



# Biotech Daily

Wednesday April 24, 2024

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH FLAT: ALCIDION UP 17%; NEXT SCIENCE DOWN 25%**
- \* **NEUREN MAIDEN \$13m Q1 RECEIPTS ON DAYBUE ROYALTIES**
- \* **MACH7 9-MONTH RECEIPTS UP 68.5% TO \$24m**
- \* **NEXT SCIENCE Q1 RECEIPTS UP 42% TO \$8.3m**
- \* **CARDIEX 9-MONTH RECEIPTS UP 136% TO \$9.2m**
- \* **DR RONGBIN XU WINS \$20k VICTORIA PREMIER'S AWARD**
- \* **CLARITY RETAIL RIGHTS RAISE \$10.8m; TOTAL \$121m**
- \* **AUSTCO HOPES TO RAISE \$9.7m**
- \* **IMMUTEP 'EFTI 27% RESPONSE, 58% HEAD, NECK CANCER CONTROL'**
- \* **AVITA 350k CEO OPTIONS, \$750k DIRECTORS STOCK AGM**
- \* **DORSAVI: 1.1m SHARES, 1m RIGHTS M-D DR ANDREW RONCHI AGM**
- \* **ADAM LEITZES, KARST PEAK BELOW 5% OF CYCLOPHARM**
- \* **RHYTHM APPOINTS DR DAVID ATKINS CEO**

## MARKET REPORT

The Australian stock market slipped 0.01 percent on Wednesday April 24, 2024, with the ASX200 down 0.5 points to 7,683.0 points. Twenty of the Biotech Daily Top 40 stocks were up, 12 fell and eight traded unchanged.

Alcidion was the best, up 0.8 cents or 17.4 percent to 5.4 cents, with 2.8 million shares traded. Immutep improved 16.9 percent; Curvebeam and Dimerix climbed more than nine percent; Starpharma was up eight percent; Amplia rose 6.7 percent; Cynata was up five percent; Resonance and Telix climbed more than four percent; Avita and Clarity were up three percent or more; Polynovo rose 2.45 percent; Medical Developments, Mesoblast, Nova Eye, Orthocell, Prescient and Resmed were up more than one percent, with Clinuvel, Pro Medicus and Proteomics up by less than one percent.

Next Science led the falls, down 10.5 cents or 25.0 percent to 31.5 cents, with 987,441 shares traded. Percheron lost 13.5 percent; Syntara fell 5.9 percent; Atomo was down 3.2 percent; Emvision, Imugene, Micro-X, Neuren and SDI shed more than two percent; 4D Medical, Cyclopharm and Nanosonics were down more than one percent; with Cochlear and CSL down by less than one percent.

## NEUREN PHARMACEUTICALS

Neuren says it has received \$13,368,000 in royalties on sales of its trofinetide, marketed in the US by Acadia as Daybue, for the three months to March 31, 2024.

Last year, Neuren said Acadia would pay \$US100 million (\$A153.5 million) upfront plus milestone payments of up-to \$US427 million (\$A655.4 million) and ongoing royalties from net sales to take its trofinetide for Rett syndrome licence global (BD: Jul 14, 2023).

Today, the company said Acadia expected 2024 Daybue sales to be between \$US370 million and \$US420 million meaning it would earn royalties of about \$US39 million to \$US45 million (\$A60 million to \$A69 million), subject to exchange rates.

Neuren said it would receive a \$US50 million milestone payment if 2024 was the first calendar year in which net sales exceeded \$US250 million.

The company said the royalty related to sales for the three months to December 31, 2023, with sales for the three months to March 31, 2024 impacted by early re-fills prior to the holiday season and reduced clinic days in January at about half of the Rett syndrome centres which contributed about 40 percent of new patient prescriptions.

Neuren chief executive officer Jon Pilcher said Daybue was delivering “substantial and growing cash flows, Acadia is making good progress towards expansion outside the US and Neuren is approaching results from two more indications for NNZ-2591 whilst preparing for an end-of-phase II meeting with [US Food and Drug Administration]”.

Neuren said it was \$8,007,000 cash flow positive for the three months, with cash and equivalents of \$243,133,000 at March 31, 2024 compared to \$37,263,000 the prior year.

Neuren fell 45 cents or 2.3 percent to \$18.85 with 285,067 shares traded.

## MACH7 TECHNOLOGIES

Mach7 says receipts from customers for the nine months to March 31, 2024 were up 68.5 percent to \$24,332,000, compared to the previous corresponding period.

Mach7 said receipts from customers for its Enterprise imaging solution, data management, diagnostic viewing and diagnostic workflow applications for the three months to March 31, 2024 were up 63.7 percent to \$8,851,000.

The company said \$6.2 million, or 83 percent, of sales orders were from contract renewals with add-ons and expansion accounting for \$500,000, or six percent “illustrating the ‘sticky’ nature of Mach7’s customers and the success of its ‘land and expand’ strategy”.

Mach7 said it was \$1,397,000 cash flow positive for the three months, with cash and cash equivalents of \$24,801,000 at March 31, 2024 compared to \$19,395,000 the prior year.

Mach7 was up four cents or 5.7 percent to 74 cents.

## NEXT SCIENCE

Next Science says receipts for the three months to March 31, 2024 were up 41.7 percent to \$US5,406,000 (\$A8,294,000), compared to the previous corresponding period.

Next Science said receipts from customers increased due to a 49 percent increase in direct sales of its Xperience surgical irrigation device, compared to the prior corresponding period, but that sales of its Blastx wound care had decreased.

The company said it had a cash burn of \$US3,729,000 for the three months, with cash and cash equivalents of \$US4,970,000 at March 31, 2024 compared to \$US7,610,000 at March 31, 2023, meaning it had 1.3 quarters of cash.

Next Science said sales had been disrupted due to a restructure, which would lead to cost benefits in the next three months, it would explore funding and investment opportunities.

Next Science fell 10.5 four cents or 25.0 percent to 31.5 cents.

## CARDIEX

Cardiex says receipts from customers for the nine months to March 31, 2024 were up 135.7 percent to \$9,214,000, compared to the previous corresponding period.

Cardiex said its receipts from customers for the three months to March 31, 2024 fell 13.6 percent to \$690,000 compared to the previous corresponding period.

The company said the nine month increased receipts were from its clinical trial services and sales of its Sphygmocor wearable device for measuring arterial stiffness and blood pressure.

Cardiex said it had a cash burn of \$6,110,000 for the three months, with cash and cash equivalents of \$4,073,000 at March 31, 2024 compared to \$1,282,000 at March 31, 2023, meaning it had 1.65 quarters cash.

Cardiex said it did not expect its current cash flows to continue as it had made non-recurring payments to trade creditors during the three months, received a research and development tax incentive and had \$6,000,000 in unused financing facilities.

Cardiex fell 0.8 cents or 11.3 percent to 6.3 cents with 2.4 million shares traded.

## VICTORIA GOVERNMENT

The Victoria Government says Monash University's Dr Rongbin Xu won the \$20,000 Premier's Research Excellence award for research on climate change's impact to health.

The Victoria Government said that Dr Xu's research "identified health problems, vulnerable populations and novel genes impacted by heat, bushfire smoke and greenspace to inform targeted medical and public health interventions".

A media release from the Minister for Education and Medical Research Ben Carroll said that Dr Xu also won the Public Health Researcher award.

The Aboriginal Researcher award went to the University of Melbourne's Dr Joanne Luke, the Basic Science Researcher award went to the Walter and Eliza Hall Institute's Dr Sarah Garnish, with the Health Services Researcher award won by Monash's Dr Rob Mitchell and Clinical Researcher award won by the University of Melbourne's Dr Laura Ross.

The Victoria Government said that each award would receive \$5,000.

Mr Carroll said the researchers were "contributing to a healthier future for Victoria and the world."

"The awards are a testament to the dedication and drive of Victoria's medical research community and highlight our state's global leadership in the sector," Mr Carroll said.

## CLARITY PHARMACEUTICALS

Clarity says its fully-underwritten retail entitlement offer at \$2.55 a share raised about \$10.8 million, taking the total with the placement and institutional offer to \$121 million.

Last month, Clarity said it had raised \$101 million in a placement and \$9 million in an institutional rights offer at \$2.55 a share, a 12.5 percent discount to the five-day volume weighted average price, with an \$11 million retail offer to follow (BD: Mar 28, 2024).

Today, the company said the retail offer raised about \$4 million from shareholders, with the remaining \$6.8 million raised from the underwriter and joint lead manager Bell Potter.

Clarity said the funds would be used to continue developing its radiopharmaceutical therapeutics and diagnostics.

Clarity was up eight cents or 3.2 percent to \$2.60 with 936,209 shares traded.

## AUSTCO HEALTHCARE

Austco says it hopes to raise \$9.72 million at 18.5 cents a share through a \$6.9 million placement and a \$2.82 million one-for-22, underwritten entitlement offer.

Austco said it had "binding commitments" for the placement, and that the offer price was a 5.1 percent discount to the last closing price on April 19, 2024.

The company said the funds would be used to complete its acquisition of Amentco, pay debt facilities and for working capital.

Earlier this year, Austco said it would pay \$5 million in cash, \$2 million in scrip and up-to \$3.6 million in milestones for Brisbane's Amentco Enterprise Group (BD: Feb 21, 2024).

Today, the company said the rights offer was fully underwritten by Bell Potter, had a record date of May 2, would open on May 3 and close on May 17, 2024.

Austco fell half a cent or 2.6 percent to 19 cents with 1.4 million shares traded.

## IMMUTEP

Immutep says data from 26 head and neck cancer patients in cohort B of its phase IIb trial of efti shows a 26.9 percent overall response and 57.7 percent disease control rate.

Last year, Immutep said it had enrolled all 171 patients in its phase IIb trial of eftilagimod alpha, or efti, with the anti-programmed cell death-1 therapy pembrolizumab, marketed as Keytruda, for head and neck squamous cell carcinoma (BD: Nov 9, 2023).

At that time, the company said 138 patients with tumors expressing programmed-cell death-ligand 1 (PD-L1) with a combined positive score (CPS) of more than one had been enrolled into a randomized first cohort, or cohort A, and received 30mg of efti with 400mg of Keytruda every six weeks, or 400mg of Keytruda alone.

Immutep said a further 33 patients with PD-L1 expressing tumors (CPS < 1) were enrolled in cohort B and were "not expected to respond to Keytruda monotherapy, with a typical overall response rate of up-to five percent, and therefore were not randomized".

Today, the company said that 33 patients had been enrolled in cohort B and the current data was from the 26 patients who had achieved a sufficient follow-up time.

Immutep said it expected to report the primary data, including complete response rate, from all 33 cohort B patients with the data from all 138 cohort A patients by July 2024.

Immutep was up 6.5 cents or 16.9 percent to 45 cents with 8.6 million shares traded.

## AVITA MEDICAL

Avita says investors will vote to issue its chief executive officer 350,000 options and its directors and chair \$US750,000 (\$A1,150,000) in restricted stock units and options.

Avita said its annual general meeting would vote to issue 350,000 options to chief executive officer James Corbett exercisable at \$US12.64 within 10 years.

The company said investors would vote to issue chair Lou Panaccio and directors Prof Suzanne Crowe, Jeremy Curnock Cook, Jan Reed, Robert McNamara and Cary Vance restricted stock units worth \$US87,500, each, as well as options worth \$US37,500, each.

Avita said the options were exercisable at the closing price of their issue date within 10 years of that date, and that the options and restricted stock units were in addition to their up-to \$US70,000 director fees and Mr Panacio's \$US135,000 chair fees.

The company said the meeting would vote to re-elect its seven directors, ratify the appointment of Grant Thornton as its independent accountants and approve the compensation of the company's executive officers.

The meeting will be held online on June 6, 2024 at 8am (AEST).

Avita was up eight cents or three percent to \$2.77.

## DORSAVI

Dorsavi says its annual general meeting will vote to issue managing-director Dr Andrew Ronchi 1,100,000 shares and 1,000,000 performance rights.

Dorsavi said Dr Ronchi's shares were part of his short-term and long-term incentives with 500,000 performance rights already vested with a further 500,000 long-term incentive performance rights subject to milestones.

The company said the shares and performance rights were in addition to Dr Ronchi's \$233,000 yearly salary, and the already vested securities would be issued one month from the date of the meeting.

Dorsavi said the meeting would vote to approve the prior issue and issue of placement shares and options.

The meeting will be held at Suite 1, Level 6, 350 Collins Street, Melbourne on May 27, 2024 at 10am (AEST).

Dorsavi was unchanged at 1.3 cents.

## CYCLOPHARM

Adam Leitzes, Karst Peak Capital and Vermilion Peak Master Fund say they have ceased their substantial shareholding in Cyclopharm.

The Hong Kong and Cayman Islands-based Karst Peak, Mr Leitzes and Vermilion said that on April 23, 2024 they sold 9,751,994 shares for \$16,383,349, or \$1.68 a share.

In its previous substantial shareholder notice Karst Peak said it held 9,220,165

Cyclopharm shares or 11.49 percent (BD: Jan 29, 2021).

Cyclopharm fell three cents or 1.7 percent to \$1.75.

## RHYTHM BIOSCIENCES

Rhythm says it has appointed Dr David Atkins as its chief executive officer, effective from May 13, 2024, replacing its interim executive chair Otto Buttula.

Last year, Rhythm said chief executive officer Glenn Gilbert had resigned and Mr Buttula would "assume additional executive duties" in the interim (BD: Apr 19, 2023).

Today, the company said Mr Buttula intended to "step back to a non-executive position following a brief period of transition support for Dr Atkins".

Rhythm said Dr Atkins had more than 30 years of experience including senior leadership roles at Johnson & Johnson, Danaher, Congenica, Veridex and Gene Shears.

The company said Dr Atkins held a Bachelor of Science from Norwich, England's University of East Anglia, a Master of Business Administration from New York's Columbia University and a Doctor of Philosophy from Norwich, England's John Innes Centre.

Rhythm fell 0.7 cents or 7.7 percent to 8.4 cents.