



Biotech Daily

Wednesday May 22, 2024

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: MEDADVISOR UP 14%; NEXT SCIENCE DOWN 10%**
- * **COCHLEAR COMPLETES OTICON ACQUISITION**
- * **MEDADVISOR EXPECTS 'RECORD REVENUE, MAIDEN PROFIT'**
- * **CHIMERIC STARTS PHASE I/II CHM CDH17 TRIAL**
- * **ANTEOTECH: UNNAMED EV COMPANY TESTS ANTEO-X IN BATTERIES**
- * **VITURA TO 'EXTEND PRODUCTS, REDUCE COSTS'**
- * **OVENTUS LIQUIDATORS PAY 10% TO UNSECURED CREDITORS; \$20k CAP**
- * **NUHEARA 5.4m M-D PERFORMANCE RIGHTS, 60% PAY CUT AGM**
- * **HERAMED 13m CEO, CHAIR, DIRECTOR OPTIONS AGM**
- * **LTR PLEADS 'SCHULTZ, RESULTS' TO 47% ASX PRICE QUERY**
- * **MULTIPLE SUBSTANTIALS FOR TELIX US IPO**
- * **ALLIANZ INCREASES, DILUTED TO 6% OF PARADIGM**

MARKET REPORT

The Australian stock market slipped 0.05 percent on Wednesday May 22, 2024, with the ASX200 down 3.6 points to 7,848.1 points. Seventeen of the Biotech Daily Top 40 stocks were up, 20 were down and three traded unchanged.

Medadvisor was the best, up 4.5 cents or 14.1 percent to 36.5 cents, with 4.35 million shares traded. Starpharma climbed 9.1 percent; Cyclopharm was up 5.8 percent; Amplia, Atomo and Universal Biosensors were up more than three percent; 4D Medical, Mesoblast, Prescient and Telix rose more than two percent; Avita, Immutep, Genetic Signatures and Pro Medicus were up more than one percent; with CSL, Emvision, Nanosonics and Polynovo up by less than one percent.

Next Science led the falls for the second day in a row, down three cents or 10.3 percent to 26 cents, with 335,334 shares traded. Curvebeam and Syntara lost more than five percent; Actinogen, Alcidion and Percheron were down more than three percent; Clinuvel, Compumedics, Impedimed, Imugene and Paradigm shed two percent or more; Cynata, Dimerix, Medical Developments, Nova Eye, Orthocell and SDI were down more than one percent; with Clarity, Cochlear, Neuren, Proteomics and Resmed down by less than one percent.

COCHLEAR

Cochlear says it has completed its acquisition of Oticon Medical's cochlear implant business from Copenhagen, Denmark's Demant for "zero headline purchase price". In 2022, Cochlear said it would acquire Oticon Medical for DKK850 million (\$A188 million), after its parent company, the Demant AS, said that it would exit the hearing implant market (BD: Apr 28, 2022).

Last month, the Australian Competition and Consumer Commission said it would not oppose Cochlear's acquisition of Oticon Medical's cochlear implant business, but not Oticon's bone conduction solutions business (BD: Apr 4, 2024).

Today, the company said it would integrate the acquired cochlear implant business "over the next few months", with integration expected to cost about \$30 million pre-tax, primarily from restructuring.

Cochlear said it would report the integration costs as "a non-recurring significant item", with no impact expected on its yearly net profit guidance of \$385 million to \$400 million. Cochlear chief executive officer Dig Howitt said the company welcomed "Oticon Medical's cochlear implant customers to Cochlear and remain committed to supporting the long-term hearing outcomes of these 20,000 patients".

"Driven by our mission to innovate and deliver a lifetime of hearing outcomes, we will seek to provide Oticon Medical's cochlear implant customers continued support with a lifetime of hearing solutions," Mr Howitt said.

"We will develop and commercialize next generation sound processors and services to enable the vast majority of customers to transition to Cochlear's technology platform over time," Mr Howitt said.

"We will also support customers with continued access to repairs and replacements of current Oticon Medical cochlear implant technology for as long as feasible," Mr Howitt said.

Cochlear fell \$1.39 or 0.4 percent to \$317.04 with 147,920 shares traded.

MEDADVISOR

Medadvisor says it expects record revenue for the year to June 30, 2024 of between \$120 million and \$123 million, with maiden net profit after tax of up-to \$800,000.

Last year, Medadvisor said revenue for the year to June 30, 2023, was up 44.6 percent to \$97,963,272 with net loss after tax down 34.8 percent to \$11,305,372 (BD: Aug 30, 2022).

Today, the company said it expected its first earnings before interest, taxation, depreciation and amortization (Ebitda) of between \$6.8 million and \$7.6 million.

Medadvisor said the increased results were due to "significant contributions" from its Thriv pharmacy patient management software in the US and increased transaction fees in Australia.

Medadvisor chief executive officer Rick Ratliff said the company was "delighted with the robust momentum our business has demonstrated this year".

"This strong performance reaffirms the essential role of our innovative solutions for clients across the US, Australia, and New Zealand," Mr Ratliff said.

"A primary objective for this year was to achieve profitable Ebitda growth, and I am proud to announce that our team has successfully met this goal," Mr Ratliff said.

"Looking ahead to 2024-'25, we anticipate continued growth driven by the increasing adoption of our Omni-channel solutions and the introduction of new and innovative service offerings," Mr Ratliff said.

Medadvisor was up 4.5 cents or 14.1 percent to 36.5 cents with 4.35 million shares traded.

CHIMERIC THERAPEUTICS

Chimeric says it has opened its 12-patient, phase I/II trial of CHM CDH17, or CHM2101, for gastrointestinal cancers at Nashville, Tennessee's Sarah Cannon Research Institute. On Monday, Chimeric said it had ethics approval to begin a 12-patient, phase I/II clinical trial of CHM2101 for advanced gastrointestinal cancers (BD: May 20, 2024).

At that time, the company said CHM2101 was a chimeric antigen receptor T-cell therapy that targeted CDH17, a cancer target associated with poor prognosis and metastasis in gastro-intestinal tumors including colorectal cancer, gastric cancer and neuro-endocrine tumors.

Today, Chimeric said the trial would determine a recommended phase II dose of CHM2101 and evaluate safety and objective response rate in colorectal cancer patients. The company said it expected to open additional trial sites before the end of 2024.

Chimeric chief operating officer Dr Rebecca McQualter said "initiation of the CHM CDH17 [chimeric antigen receptor T-cell] clinical trial marks a major value-creating milestone for Chimeric as we advance this high market potential asset from preclinical to clinical stage." Chimeric was up 0.1 cents or 4.35 percent to 2.4 cents with 2.35 million shares traded.

ANTEOTECH

Anteotech says an unnamed "global electric vehicle manufacturer" will use its Anteo-X battery additive in the prototyping process for their batteries to further validate the product. Anteotech said the electric vehicle (EV) company had confirmed that using Anteo-X in their battery anodes "both reduces their input costs and improves the performance".

The company said it would meet with the electric vehicle company and its cell manufacturer "in the coming weeks to co-ordinate the production of battery cells incorporating Anteo-X for testing".

Anteotech said it had met with a second electric vehicle manufacturer and was in discussions to develop a program to include its silicon anode technology in their batteries. Anteotech was up 0.3 cents or 14.3 percent to 2.4 cents with 35.9 million shares traded.

VITURA HEALTH

Vitura says it will expand its doctor and clinical networks, extend its offering and improve its financial performance with a "tighter control of the cost base".

Vitura said chair Robert Iervasi had completed a review of the company in response to its financial performance, which was "below the expectations of the board and shareholders". The company said it had agreed that "a reset of the company's strategy is required to enable the sustainable growth of Vitura and improve financial performance".

Vitura said it would improve its financial performance by focusing on revenue drivers and "reducing the cost base by 10 percent year-on-year".

The company said it would focus on its Doctors on Demand and CDA Clinics businesses to allow prescribing and dispensing marijuana products on its Canview platform.

Vitura said it would increase customer retention and acquisition through, doctor and clinic networks, extend its product offering with businesses-to-businesses partnerships, increase "the number and volume of services and medications purchased" and improve its digital health platforms.

Mr Iervasi said he was "convinced of the significant opportunity we have at Vitura and believe this reset of our strategy will enable a new growth phase for the business and address many of the challenges we've experienced so far this financial year".

Vitura was up 0.2 cents or 2.2 percent to 9.2 cents with 1.3 million shares traded.

OVENTUS MEDICAL (IN ADMINISTRATION)

Oventus administrator Grant Thornton says the company will pay up-to \$20,000 to unsecured creditors at 10 percent of debts, with nothing for shareholders.

Last year, Grant Thornton said Oventus entered liquidation, sold its intellectual property for \$500,000 to Toronto's Open Airway Dental Solutions, delisted from the ASX on July 21, 2023 and deregistered shortly thereafter (BD: Jan 23, 31, Jul 18, 2023).

At that time, the administrators said there would be "no return to creditors nor shareholders".

Today, Grant Thornton said it had paid all outstanding debts owed to former Oventus employees in full and intended to declare a first and final dividend to unsecured creditors on or around July 19, 2024.

Oventus is in administration.

NUHEARA

Nuheara says its annual general meeting will vote to issue 5,429,334 performance rights to managing-director Justin Miller and that he had agreed to a 60 percent pay cut.

Nuheara said the meeting would vote to issue Mr Miller 5,429,334 performance shares, vesting on the completion of a merger and acquisition, and exercisable until July 1, 2025. In a separate announcement, the company said that "in an effort to streamline resources and limit cash costs" Mr Miller had agreed to temporarily reduce his salary by 60 percent from \$407,200 to \$162,880 while it was completing a strategic review, including active discussions with multiple potential merger and acquisition partners.

Nuheara said investors would vote to issue Mr Miller up-to 251,705 shares, chair Cheryl Edwardes 560,339 shares and directors Kathryn Giudes and David Buckingham 404,689 shares and 337,706 shares, respectively, in lieu of directors fees.

The company said the meeting would vote to ratify the issue of placement shares and options and advisor shares and options, adopt the employee incentive plan and approve the issue of salary sacrifice shares.

The meeting will be held at RSM Australia, Level 32, Exchange Tower, 2 The Esplanade, Perth, on June 24, 2024 at 10am (AWST)

Nuheara was in a suspension and last traded at 8.1 cents.

HERAMED

Heramed says investors will vote to issue chief executive officer Anoushka Gungadin, chair Timothy Chapman and director David Hinton 13,000,000 incentive options.

Heramed said it had amended its annual general meeting notice to include resolutions to issue the recently appointed Ms Gungadin and Mr Chapman 5,000,000 options each, and Mr Hinton 3,000,000 options as part of their remuneration.

The company said the options were exercisable at two cents each within four years from the issue date, and were in addition to Ms Gungadin's \$US204,000 (\$A305,700) yearly salary and Mr Chapman and Mr Hinton's \$50,000 annual remunerations.

Heramed said the meeting would vote to approve the issue of shares and options to Westar Capital and the prior issue of shares to Mr Chapman and Keystonegroup, elect Ms Gungadin, Mr Chapman and Mr Hinton as directors, adopt the remuneration report, approve the 10 percent placement capacity and change the company's auditor.

The meeting will be held at Binder, Dijker and Otte (BDO), Tower 4, Level 18, 727 Collins Street, Melbourne on June 20, 2024 at 10.30am (AEST).

Heramed was unchanged at 1.4 cents with 1.4 million shares traded.

LTR PHARMA

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

The ASX said LTR's share price rose 47.05 percent from 34 cents on Monday, May 20, to a high of 50 cents today, but did not note an increase in the volume of shares traded.

The company said that on March 25, it completed recruitment of its Spontan nasal spray for erectile dysfunction trial and on April 29, said the results were expected "in mid-2024".

LTR said the timing of the study data was "coming closer to fruition ... [and that] the company does not have any other explanation of the recent trading in its securities".

LTR was up 11 cents or 28.2 percent to 50 cents with 1.1 million shares traded.

TELIX PHARMACEUTICALS

A group of companies, with founders Dr Chris Behrenbruch and Dr Andreas Kluge, have become substantial in Telix with restricted shares relating to the US initial public offer.

In five-separate substantial shareholder notices Morgan Stanley, Jefferies, First Sentier, Truist Securities and William Blair said they became substantial with up-to 55,952,009 shares, or up-to 16.75 percent.

The notices stated that the holdings had a "restriction on the disposal of shares under lock-up agreements in relation to the public offering in the US of American depository shares (ADSs), each representing Telix ordinary shares".

On Monday, Telix said it had filed an initial public offer of ADSs to list on the Nasdaq under the code 'TLX', "subject to market conditions", with Jefferies, Morgan Stanley, Truist Securities and William Blair to act as joint book-running managers for the proposed offering (BD: May 20, 2024).

Telix was up 39 cents or 2.5 percent to \$15.78 with 2.5 million shares traded.

PARADIGM BIOPHARMACEUTICALS

Allianz SE says it has increased its substantial shareholding in Paradigm and been diluted from 20,215,330 shares (7.09%) to 21,308,735 shares (6.08%).

The Munich, Germany-based Allianz said that between December 14, 2022 and May 17, 2024 it sold shares at prices ranging from 23.7 cents to \$1.4526 and bought shares for between 95.6 cents and \$1.475.

Last year, Paradigm said it had raised \$30 million at 43 cents a share in a placement and rights offer (BD: Oct, 31, Nov 23, 2023).

Paradigm fell half a cent or two percent to 24.5 cents with 4.35 million shares traded.