



Biotech Daily

Monday August 28, 2023

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: CYCLOPHARM UP 8%; OPTHEA DOWN 26%**
- * **TRAJAN REVENUE UP 51% TO \$162m; PROFIT UP 11% TO \$1.9m**
- * **NEUREN H1 REVENUE \$63m; LOSS TO \$48m PROFIT**
- * **NOVA EYE REVENUE UP 27% TO \$17m; LOSS UP 104% TO \$15.3m**
- * **CANN GROUP REVENUE UP 115% TO \$13.8m; LOSS UP 27% TO \$34m**
- * **OPTHEA INSTO OFFER \$10m OVERSUBSCRIBED; TOTAL SO FAR \$74m**
- * **AVECHO 'COMMITMENTS' FOR \$6m PHASE III TRIAL**
- * **BCAL \$2.4m PLACEMENT 'COMMITMENTS'; PLAN FOR \$500k MORE**
- * **VOLPARA SELLS PRECISION MEDICAL INTEREST FOR \$420k**
- * **RECCE TAKES R327 FASTER INFUSION TRIAL TO 3gm**
- * **MTP CONNECT, PTA DIAGNOSTICS 'ACTION PLAN'**
- * **EPSILON QUILTS MARIJUANA CULTIVATION**
- * **FIREBRICK PLEADS SCHULTZ TO ASX 44% RISE QUERY**
- * **GOODBYE BIONOMICS**
- * **FIRETRAIL TAKES 12.3% OF CURVEBEAM**
- * **KARST PEAK TAKES 6.8% OF CURVEBEAM**
- * **CEO GREG BROWN TAKES 5.9% OF CURVEBEAM**
- * **DR JULIAN CHICK REPLACES CANN GROUP CHAIR ALLAN MCCALLUM**
- * **PHARMAUST APPOINTS DR MICHAEL THURN CEO ON \$270k PA**
- * **AUDEARA LOSES DIRECTOR PASQUALE ROMBOLA**
- * **STARPHARMA LOSES INTERIM CO-SEC TRACY WEIMAR**
- * **BIO-MELBOURNE TALENT GAP, SKILLED WORKFORCE FORUM**

MARKET REPORT

The Australian stock market was up 0.63 percent on Monday August 28, 2023, with the ASX200 up 44.6 points to 7,159.8 points. Thirteen of the Biotech Daily Top 40 stocks were up, 18 fell, seven traded unchanged and two were untraded. All three Big Caps were up.

Cyclopharm was best, up 18 cents or 7.83 percent to \$2.48, with 44,860 shares traded. Emvision rose 7.78 percent; Kazia climbed 6.9 percent; Next Science was up 5.7 percent; Genetic Signatures improved 4.35 percent; Proteomics was up 3.1 percent; Dimerix rose 2.9 percent; CSL, Impedimed, Neuren, Polynovo, Pro Medicus, Telix and Volpara were up one percent or more; with Cochlear and Resmed up by less than one percent.

Opthea led the falls, down 15.5 cents or 25.8 percent to 44.5 cents with 2.1 million shares traded. Nova Eye and Paradigm lost more than 10 percent; Mesoblast fell 9.3 percent; Alcidion shed eight percent; Actinogen was down 7.4 percent; Prescient lost 6.6 percent; Universal Biosensors fell four percent; 4D Medical, Atomo, Medical Developments and Starpharma were down more than three percent; Avita, Imugene and Nanosonics shed more than two percent; Antisense and SDI were down more than one percent; with Clinuvel down by 0.75 percent.

TRAJAN GROUP

Trajan says revenue for the year to June 30, 2022 was up 50.7 percent to \$162,154,000, with net profit after tax up 10.9 percent to \$1,889,000.

Trajan restated its profit for the year to June 30, 2022 as \$1,108,000, implying this year's profit of \$1,889,000 had increased 70.5 percent on the prior corresponding period.

The company said adjustments were due to the acquisition of 12 companies.

Trajan said revenue came from sales of its "products, devices and solutions that are used in the analysis of biological, food, and environmental samples".

The company said diluted earnings per share was up 20 percent to 1.2 cents, net tangible asset backing per share rose 233.3 percent to 10 cents, and it had cash and cash equivalents of \$11,038,000 at June 30, 2023 compared to \$13,164,000 at June 30, 2022. Trajan fell five cents or 2.9 percent to \$1.65.

NEUREN PHARMACEUTICALS

Neuren says revenue for the six months to June 30, 2023 was \$62,926,000, with last year's \$7,071,000 loss turned to a profit of \$47,792,000.

Earlier this year, Neuren said US partner Acadia had US Food and Drug Administration approval for trofinetide, or Daybue, for Rett syndrome and it had received \$US40 million (\$A59.9 million) for the first commercial sale (BD: Mar 13, Jun 7, 2023).

Neuren chief executive officer Jon Pilcher said "progress across the three elements of Neuren's business has been transformational [and] as our revenues from Daybue grow, we are on track to reach a key value inflection point in December with the first results from treatment of Phelan-McDermid syndrome with NNZ-2591".

The company said that last year's diluted loss per share turned to a diluted earnings per share of 36.8 cents, net tangible assets per share rose 169.2 percent to 71.57 cents, and it had cash and cash equivalents of \$38,389,000 at June 30, 2023, compared to \$31,088,000 at June 30, 2022.

Neuren was up 19 five cents or 1.5 percent to \$12.69 with 732,356 shares traded.

NOVA EYE

Nova Eye says revenue for the year to June 30, 2022 was up 27.3 percent to \$17,025,000 with net loss after tax up 104.0 percent to \$15,293,000.

Nova Eye said its increased revenue came from a record \$US11.3 million (\$A17.6 million) in sales of its glaucoma consumable surgical devices, up 18 percent on the prior period.

The company said it expected "significant sales growth" for its glaucoma surgical devices in 2023-'24, but that operating expenditure would rise to support this expansion.

Nova Eye managing director Tom Spurling said the results "were augmented by positive growth contribution of the Itrack Advance which was made available for sale in the US in the months of May and June".

"We expect further sales acceleration through reactivation of accounts with the new Itrack Advance," Mr Spurling said.

"Our opportunity in the US glaucoma surgical devices market continues to be very strong and the Nova Eye medical team is looking forward to continuing the successful roll out of the Itrack Advance," he said.

The company said that diluted loss per share was up 89.4 percent to 9.81 cents, net tangible asset backing per share fell 44.3 percent to 4.4 cents, and it had cash and cash equivalents of \$7,419,000 at June 30, 2023 compared to \$8,000,000 at June 30, 2022.

Nova Eye fell 2.5 cents or 10.4 percent to 21.5 cents with 1.5 million shares traded.

CANN GROUP

Cann Group says revenue for the year to June 30, 2023 was up 114.9 percent to \$13,777,000, with net loss after tax up 26.8 percent to \$33,749,000.

This year Cann Group said received Federal Research and Development Tax Incentives of \$5,955,000 compared to \$4,520,000 last year.

The company said revenue was primarily from sales of marijuana products, with sales of dried flower products up 503 percent on the previous period, oil bottle sales rising 159 percent and a 308 percent increase in patient-ready dried flower bottles.

Cann Group said the improvement in revenue "was driven by the domestic market, with the strong sales momentum supported by new clients entering into supply agreements and several existing clients with repeat orders".

Cann Group said diluted loss per share was up 14.9 percent to 9.08 cents, net tangible asset backing per share fell 37.5 percent to 15 cents and it had cash and cash equivalents of \$765,000 on June 30, 2023 compared to \$1,914,000 on June 30, 2022.

Cann Group fell half a cent or four percent to 12 cents.

OPTHEA

Opthea says it has accepted \$10.0 million in oversubscriptions, taking the total raised in the placement to \$20.0 million and the institutional raising to \$73.7 million.

Last week, Opthea said it hoped to raise \$80 million through a \$10.0 million private placement and a \$70.0 million, one-for-3.07 institutional and retail entitlement offer, at 46 cents a share (BD: Aug 24, 2023).

Today, the company said the placement was oversubscribed and was increased from \$10 million to \$20 million and the institutional rights offer raised \$53.7 million.

Opthea said the placement and institutional rights offer shares were expected to be issued on September 4, and its retail entitlement offer to raise a further \$16.3 million was expected to open on August 31 and close on September 14, 2023.

Opthea fell 15.5 cents or 25.8 percent to 44.5 cents with 2.1 million shares traded.

AVECHO BIOTECHNOLOGY

Avecho says it has “firm commitments” for \$6 million in a placement at 0.6 cents a share for its phase III trial of tocopheryl phosphate mixture (TPM)-marijuana for insomnia. Avecho said the placement price was a 21.77 percent discount to the 15-day volume weighted average price and the funds would be used for a phase III trial of its tocopheryl phosphate mixture-cannabidiol soft-gel capsule for insomnia and general working capital. Avecho said for every two shares bought, investors would receive three attaching options, exercisable at 1.2 cents each by May 10, 2026. The company said CPS Capital, Ignite Equity and Peak Asset Management were joint lead managers to the placement. Avecho fell 0.3 cents or 33.3 percent to 0.6 cents with 5.4 million shares traded.

BCAL DIAGNOSTICS

Bcal says it has raised \$2.4 million in an oversubscribed placement at 10 cents a share, and hopes to raise \$500,000 in a non-underwritten share purchase plan. Bcal said the share plan would also be at 10 cents a share, a 24.3 percent discount to the 10-day volume weighted average price. The company said the share plan had a record date of August 25, would open on August 30 and close on September 13, 2023. Bcal chair Jayne Shaw said the funds would be used for “advancing its blood test for early detection of breast cancer, Breastest, towards commercialization”. Bcal said its Breastest was a non-invasive blood test intended to “complement current imaging technologies, such as the mammogram, with the aim of becoming a monitoring and screening tool suitable for women of all ages and backgrounds in any location”. The company said the proceeds would be used for data on the test, to complete its clinical services laboratory and for general working capital. The company said PAC Partners Securities Pty Ltd and MST Financial Services Pty Ltd were joint lead managers to the raise, with Mills Oakley as legal adviser. Bcal fell 1.5 cents or 13.0 percent to 10 cents with 1.2 million shares traded.

VOLPARA

Volpara says it sold its \$US250,000 (\$A388,970) interest in Precision Medical Ventures and its lung nodule diagnostic for \$US270,000 (\$A420,069), with interest. Volpara said that it withdrew its interest to direct to its resources “into advancing its core mammography capabilities and expanding the reach of its risk pathways product”. Volpara was up one cent or 1.2 percent to 82 cents.

RECCE PHARMACEUTICALS

Recce says it has approval to dose the next cohort in its phase I/II trial of R327 for urinary tract infection (UTI) and urosepsis with two faster infusion rates of 3,000mg. Last month, Recce said it had completed dosing its up-to 16 patient, phase I/II trial of R327 for urinary tract infection ahead of schedule (BD: Jul 28, 2023). The company said the independent safety committee approved its next cohort dosing, and unanimously agreed that 2,500mg R327 was safe and well tolerated. Recce chief executive officer James Graham said the trial results would “pave the way for R327 as a potential first-line treatment for patients suffering from UTI/urosepsis”. Recce was up two cents or 2.9 percent to 71 cents.

[MTP CONNECT](#)

MTP Connect and Melbourne's Pathology Technology Australia say they have a plan for end-to-end sovereign manufacturing capability for diagnostics and supply chain resilience. MTP Connect said the 'Action Plan' made recommendations for "a flourishing sovereign diagnostics manufacturing ecosystem" and was the culmination of consultation with more than 140 stakeholders and contributions from companies.

The Federally-funded industry organization said that the key recommendations from the 'Diagnostic Technology Sovereign Capability & Resilience: A National Action Plan' were to "establish a National Diagnostics Development Centre and Diagnostics Manufacturing Fund to support the commercialization and manufacture of diagnostics; establish a Diagnostics Advisory Council that informed government and supported industry; build a coordinated Nationwide Diagnostics Policy across states and territories; and implement sustainable procurement practices to harness federal, state and territory government purchasing power and prioritize local diagnostic products and stimulate domestic manufacturing.

MTP Connect chief executive officer Stuart Dignam said the plan's "findings, data-driven assessments and innovative recommendations will have a profound impact on the future success of the sector".

"Australia is also home to some of the world's leading diagnostics research and development, yet our healthcare system remains vulnerable to a chronic reliance on overseas manufacturers and suppliers to deliver the diagnostics products on which the health of our population and protection of our biosecurity depends," Mr Dignam said.

"The plan we have prepared with [Pathology Technology Australia] capitalizes on the local industry's existing strengths, while prioritizing innovation, boosting expertise and reducing investment risk," Mr Dignam said.

"It outlines a framework for enhancing the diagnostic infrastructure, supporting commercialization of new innovations, improving access to testing, and strengthening the regulatory framework for diagnostic products and services," Mr Dignam said.

"With the implementation of these practical initiatives to build a resilient domestic diagnostics sector, we can not only help to protect the health of Australians but also foster the growth of ... companies, create new high-paying jobs and spur economic growth in a field where Australia has already shown its competitiveness," Mr Dignam said.

Pathology Technology Australia chief executive officer Dean Whiting said the plan addressed key supply chain resilience issues facing Australia and its ability to produce critical tests onshore.

"In Australia, accessible and effective diagnostic technologies - from pregnancy tests and blood glucose monitors to rapid antigen and [polymerase chain reaction] tests - play a critical role in detecting, diagnosing and monitoring diseases," Mr Whiting said.

"The report found that we import more than 95 percent of diagnostic tests and technologies," Mr Whiting said. "The pandemic brought into focus Australia's parlous state with respect to our sovereign high-tech manufacturing capability and supply chain security to ensure availability of these technologies," Mr Whiting said.

"And while the pandemic has subsided, the supply chain vulnerabilities remain, so this Action Plan thoroughly investigates the barriers to commercializing diagnostic devices in Australia and makes a range of recommendations for remediating them," Mr Whiting said.

"Rapid action on this plan will see Australia better placed to manage future health emergencies and critical supply disruptions and by strengthening our diagnostic capability, we also increase our ability to compete in global markets and boost our national prosperity," Mr Whiting said.

The report is available at: www.bit.ly/45GO2RL.

[EPSILON HEALTHCARE \(FORMERLY THE HYDROPONICS COMPANY\)](#)

Epsilon says it will exit all cultivation related activities and by mutual termination will end its occupancy of the Canndeo Bundaberg, Queensland facility.

Epsilon said it would focus on the development and expansion of its Epsilon Pharma and Epsilon Clinics subsidiaries, and redeploy the financial resources made available by exiting cultivation to support the development of strategic healthcare integrals.

Epsilon fell 0.4 cents or 15.4 percent to 2.2 cents.

[FIREBRICK PHARMA](#)

Firebrick has told the ASX that it is not aware of any information it has not announced, which, if known, could explain recent trading in its securities.

Firebrick said it had announced that its phase III trial of Nasodine nasal spray for the common cold had successfully completed recruitment with 500 subjects enrolled and that headline results were expected by the end of September.

The ASX said the company's share price increased by 44 percent from 25 cents on Friday August 24 to 36 cents today and noted a "significant increase" in the trading volume.

Firebrick closed up 4.5 cents or 15.8 percent to 33 cents.

[ASX, BIONOMICS](#)

The ASX says Bionomics has been removed from the official list, effective from the close of trading today.

Last month, the company said it would voluntarily delist from the ASX, effective August 28, 2023, to focus on its Nasdaq listing (BD: Jul 25, 2023).

Bionomics last traded at one cent.

[CURVEBEAM AI](#)

Brisbane's Firetrail Investments Pty Ltd says it has become substantial in Curvebeam with the purchase of 39,244,484 shares (12.26%).

Last week, Curvebeam listed on the ASX following its \$25 million initial public offer at 48 cents a share to commercialize its imaging systems (BD: Aug 23, 2023).

Today, Firetrail said it bought 6,250,000 shares in the public offer at 48 cents a share.

Curvebeam was up four cents or 9.6 percent to 45.5 cents with 1.3 million shares traded.

[CURVEBEAM AI](#)

The Hong Kong-based Karst Peak Capital Ltd says it has become substantial in Curvebeam with 21,857,867 shares (6.83%).

Karst Peak said that on August 16, 2023 it bought the shares for 29 cents each.

[CURVEBEAM AI](#)

Curvebeam chief executive officer Greg Brown says he has become substantial in the company with 18,869,624 shares (5.89%).

Mr Brown said he received 800,000 shares in a long-term incentive plan, 3,070,745 shares from convertible notes at 33.6 cents a share, 5,295,279 shares from notes at 31.2 cents a share and bought 1,562,500 shares for \$750,000, or 48 cents a share.

CANN GROUP

Cann Group says it has appointed Dr Julian Chick as its chair, replacing retiring Allan McCallum, effective from today.

Last year, Cann Group said Dr Chick was appointed a director; and earlier this year, it said chair Allan McCallum would retire by October 2023, with Dr Chick had been appointed deputy chair (BD: Sep 20, 2022; Jun 27, 2023).

Cann Group said the changes were part of a succession and renewal process to ensure the board-level skill-set continued to align with its evolving transition to a more commercially focused business.

PHARMAUST

Pharmaust says it has appointed Dr Michael Thurn as its chief executive officer, on a base salary of \$270,270 a year, effective from September 1, 2023.

Pharmaust said Dr Thurn co-founded Marp Therapeutics and previously worked for Botanix, Mimetica, Spinifex, Cytopia, Xenome and Novogen.

The company said Dr Thurn's base salary of \$270,270 a year did not include statutory superannuation, and he would receive 150,000 performance rights as a sign-on bonus after three months with the company, as well as a possible cash bonus of up-to 20 percent of his base salary pending milestones.

Pharmaust also said that subject to performance, Dr Thurn's appointment included short term incentives of up to 2,250,000 performance rights and long-term incentives of 500,000 options after 12 months in the role, exercisable at 15 cents each by April 30, 2026.

According to his LinkedIn profile, Dr Thurn held a Bachelor of Science and a Doctor of Philosophy from the University of Technology Sydney.

Pharmaust said that chair Dr Roger Aston would continue as a non-executive chair.

Pharmaust was up 0.3 cents or 4.1 percent to 7.6 cents with 5.4 million shares traded.

AUDEARA

Audeara says non-executive director Pasquale Rombola has resigned, effective from today.

Audeara non-executive chairman David Trimboli said Mr Rombola had been with the company prior to its listing on the ASX in 2021 and had "been a good mentor for the executives and senior management of Audeara during his tenure".

"We thank him for his immense efforts over what has nearly been... [two and a half] years and we wish him all the best with his other businesses and projects," Mr Trimboli said.

Audeara was untraded at 4.3 cents.

STARPHARMA

Starpharma says its interim joint company secretary Tracy Weimar has resigned, effective from today.

The company said that chief financial officer Justin Cahill would continue to act as company secretary.

Starpharma fell half a cent or 3.6 percent to 13.5 cents with 1.4 million shares traded.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says its September 14 'Bridging the Talent Gap: Fostering a Skilled Workforce' will discuss talent shortages and skills gaps in the sector.

The Bio-Melbourne Network said that speakers from MTP Connect, Commercial Eyes, Mexec, CSL Behring, Manufacturing Industry Skills Alliance, Phillips Ormonde Fitzpatrick and the Victorian Medtech Skills and Devices Hub would cover issues including why investment in internal and external skills development and how to build a skilled workforce.

The Network said the event would take place in person at Phillips Ormonde Fitzpatrick, Level 16, 333 Collins Street, Melbourne, and online via a Zoom webinar, on September 14, 2023 from 4pm to 6:30pm, followed by networking.

For details and registration, go to www.bit.ly/3PdWeCT.