-changer in the field because it's a non-invasive treatment that shows promise of improving cognition, not only in Alzheimer's disease but also in schizophrenia and head injury".