



Biotech Daily

Monday February 26, 2024

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: CYNATA UP 15%; NANOSONICS DOWN 16%**
- * **MAYNE PHARMA H1 REVENUE UP 86% TO \$188m; PROFIT TO \$70.5m LOSS**
- * **NANOSONICS H1 REVENUE DOWN 2% TO \$80m, PROFIT DOWN 40.5% TO \$6m**
- * **VITURA H1 REVENUE UP 4% TO \$60m, PROFIT DOWN 57% TO \$3m**
- * **AUSTCO H1 REVENUE UP 11% TO \$23m; PROFIT DOWN 15% TO \$1.2m**
- * **BTC GROUP H1 REVENUE UP 3% TO \$4.9m; LOSS TO \$1.7m PROFIT**
- * **GENETIC TECHNOLOGIES H1 REVENUE DOWN 5% TO \$4m; LOSS UP 18% TO \$6m**
- * **ISLAND UNDERWRITTEN \$1.95m 2-FOR-5 RIGHTS OFFER**
- * **4D MEDICAL APPOINTS BLACKFORD IMBIO DISTRIBUTOR**
- * **CYNATA: 'CYP-006TK REDUCES WOUND AREA 88%'**
- * **RECCE EXPANDS R327 DIABETIC FOOT INFECTION TRIAL ACCESS**
- * **CARDIEX REINSTATED TO ASX**
- * **LITTLE GREEN PHARMA: GERMANY LEGALIZES MARIJUANA**
- * **PHARMAUST REQUESTS 'STUDY RESULTS' TRADING HALT**
- * **HERAMED TAKES 'MATERIAL CONTRACT' TRADING HALT TO SUSPENSION**
- * **CHRISTINE EMMANUEL-DONNELLY REPLACES IMPEDIMED CHAIR MCGREGOR GRANT**

MARKET REPORT

The Australian stock market was up 0.12 percent on Monday February 26, 2024, with the ASX200 up 9.2 points to 7,652.8 points. Eighteen of the Biotech Daily Top 40 stocks were up, 13 fell, seven traded unchanged and two were untraded. All three Big Caps were up.

Cynata was the best for the second trading day in a row, up three cents or 15 percent to 23 cents, with 548,321 shares traded. Dimerix climbed 12.8 percent; Avita and Prescient were up eight percent or more; Amplia and Neuren were up more than five percent; Imugene, Micro-X, Opthea and Telix improved more than four percent; Curvebeam, Cyclopharm and Genetic Signatures rose two percent or more; 4D Medical, Mesoblast, Polynovo and Pro Medicus were up more than one percent; with Cochlear, CSL, Emvision and Resmed up by less than one percent.

Nanosonics led the falls, down 50 cents or 16.0 percent to \$2.63, with 6.7 million shares traded. Starpharma lost 10.7 percent; Alcidion shed six percent; Immutep and Resonance were down more than five percent; Proteomics fell four percent; Universal Biosensors was down 3.1 percent; Clinuvel and Medical Developments shed more than two percent; both Paradigm and Percheron (Antisense) were down 1.4 percent; with Clarity and SDI down by less than one percent.

MAYNE PHARMA GROUP

Mayne says revenue for the six months to December 31, 2023 was up 85.8 percent to \$187,926,000, with last year's profit turned to a net loss after tax of \$70,552,000.

Last year, Mayne Pharma said revenue for the six months to December 31, 2022 was down 32.7 percent to \$101,165,000 with the previous year's loss turned to a profit after tax of \$289,927,000 (BD: Feb 28, 2023).

In 2022, the company said it had completed the sale of its Metric Contract Services business to the Somerset, New Jersey-based Catalent Pharma Solutions Inc for \$US475 million (about \$A772 million) (BD: Oct 4, 2022).

Last year, Mayne Pharma said it had completed the sale of its US generics business to the Hyderabad, India based-Dr Reddy's Laboratories for an up-front payment of \$US90 million (\$A135.0 million) (BD: Apr 11, 2023).

Today, the company said the prior corresponding period's profit "included a \$403.7 million profit from discontinued operations", and that consequently it had treated its Metric Contract Services and retail generics businesses as "discontinued business for the current reporting period".

Mayne Pharma said \$72.4 million of revenue came from sales of its women's health products, \$80.9 million from its dermatology business and \$34.6 million from the manufacture and sale of its branded and generic pharmaceuticals.

The company said that last year's diluted earnings per share of 17.6 cents was turned to a loss of 87.8 cents, with the previous corresponding period's net tangible assets per share of 4.0 cents turned to negative 47.0 cents per share.

Mayne Pharma said it had cash and cash equivalents of \$109,227,000 at December 31, 2023 compared to \$175,541,000 at December 31, 2022.

Mayne was up 78 cents or 14.9 percent to \$6.03 with one million shares traded.

NANOSONICS

Nanosonics says revenue for the six months to December 31, 2023 was down 2.4 percent to \$79,638,000 with net profit after tax down 40.5 percent to \$6,168,000.

Nanosonics said revenue came from sales of its Trophon ultrasound probe cleaning systems and related products.

Nanosonics chief executive officer Michael Kavanagh said "the first half of 2023-'24 brought a number of market challenges resulting in lower-than-expected capital sales despite a growing sales pipeline for both new installed base and upgrades".

"This was seen to be driven by customers deferring purchases due to hospital capital budget constraints", Mr Kavanagh said.

"This particularly impacted our expected growth in Trophon upgrade volumes as customers extended the use of their original Trophon EPR unit," Mr Kavanagh said.

"Despite the market challenges faced in the first half, we expect both unit and revenue growth in [in the six months to June 30, 2024]," Mr Kavanagh said.

"We remain confident in the ongoing growth opportunity of our Trophon ultrasound reprocessing business as well as our broader growth opportunities through the investments being made in both product and geographical expansion," Mr Kavanagh said.

Nanosonics said diluted earnings per share fell 40.6 percent to 2.02 cents, net tangible asset backing per share rose 15.7 percent to 52.78 cents.

The company said it had cash and cash equivalents of \$118,315,000 at December 31, 2023 compared to \$99,825,000 at December 31, 2022.

Nanosonics fell 50 cents or 16.0 percent to \$2.63 with 6.7 million shares traded.

VITURA HEALTH (FORMERLY CRONOS AUSTRALIA)

Vitura says that revenue for the six months to December 31, 2023 was up 4.0 percent to \$59,973,994 with net profit after tax down 57.4 percent to \$3,269,665.

Last year, Vitura said revenue for the six months to December 31, 2022 was \$57,644,481 and today, reported revenue for that period as \$57,656,779 (BD: Feb 14, 2023).

Vitura chief financial officer Tom Howitt told Biotech Daily the difference was due to a reclassification of revenues as a result of segment reporting.

The company said revenue came mainly from the sales of medicinal marijuana products, its on-line portal Canview and clinic-related fees, as well as from its recently acquired telehealth business Doctors on Demand (BD: Oct 27, 2023).

The company said the reduced profit was “largely due to a decline in the average selling price and gross margin pressures experienced industry wide, various one-off costs relating to the acquisition of Doctors on Demand and further investment ... which the company anticipates will generate additional revenues and profitability in the second half”.

Vitura said diluted earnings per share fell 56.7 percent to 0.58 cents, net tangible assets per share were down 63.5 percent to 1.40 cents, and it had cash and equivalents of \$12,995,887 at December 31, 2023 compared to \$14,822,587 at December 31, 2022.

Vitura fell six cents or 26.7 percent to 16.5 cents with 3.9 million shares traded.

AUSTCO HEALTHCARE (FORMERLY AZURE HEALTHCARE)

Austco says revenue for the six months to December 31, 2023 was up 11.2 percent to \$22,843,000, with net profit down 15.0 percent to \$1,172,000

Austco said its revenue came from sales of its healthcare communication and clinical workflow management systems, as well as from Teknocorp, a security and healthcare provider it acquired last year (BD: Nov 28, 2023).

The company said its reduced profit was due to a dip in gross margins due to the consumption of higher cost raw materials procured during Covid-19 and “higher revenue contribution from specific price-sensitive markets and projects”.

Austco said diluted earnings per share fell 18.75 percent to 0.39 cents, net tangible assets per share were down 17.0 percent to 5.03 cents, and it had cash and equivalents of \$4,973,000 at December 31, 2023 compared to \$6,979,000 at December 31, 2022.

Austco fell two cents or 9.1 percent to 20 cents.

BTC HEALTH

BTC says that group revenue for the six months to December 31, 2023 was up 3.1 percent to \$4.9 million, with last year's net loss turned to a profit of \$1.7 million.

BTC said revenue included \$3.1 million in sales of BTC Specialty Health's pain infusion pumps for the three months to December 31, 2023, up 73 percent on the previous period; \$580,000 from sales of BTC Pharma's Bronchitol and Aridol respiratory products, and sales of cardiopulmonary and extracorporeal life support systems made by BTC Cardio.

The company said it undertook a “restructure and cost-out exercise” in the three months to September 30, 2023, which was “reflected in a strong operating result for the investee companies” leading to a \$1.7 million profit for the group.

BTC said diluted earnings per share rose 488.9 percent to 53 cents, with net tangible assets down 62.8 percent to 1.67 cents.

The company said it had cash and cash equivalents of \$2,119,172 at December 31, 2023, compared to \$1,175,400 at December 21, 2022.

BTC was untraded at 4.5 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says revenue for the six months to December 31, 2023 was down 4.7 percent to \$3,958,682, with net loss after tax up 17.6 percent to \$6,419,264.

Genetic Technologies said revenue from sales of its Easy DNA paternity test was down 16.1 percent to \$3,201,017, with the remaining revenue from its Affinity DNA tests and Genetype breast cancer and colorectal cancer tests.

The company said that “sales continued to disappoint with ongoing challenges to generating significant penetration into both payers in the US and general practice with a focus shifting to groups that are already embracing preventative health measures”.

Genetic Technologies said diluted loss per share was up 9166.7 percent to 5.56 cents, with net tangible asset backing per post-consolidation share up 44.0 percent to 2.25 cents. Last year, the company said 70.1 percent of its annual general meeting voted for its 100-to-one consolidation (BD: Nov 23, 2023).

Today, Genetic Technologies said it had cash and cash equivalents of \$3,729,200 at December 31, 2023 compared to \$5,045,188 at December 31, 2022.

Genetic Technologies fell 0.1 cents or one percent to 9.9 cents.

ISLAND PHARMACEUTICALS

Island Pharmaceuticals says it expects to raise about \$1.95 million through a two-for-five, fully underwritten, non-renounceable rights offer at 6.0 cents a share.

Island said investors would receive one attaching option exercisable at six cents each by 12 months from the rights offer closing date, and an additional option for each option that was exercised within three months of the closing date.

The company said the offer had a record date of February 29, would open on March 5 and close on March 14, 2024.

Island said the funds raised would be used to analyze the phase I dose and prepare for the phase II trial of ISLA-101 for dengue fever and other mosquito borne illnesses.

The company said PAC Partners Securities was the lead manager and underwriter for the offer, and that each director would participate in the offer.

Island fell 0.3 cents or 3.6 percent to eight cents.

4D MEDICAL

4D Medical says the Edinburgh-based Blackford Analysis Inc will distribute its Imbio artificial intelligence medical imaging technology on the Blackford platform.

Last year, 4D Medical said it had acquired Imbio for \$US25 million (BD: Dec 18, 2023).

Today, the company said the platform was a “marketplace” for artificial intelligence-based medical imaging products servicing companies major imaging companies.

4D Medical said that Blackford was the third medical imaging marketplace to distribute Imbio’s technology, which prior to its acquisition by the company had existing distribution agreements with Aidoc and Microsoft’s Nuance.

The company did not disclose the commercial terms of the deal.

4D chief executive officer Andreas Fouras said the agreement “positions our Imbio products with a comprehensive distribution network across the three leading platforms connecting [artificial intelligence] providers with hospitals, doctors and their patients”.

“We are particularly excited by the opportunities for Imbio technology to provide solutions for the [US Department of Veterans Affairs] and look forward to sharing further progress over the coming weeks and months,” Prof Fouras said.

4D Medical was up one cent or 1.6 percent to 64.5 cents.

CYNATA THERAPEUTICS

Cynata says analysis of 16 patients from its 30-patient, phase I trial of CYP-006TK for diabetic foot ulcers shows median wound surface area reduction of 87.6 percent.

In 2021, Cynata said it would begin a 30-patient, randomized, 24-week, trial comparing its CYP-006TK topical wound dressing to standard-of-care dressings for diabetic foot ulcers (BD: Jan 16, 2022).

Today, the company said the result from eight patients treated with CYP-006TK was taken after 10 weeks of treatment and compared to a 51.1 percent median wound surface area reduction in the eight-patient placebo group.

Cynata said a 100 percent reduction in wound surface area was complete wound healing. The company said the results were consistent with the trend observed in the first six patients up-to day-28 of treatment.

Cynata said that "in view of these very encouraging initial results" the trial would continue as planned, with 25 patients recruited so far.

Cynata was up three cents or 15 percent to 23 cents.

RECCE PHARMACEUTICALS

Recce says an independent safety committee "unanimously agreed" its phase I/II trial of R327 for diabetic foot infection (DFI) is fit for expanded access.

Last month, Recce said a five-patient, phase I/II trial of R327 topical, anti-infective gel met its primary endpoints of "resolving/curing bacterial infections in diabetic foot infections]", with one patient escalated to systemic therapy (BD: Jan 21, 2024).

Today, the company said a safety committee from Sydney's Liverpool Hospital had recommended the trial expand based on the interim data analysis of the patients.

Recce said all parties had "agreed to a broadening of patient description and stage of diabetic foot ulcer infection to award greater patient access to the potential benefits of joining the ... trial".

The company said it would expand the ongoing study to additional sites both in Australia and overseas in "near months".

Recce chief executive officer James Graham said the company was "pleased with the decision of the independent committee".

"We look forward to seeing the potential of R327 utilized as a treatment option in patients suffering from DFIs, offering a chance at a better quality of life without the devastating consequences of amputation," Mr Graham said.

Recce was up 1.5 cents or 3.4 percent to 46 cents.

CARDIEX

Cardiex says it has been reinstated on the ASX, following its \$8 million capital raising and \$6 million in funding from C2 Ventures.

Last year, Cardiex said it had withdrawn its registration with the US Securities and Exchange Commission and Nasdaq initial public offering and requested a voluntary suspension from the ASX "pending the release of an announcement regarding its capital raising and annual report" (BD: Sep 28, 2023).

Later, the company said following an \$8 million capital raise, the ASX would discuss lifting its suspension, having cut costs and staff (BD: Oct 4, 2023, Jan 21, 2024).

Today, the company said that following "completion of the fund-raising package, and recent dialogue with ASX" it would resume trading today.

Cardiex fell 5.4 cents or 40 percent to 8.1 cents with 2.3 million shares traded.

LITTLE GREEN PHARMA

Little Green Pharma says the German Bundestag, or Federal Assembly, has legalized marijuana in the country, removing it from its narcotics list effective from April 1, 2024. Little Green said Germany was the largest medicinal marijuana market in Europe and the recent legalization would make it the largest federally legal marijuana market in the world, and that it expected to cause an “increase in the number of patients and consumers by multiples while catalyzing similar changes across Europe”.

The company said the changes allowed for non-for-profit cannabis clubs, limited home cultivation and possession of personal use quantities.

Little Green said the changes meant “the existing medical access pathway will be substantially improved through the removal of prescribed conditions, narcotic reporting, and pharmacy stockholding limitations, and the easing of the rules around telehealth services, e-scripts and direct delivery to patients”.

The company said the laws presented it with an opportunity given its partnerships with multiple German distributors, its large bank of marijuana genetics and its ownership of the “largest and most advanced” European Union good-manufacturing-practice recognized medicinal marijuana facility.

Little Green was up half a cent or four percent to 13 cents with 2.6 million shares traded.

PHARMAUST

Pharmaust has requested a trading halt “pending an announcement of phase I [motor neuron disease] study top-line results”.

Trading will resume on February 28, 2024, or on an earlier announcement.

Pharmaust last traded at 38 cents.

HERAMED

Heramed has requested a suspension following Thursday’s trading halt “pending an announcement to the market regarding a material new contract” (BD: Feb 22, 2024).

Trading will resume on February 28, 2024, or on an earlier announcement.

Heramed last traded at 1.9 cents.

IMPEDIMED

Impedimed says it appointed director Christine Emmanuel-Donnelly as non-executive chair, replacing McGregor Grant who continues as an executive director.

Last year, Impedimed said its extraordinary general meeting passed all resolutions by about 58 percent to replace chair Donald Williams and directors Amit Patel, David Anderson and Daniel Sharp, with Mr Grant, Ms Emmanuel-Donnelly, Andrew Grant and Janelle Delaney (BD: Sep 28, 2023).

Impedimed was unchanged at 8.6 cents with 1.2 million shares traded.