



Biotech Daily

Thursday April 18, 2024

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: NEXT SCIENCE UP 12%; IMUGENE DOWN 6%**
- * **FEDERAL COURT: ADAM BLUMENTHAL 5 YEAR BAN; \$1.1m FINE, COSTS**
- * **TELIX Q1 REVENUE UP 75% TO \$175m**
- * **ALCIDION 9-MONTH RECEIPTS DOWN 13% TO \$25m**
- * **HYDRIX 9-MONTH RECEIPTS DOWN 15% TO \$9m**
- * **BIOXYNE 'COMMITMENTS' TO RAISE \$1.45m**
- * **IMMUTEP: CHDR FOR PHASE I IMP761 NETHERLANDS TRIAL**
- * **VITURA TO RELEASE 8.7m VOLUNTARY ESCROW SHARES**
- * **ECP TAKES 5% OF NANOSONICS**
- * **PERENNIAL REDUCES TO 12% OF MEDADVISOR**
- * **CHAIR ALAN TRIBE, AUSTRALIAN LAND DILUTED TO 33% OF PYC**
- * **EBR APPOINTS ERIK STRANDBERG CCO**
- * **PHARMAUST APPOINTS MANUFACTURING HEAD; 2 MONEPANTEL DEALS**
- * **MTP CONNECT AUSTRALIAN RADIO-PHARMACEUTICALS PAPER**

MARKET REPORT

The Australian stock market was up 0.48 percent on Thursday April 18, 2024, with the ASX200 up 36.5 points to 7,642.1 points. Twenty of the Biotech Daily Top 40 stocks were up, 13 fell, five traded unchanged and two were untraded.

Next Science was the best, up five cents or 11.9 percent to 47 cents, with 512,934 shares traded. Cynata climbed 10.5 percent; Telix was up 9.4 percent; Alcidion and Nova Eye were up more than six percent; 4D Medical and Prescient improved more than five percent; Orthocell was up 4.1 percent; Actinogen, Atomo and Mesoblast were up more than three percent; Dimerix, Impedimed, Polynovo, Pro Medicus and Resonance rose one percent or more; with Clinuvel, Clarity, Cochlear, Emvision and Neuren up by less than one percent.

Imugene led the falls, down 0.5 cents or six percent to 7.8 cents, with 47.3 million shares traded. Micro-X, Paradigm, Syntara and Universal Biosensors lost five percent or more; Avita and Resmed fell more than four percent; Genetic Signatures and Proteomics were down more than three percent; Opthea and SDI shed more than two percent; Cyclopharm and Nanosonics were down more than one percent; with CSL and Medical Developments down by less than one percent.

[THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION \(ASIC\)](#)
[MELODIOL GLOBAL HEALTH \(FORMERLY CRESO PHARMA\)](#)

The Federal Court of Australia has disqualified former Creso and Everblu chair Adam Blumenthal from managing corporations for five years and fined him \$850,000.

Federal Court Justice Angus Stewart made the orders last week and published them yesterday, ordering Mr Blumenthal to pay the plaintiff, the Australian Securities and Investments Commission, litigation costs of \$100,000 and \$150,000 investigation costs. Justice Stewart said that should Mr Blumenthal want “to re-enter the financial services industry ... [he must] complete training deemed appropriate ... and provide the plaintiff with documentary evidence of the completion of such training”, but allowed Mr Blumenthal to manage two family companies, Phillip Street Holdings Pty Ltd and Oakphil Pty Ltd. Last year, ASIC said it had begun civil proceedings against Mr Blumenthal, with Mr Blumenthal’s advisory company Everblu Capital agreeing to cancel its Australian financial services (AFS) licence and ASIC had begun Federal Court proceedings against Mr Blumenthal “alleging market rigging and breaches of his duties as a director of two companies, Everblu Capital Pty Ltd and Creso Pharma” (BD: Dec 18, 2023).

At that time, ASIC said its 2021 investigation found that Everblu “breached its obligations as an AFS licensee by failing to properly follow procedures and put in place adequate controls relating to the receipt and execution of client orders, the use of its suspense account, the maintenance of records and the management of conflicts of interest”.

In 2021, Creso said ASIC had required documents, chair Adam Blumenthal had stood aside and James Ellingford was its interim chair (BD: Nov 17, 25, 2021).

An ASIC spokesperson said at the time the Australian Federal Police had raided Everblu, and five other locations in relation to “certain market activities, among other things”.

In December, ASIC said Mr Blumenthal “failed to comply with Everblu’s conflicts of interest policy and was involved in its breaches of obligations as an AFS licensee; facilitated loans from his private company, Anglo Menda Pty Ltd, to lend funds to Everblu clients, in breach of Everblu’s personal dealing policy; [and] to trade in ... Creso shares”.

The Commission alleged the breaches included lending Tyson Scholz, an “influencer” and Everblu client, more than \$7 million, and another client more than \$5 million, as well as engaging in market rigging when on 14 occasions on 10 days “he caused or enabled certain client orders to purchase Creso shares, intending to represent to the market that there were more individual bidders for Creso shares than existed to create, or cause the creation of, a false or misleading appearance with respect to the market for Creso shares”.

ASIC said the Court found Mr Blumenthal engaged in market rigging on 14 occasions in relation to the placing of orders for Everblu clients to purchase Creso shares; breached his duties as an Everblu director in relation to his failure to comply with its compliance policies; and breached his duties as a Creso director in relation to the engagement of Everblu client Mr Scholz and another party whose main trading entity was also an Everblu client to provide marketing and promotional services for Creso.

ASIC said Creso paid Mr Scholz more than \$2 million and the other party more than \$1.2 million and Mr Blumenthal’s private company, Anglo Menda Pty Ltd, had lent more than \$7 million to Mr Scholz to fund his trading in Creso shares.

Justice Stewart said the contraventions were “interrelated ... [and] had their source in Mr Blumenthal’s large shareholding in Creso, his position as the chairman of a financial services licensee ... and his intention of presenting a false or misleading picture to the market for Creso shares”.

Justice Stewart said the market rigging contraventions “were serious, deliberate, repeated and occurred over a period of around eight months” and justified a significant penalty.

Melodiol was unchanged at 0.4 cents with 3.2 million shares traded.

TELIX PHARMACEUTICALS

Telix says that revenue for the three months to March 31, 2024 was up 74.8 percent to \$175.0 million, compared to the previous corresponding period.

Telix said the increased revenue was from sales of its Illuccix kit for prostate cancer imaging, with US revenue of \$US111.8 million (\$A173.65 million).

The company said it expected revenue for the year to June 30, 2024 to be between \$US445 million and \$465 million, or a 35 to 40 percent increase on the prior corresponding period, as well as a 40 to 50 percent increase in research and development expenditure.

Telix chief executive officer Dr Chris Behrenbruch said “the continued, consistent growth of our precision diagnostics business is further evidence of an effective market growth strategy for our prostate cancer franchise”.

Telix was up \$1.18 or 9.4 percent to \$13.72 with 3.6 million shares traded.

ALCIDION GROUP

Alcidion says receipts from customers for the nine months to March 31, 2024 were down 13.4 percent to \$25,331,000, compared to the previous corresponding period.

Alcidion said sales and use of its Miya Precision and other hospital management systems for the three months to March 31, 2024 were down 2.1 percent to \$10,226,000.

The company said it had a three-month cash burn of \$1,347,000, with cash and equivalents of \$6,454,000 at March 31, 2024, compared to \$11,087,000 the prior year.

Alcidion managing-director Kate Quirke said the company had “implemented the cost saving initiatives ... which will deliver annualized cost savings of approximately \$6.4 million [and] we will see the benefit of these costs savings [by July, 2024]”.

“At the end of [this period] our 2023-'24 contracted revenue is \$37.4 million, which we expect to continue to build upon in [the next three months], noting any material contracts that may be signed late in the quarter may not result in significant revenue recognized in this financial year,” Ms Quirke said.

Alcidion was up 0.3 cents or 6.8 percent to 4.7 cents with 3.5 million shares traded.

HYDRIX

Hydrix says receipts from customers for the nine months to March 31, 2024 were down 15.4 percent to \$9,167,000, compared to the previous corresponding period.

Hydrix said receipts were from contracts for its services in medical product design and engineering as well as sales and distribution of cardiovascular products.

The company said due to purchase cycles for cardiac technology products being subject to capital and operating budget expenditure, approval processes and government reimbursement schemes, it extended sales lead timelines and took cost reduction actions to lower operating costs until opportunities were “closer to materializing”.

The company said it had a cash burn of \$1,042,000 for the three months, with cash and equivalents of \$346,000 at March 31, 2024 compared to \$1,891,000 at March 31, 2023, or an estimated 0.57 quarters of funding.

Hydrix said it expected that its net operating cash flows to improve “in due course” with existing contracts and overdue cash receipts expected to progress or be received by July 2024.

The company said it held \$5.1 million in investments that it could sell to meet funding needs as well as “a track record of successful equity and debt capital raisings”.

Hydrix was unchanged at 1.6 cents.

[BIOXYNE](#)

Bioxyne says it has “firm commitments” to raise \$1.45 million in a capital raise at 1.0 cents a share, a three percent discount to the 15-day volume weighted average price.

Bioxyne said the funds would be used to “further growth in the business”.

The company said no brokerage fees were payable on the raise and did not disclose the investors in the capital raising.

Bioxyne managing-director Sam Watson said the company was “delighted with the support of existing and new shareholders for this capital raise”.

“In a short period following the grant of our manufacturing licence we have added approximately \$8 million in new business to the sales pipeline,” Mr Watson said.

“The upgraded licence for [Breathe Life Sciences] is another significant milestone in the company’s mission to develop and promote access to psychedelic medicines in Australia and abroad, and the additional working capital will accelerate our growth in this endeavor,” Mr Watson said.

Bioxyne fell 0.1 cents or 11.1 percent to 0.8 cents with 1.7 million shares traded.

[IMMUTEP](#)

Immutep says the Leiden, Netherlands’ Centre for Human Drug Research will conduct a 49-participant, phase I trial of its IMP761 for autoimmune disease.

Immutep said the single and multiple ascending dose, placebo-controlled, double-blind phase I study of its ligand lymphocyte activation gene-3, or LAG-3, therapy IMP761 would assess safety, pharmaco-kinetics and pharmaco-dynamics, subject to regulatory approval.

The company said the study would use the Centre for Human Drug Research’s keyhole limpet hemocyanin challenge model to evaluate immune-modulatory agents’ pharmacological activity at the earliest stages of clinical development.

Immutep said it expected the trial to begin by July 2024.

Immutep chief scientific officer and director Prof Frédéric Triebel said that IMP761 was “a first-in-class LAG-3 agonist antibody developed to reinforce the dampening of T-cell responses in autoimmunity”.

“The phase I trial in healthy subjects is designed to establish clear [pharmaco-kinetics and pharmaco-dynamics] relationships at different dose levels, with a placebo control group, to lay the foundation for the future development of this novel immunotherapy,” Prof Triebel said.

Immutep was unchanged at 35 cents.

[VITURA HEALTH](#)

Vitura says it will release 8,690,211 shares from voluntary escrow on April 29, 2024.

According to its most recent notice the company had 575,873,788 shares on issue.

Vitura was up half a cent or three percent to 17 cents.

[NANOSONICS](#)

Emmanuel Pohl and ECP Asset Management Pty Ltd say they have become substantial in Nanosonics with 16,424,083 shares or 5.42 percent.

The Sydney-based ECP said with EC Pohl & Co Pty Ltd it bought shares between December 20, 2023 and April 16, 2024, with the single largest purchase 3,575,812 shares on April 15 for \$10,753,351, or \$3.01 a share.

Nanosonics fell three cents or 1.1 percent to \$2.78 with 691,081 shares traded.

MEDADVISOR

Perennial Value Management says it has decreased its substantial shareholding in Medadvisor from 81,825,163 shares (15.01%) to 65,708,521 shares (11.94%). The Sydney-based Perennial said it bought and sold shares between July 20, 2023 and April 16, 2024, with the single largest sale on of 4,511,511 shares on April 15 for \$1,170,412, or 25.9 cents a share. Medadvisor was unchanged at 25.5 cents.

PYC THERAPEUTICS

PYC chair Alan Tribe says with Australian Land Pty Ltd his 1,537,267,467 share-holding was diluted from 36.32 percent to 32.95 percent, due to an entitlement offer. Last week, PYC said its one-for-four retail right offer raised \$13.5 million and it had "binding commitments" to place the \$21.2 million shortfall, taking the total raised, including a \$40 million institutional component, to \$74.6 million (BD: Mar 14, 18, Apr 11, 2024). PYC was up 0.2 cents or 2.15 percent to 9.5 cents with 4.2 million shares traded.

EBR SYSTEMS INC

EBR says it has appointed Erik Strandberg as its chief commercial officer to lead its US commercialization strategy, effective from April 29, 2024. EBR said Mr Strandberg would "immediately focus on preparing the company for product launch and commercialization in early 2025". The company said Mr Strandberg had more than 20 years of medical device sales experience and had been head of hybrid therapies at Atricure and had worked for Boston Scientific, St Jude Medical and Guidant Corporation. EBR said Mr Strandberg held a Bachelor of Science from Florida State University. EBR was up one cent or 1.2 percent to 85 cents.

PHARMAUST

Pharmaust says it has appointed Dr Herbert Brinkman as its head of manufacturing and has signed two manufacturing deals with Syngene International and Catalent Pharma. Pharmaust said Dr Brinkman had more than 30 years of experience and had been executive director of product development at Arcutis Biotherapeutics. According to his LinkedIn profile, Dr Brinkman held a Bachelor of Arts from Newark, New Jersey's Rutgers University and a Doctor of Philosophy from Seton Hall University in South Orange, New Jersey. Pharmaust said it had an agreement with Bangalore, India's Syngene International to manufacture 60kgs of monepantel to validate the manufacturing process, support product registration and prepare the company for commercial supply. Pharmaust said it had signed a separate agreement with the Somerset, New Jersey-based Catalent Pharma Solutions to manufacture three registration batches of more than a million tablets to support product registration and commercial scale-up, as well as use in an upcoming phase II/III trial. The company did not state the commercial terms of the agreements. Pharmaust said it expected the manufacturing process development agreements to be followed by a commercial supply agreement. Pharmaust was up 1.5 cents or 4.9 percent to 32 cents.

[MTP CONNECT](#)

MTP Connect says it has published a paper outlining a national roadmap for how Australia could play a “leading role in the rise of the global radio-pharmaceutical industry”.

MTP Connect said radio-pharmaceuticals were precision nuclear medicines used for medical imaging and treatment that could target specific organs or tissues and allow doctors to diagnose and deliver targeted therapies for diseases, including cancer.

The Federally-funded industry organization said the report titled ‘From Mines to Medicines. Australia’s Radiopharmaceuticals Future’ was being released at an industry event in Adelaide, with the full article available at: <https://bit.ly/4cZTHGu>.

MTP Connect chief executive officer Stuart Dignam said the paper highlighted Australia’s competitive edge on the rest of the world, starting with the raw material, uranium and its waste products, found in South Australia.

“To gain first mover advantage, South Australia is identified as the ideal location with end-to-end capabilities, from unique mining assets and a robust research ecosystem through to cutting-edge clinical services and specialized workforce,” Mr Dignam said.

“Properly leveraged, these advantages mean Australia really can be a global leader in radiopharmaceuticals, a cutting-edge field with ground-breaking treatments being developed,” Mr Dignam said.

“It’s the right time for government and industry to start working together to unlock this homegrown potential for sovereign manufacturing and more secure supply chains,” Mr Dignam said.