



Biotech Daily

Thursday December 1, 2022

Daily news on ASX-listed biotechnology companies

- * NOVEMBER BDI-40 UP 6.5%, ASX200 UP 6%, BIG CAPS UP 5%, NBI UP 6%
- * TODAY: ASX, BIOTECH UP: PRESCIENT UP 10%; NOVA EYE DOWN 7%
- * ACCC 'SIGNIFICANT CONCERNS' ON COCHLEAR OTICON PURCHASE
- * ALCIDION SOUTHAMPTON NHS UP-TO \$13.8m MIYA PRECISION DEAL
- * KAZIA EVT801 'STRONG ANTI-TUMOR EFFECTS IN-VITRO, IN-VIVO'
- * MEDLAB EXPECTS \$275k PHARMACARE ROYALTY
- * EMVISION RECEIVES \$2.5m FEDERAL R&D TAX INCENTIVE
- * NUHEARA RECEIVES \$2m FEDERAL R&D TAX INCENTIVE
- * INCANNEX REQUESTS 'INSTITUTIONAL CAPITAL RAISING' TRADING HALT
- * ADHERIUM AGM 22% OPPOSE 3 RESOLUTIONS
- * EPSILON: MARK AUDET CFO, REPLACES CO-CO SEC LOUISA HO
- * HATFULL REPLACES CRESO DIRECTOR ELLINGFORD; \$144k PAYOUT

MARKET REPORT

The Australian stock market was up 0.96 percent on Thursday December 1, with the ASX200 up 70.2 points to 7354.4 points. Twenty-one of the Biotech Daily Top 40 stocks were up, 10 fell, six traded unchanged and three were untraded.

Prescient was the best, up 1.5 cents or 10.3 percent to 16 cents, with 1.2 million shares traded. Dimerix climbed 9.7 percent; Avita improved 8.2 percent; Alcidion and Next Science were up more than seven percent; Paradigm and Starpharma climbed six percent or more; Actinogen, Cynata and Universal Biosensors improved more than four percent; Atomo was up 3.5 percent; Imugene and Nanosonics rose more than two percent; Antisense, Orthocell and Volpara were up more than one percent; with Clinuvel, Medical Developments, Polynovo, Pro Medicus, Resmed and Telix up by less than one percent.

Nova Eye led the falls, down two cents or 6.7 percent to 28 cents, with 12,000 shares traded. Neuren lost 3.6 percent; Amplia, Emvision, Immutep and Oncosil shed more than two percent; Cyclopharm, Opthea, Pharmaxis and Proteomics were down more than one percent; with Cochlear and CSL down by less than one percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

The Biotech Daily Top 40 Index (BDI-40) was up 6.5 percent in November to \$19,189 million, its highest point in 2022, but 14.7 percent below November 30, 2021.

The ASX200 was up 6.1 percent for the month of November and up 0.3 for the 12-months to November 30, 2022 at 7,284 points.

The Nasdaq Biotechnology Index was up 5.9 percent in November, but down 9.3 percent for the year to November 30, 2022.

The collective value of the three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) was up 4.7 percent in November, and up 0.25 percent for the year.

CSL has regained its status as 'The Magic Pudding', up 7.0 percent to a record high of \$144,718 million, Cochlear climbed 4.9 percent to \$13,786 million, while Resmed retreated 1.7 percent to \$48,999 million.

In November, 21 of the BDI-40 companies were up, with eight up by more than 10 percent; while 16 companies fell, with four down by 10 percent or more.

The BDI-20 had 13 companies up, six down and one unchanged.

While Pro Medicus added \$378 million to the index, it was up just 6.5 percent, underlining the difference between calculating from a high or low base.

Emvision was the percentage best, up \$53 million or 47.3 percent to \$165 million, followed by Patrys (35.9%), Genetic Signatures (30.0%), Immutep (27.45%), Avita (22.9%), Mesoblast (19.5%), Nanosonics (15.4%) and Nova Eye (12.8%).

Telix added \$155 million (7.1%), Neuren \$85 million (9.2%) and Imugene \$79 million (7.2%).

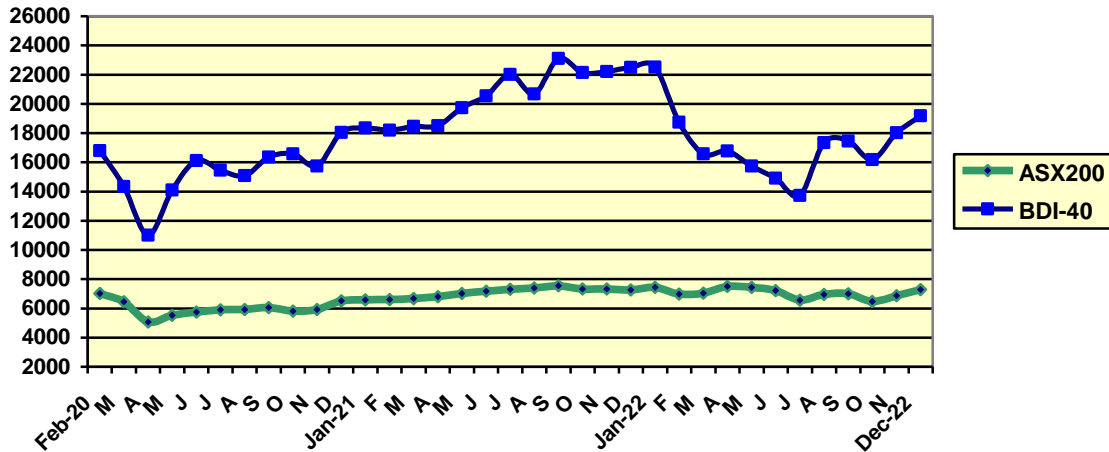
Kazia led the November falls, losing \$6 million or 30.0 percent to \$14 million and down \$173 million or 92.5 percent for the 12 months. Volpara lost \$46 million or 27.1 percent to \$124 million, followed by Universal Biosensors (15.25%), Actinogen (15.0%), Resonance 9.7%), Prescient (9.6%) and Next Science (9.1%).

Outside the BDI-40, the only impressive company in November was Clarity up 107.2 percent for the month to \$259 million but below its post-IPO peak of \$366 million.

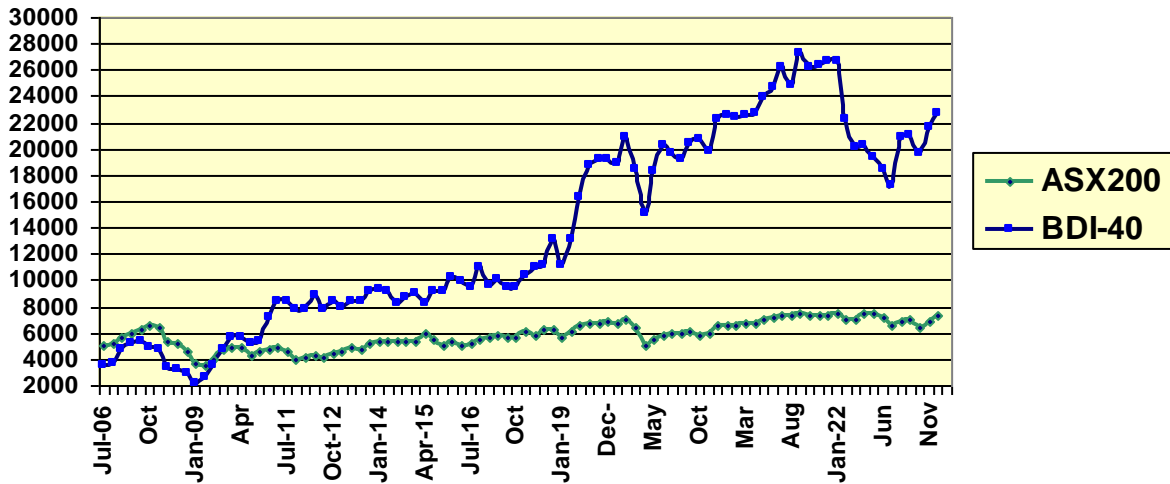
Of the 11 companies in Cannabis Corner, Cann Group was the only one to climb in November, and it was up just \$2 million or 2.5 percent to \$82 million. Eight marijuana ... sorry ... medicinal cannabis companies fell and two were unchanged, with one of those in a four month suspension. Creso Pharma lost \$21 million or 37.5 percent to \$35 million, followed by Cronos down \$122 million (25.3%), Medlab (25%) and Zelira (16.7%).

On the Nasdaq, Redhill (with Australian assets) lost 50.7 percent to \$34 million, Eyepoint (previously Psivida) fell 44.1 percent to \$161 million, with Queensland's Protagonist down 7.9 percent to \$573 million.

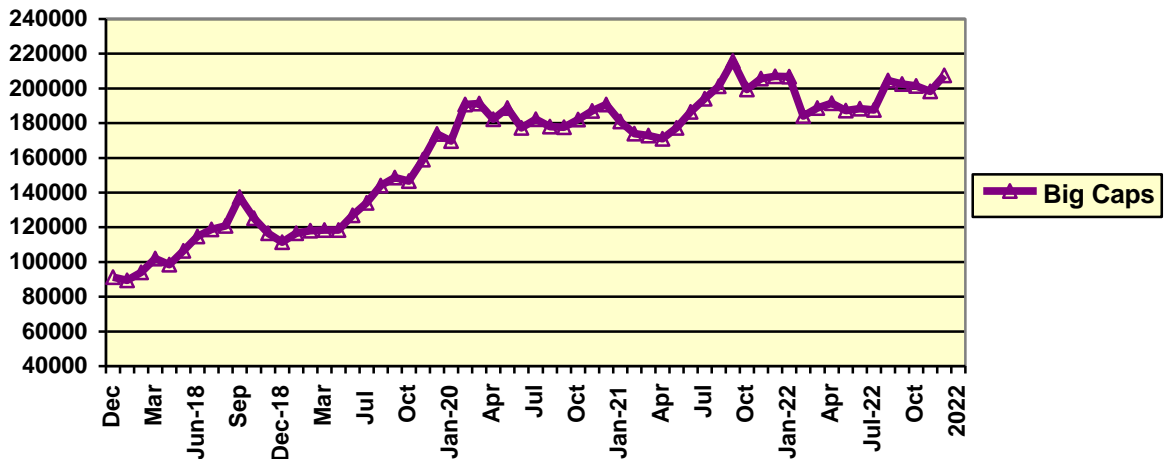
BDI-40 (\$m) v S&P ASX 200 – Jan 31, 2020 – Nov 30, 2022 (current, raw data)



BDI-40 v ASX200 Jun 30, 2006 to Nov 30, 2022- Adjusted



Big Caps \$m (Cochlear, CSL, Resmed) Nov 30, 2017 – Nov 30, 2022



[AUSTRALIAN COMPETITION AND CONSUMER COMMISSION, COCHLEAR](#)

The Australian Competition and Consumer Commission says it has “significant preliminary competition concerns with Cochlear’s proposed acquisition of Oticon”.

Cochlear said it did not “believe the proposed acquisition will reduce competition and will continue to work with the ACCC to address the matters raised as part of this public consultation process”.

In April, Cochlear said it would acquire the Smørum, Denmark-based Oticon Medical for DKK850 million (\$A170 million) from parent company Demant AS, who said it would exit the hearing implant market (BD: Apr 28, 2022).

Today, the ACCC said there were few suppliers of the devices and “in Australia, Cochlear and Oticon Medical are two of only three suppliers of non-surgical bone conduction and bone anchored devices and two of only four suppliers of cochlear implants”.

The ACCC said it was “concerned the proposed acquisition would substantially lessen competition in already highly concentrated markets, which may lead to higher prices, reduced service levels and reduced innovation”.

ACCC chair Gina Cass-Gottlieb said “Cochlear is by far the largest supplier of surgical bone anchored devices and cochlear implants in Australia... [and] an important supplier of non-surgical bone conduction devices”.

“Although Oticon Medical has a much smaller presence in Australia, we have significant concerns that the proposed acquisition will remove one of Cochlear’s few competitors in the supply of these three types of hearing devices in Australia,” Ms Cass-Gottlieb said.

Ms Cass-Gottlieb said that demand for the devices was likely to increase and it was important to ensure acquisitions did not lead to higher prices or reduced innovation.

The Commission said that as Demant had announced its intention to exit the hearing implants business, it would explore this issue, “including considering what would be likely to happen to the Oticon Medical business and its assets if the transaction did not occur”.

Cochlear said the ACCC had advised a provision final decision date of March 16, 2023.

Cochlear fell \$1.04 or 0.5 percent to \$213.00 with 122,213 shares traded.

[ALCIDION GROUP](#)

Alcidion says it has a potential \$13.8 million Miya Precision contract with University Hospital Southampton NHS Foundation Trust for electronic patient records.

Alcidion said the initial contract with the National Health Service Trust was worth \$2.8 million over three years, with additional options to add all Alcidion products, resulting in a possible contract value of \$13.8 million over four years.

The company said that England’s University Hospital Southampton would use the Miya Precision platform, with Miya Access, Command, Emergency and Flow ‘modules’, as the foundation for their electronic patient record system.

Alcidion said the University Hospital Southampton would use the Miya Precision platform to “introduce real-time care management tools that complement its long-standing approach to digital innovation... [and] gain access to a modern integration platform, with support for coding and open messaging standards, that can be used to deploy Alcidion’s modules and further drive innovation”.

Alcidion managing-director Kate Quirke said “our relationship with UHS is focused on a long-term partnership and reciprocal agreement”.

“With a strong reputation as a digital exemplar, I look forward to seeing the impact of this latest stage of the trust’s program, and to further developments in the near future,” Ms Quirke said.

Alcidion was up 1.25 cents or 7.9 percent to 17 cents with 4.8 million shares traded.

KAZIA THERAPEUTICS

Kazia says pre-clinical data shows its EVT801 shows “strong anti-tumor effects in various in-vitro and in-vivo models”.

Last year, the company said it would pay the Hamburg, Germany-based Evotec SE EUR1 million (\$A1.5 million) and up to EUR308 million to licence its oral, small-molecule, oncology drug EVT801, originally invented by Sanofi (BD: Apr 20, 2021).

Today, Kazia said that data from a summary of a “large body of pre-clinical research,” conducted by Evotec and the University Cancer Institute of Toulouse in France, was published in Cancer Research Communications and available at: <https://bit.ly/3UmTySl>. Kazia said that EVT801 was a “selective inhibitor of vascular endothelial growth factor receptor 3 (VEGFR3)” which were “well-validated cancer drug targets with multiple FDA-approved products directed to them,” but EVT801, a potentially more selective VEGFR3 inhibitor could “result in better tolerability and less development of resistance to therapy”. Kazia said EVT801 was “confirmed in pre-clinical studies to be a potent and selective inhibitor of VEGFR3, with activity in the low nanomolar range,” and was “shown to inhibit the formation of lymphatic vessels in-vitro, confirming its intended primary mode of action”. The company said that EVT801 was “more active than both pazopanib and sorafenib in the tumor models” and with immune checkpoint inhibitors in mice showed “strongly synergistic activity, with the combination performing better than either drug alone”. Lead author Dr Michael Paillasse said the data showed “the substantial potential of EVT801 as a cancer therapeutic... [which] has been shown to act exactly as intended: by impacting the vasculature in and around the tumor”.

Kazia managing-director Dr James Garner said “the data supports our decision last year to in-license EVT801, and clearly points to the future development strategy for the drug”. “Our collaboration with the Evotec team has already been extremely fruitful, and we look forward to continuing to work together on this very promising drug candidate,” Dr Garner said.

Last year, Kazia said it had enrolled the first of up-to 60 patients in its first in-human, phase I trial of EVT801 for advanced solid tumors (BD: Nov 4, 2021).

Today, the company said the phase I study was “progressing as planned” with initial data expected by June 30, 2023.

Kazia was unchanged at 8.7 cents.

MEDLAB CLINICAL

Medlab says it has invoiced Sydney’s Pharmacare Australian \$275,000 for its first royalty cheque from the sale of its food additives business.

Last year, Medlab said it completed the \$1.6 million sale of its food additive business to Pharmacare, with a two-year earn out expected to be more than \$250,000 or five percent of net sales a year during the first and second year (BD: Nov 11, 2022).

Today, the company said it expected proceeds within two weeks.

Medlab was up 14 cents or 1.8 percent to \$7.84.

EMVISION MEDICAL DEVICES

Emvision says it has received \$2,501,285 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Emvision said the rebate related to research and development expenditure for the year to June 30, 2022.

Emvision fell 4.5 cents or 2.1 percent to \$2.085.

[NUHEARA](#)

Nuheara says it has received \$2,049,329 from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Nuheara was up 1.5 cents or seven percent to 23 cents.

[INCANNEX HEALTHCARE](#)

Incannex has requested a trading halt “pending an announcement ... regarding a strategic institutional capital raising”.

Trading will resume on December 5, 2022 or on an earlier announcement.

Incannex last traded at 23 cents.

[ADHERIUM](#)

Adherium says its annual general meeting faced up to 22.21 percent dissent against the remuneration report, the re-election of Dr William Hunter and fully virtual meetings.

Adherium said the remuneration report, was opposed by 454,757,748 votes (22.21%) with 1,592,345,148 votes (77.79%) in favor, with the re-election of Dr Hunter opposed by 453,367,748 votes (21.83%) and the special resolution to amend the constitution to allow for fully virtual meetings opposed by 451,729,414 votes (21.76%).

The company said the election of director Lou Panaccio, the 10 percent placement facility and the issue of shares to Trudell Medical were passed overwhelmingly.

According to its most recent filing, Adherium had 2,561,849,866 shares on issue, meaning that the votes against the remuneration report amounted to 17.75 percent of the company, sufficient to requisition extraordinary meetings.

Adherium was up 0.1 cents or 25 percent to 0.5 cents.

[EPSILON HEALTHCARE](#)

Epsilon says it has appointed Mark Audet as chief financial officer and he will replace Louisa Ho as joint company secretary, effective from November 30, 2022.

Epsilon said that Mr Audet had more than 30 years of experience in pharmaceutical, technology and manufacturing companies.

The company said Sonny Didugu continued as chief operating officer and joint company secretary.

Epsilon fell 0.3 cents or 10.7 percent to 2.5 cents.

[CRESO PHARMA](#)

Creso says Peter Hatfull will replace Dr James Ellingford as non-executive director, effective November 30, 2022.

Yesterday, Biotech Daily reported that Creso executive director and Roots director James Anthony Ellingford, 57, had been bailed on six charges two counts of contravention of a domestic violence order; one count of unlawful stalking; and three counts of “improper use of emergency call services, vexatious” (BD: Nov 30, 2022).

Creso said Mr Ellingford would be paid \$144,000 over 12 months as well as any expenses relating to ASIC enquiries directly relating to Creso or Mr Ellingford’s role as a director of Creso (BD: Nov 16, 17, 2021; Nov 22, 2022).

At the time of publication, Mr Ellingford continued as a Roots director.

Creso was up 0.1 cents or 5.3 percent to two cents with 10.25 million shares traded.

BIOTECH DAILY TOP 40 WITH MARKET CAPITALIZATION AT NOV 30, 2022

Company \$Am	Dec-21	Nov-22	Dec-22
Cochlear	14,326	13,137	13,786
CSL	139,795	135,252	144,718
Resmed	52,860	49,869	48,999
BDI-20			
Avita	485	192	236
Clinuvel	1,422	966	968
Compumedics	60	41	38
Cyclopharm	169	126	123
Cynata	75	45	49
Genetic Signatures	188	100	130
Immutep	406	255	325
Kazia	187	20	14
Medical Developments	343	136	138
Mesoblast	1,103	682	815
Nanosonics	1,647	1,241	1,432
Neuren	227	923	1,008
Nova Eye	47	39	44
Opthea	420	451	447
Pharmaxis	52	40	40
Polynovo	966	1,323	1,369
Pro Medicus	6,522	5,829	6,207
Starpharma	441	219	204
Telix	1,881	2,170	2,325
Volpara	287	170	124
Second 20			
Actinogen	229	233	198
Alcidion	356	184	200
Amplia	27	19	19
Antisense	135	54	57
Atomo	127	34	33
Dimerix	79	51	50
Emvision	201	112	165
Impedimed	302	159	164
Imugene	3,139	1,102	1,181
Micro-X	138	63	66
Next Science	245	154	140
Oncosil	36	49	48
Orthocell	100	83	90
Paradigm	478	401	395
Patrys	74	39	53
Prescient	156	115	104
Proteomics	126	105	102
Resonance	48	31	28
Universal Biosensors	157	59	50
Uscom	16	10	10

* Biotech Daily editor, David Langsam, owns shares in Acrux, Actinogen, Alcidion, Alterity, Amplia, BTC Health, Clarity, Cochlear, Control Bionics, Cynata, Nanosonics, Neuren, Patrys, Polynovo, Telix, Volpara and non-biotech stocks. Through Australian Ethical Superannuation he has an indirect interest in other companies: <https://www.australianethical.com.au/personal/ethical-investing/companies-we-invest-in/>. These holdings are liable to change.

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