Biotech Daily

Friday July 18, 2025

Daily news on ASX-listed biotechnology companies

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MARKET REPORT

The Australian stock market was up 1.37 percent on Friday July 18, 2025, with the ASX200 up 118.2 points to 8,757.2 points. Twenty-seven of the Biotech Daily Top 40 companies were up, eight fell, four traded unchanged and one was untraded.

Mesoblast was the best (see below), up 62 cents or 34.6 percent to $2.41, with 29.5 million shares traded.

Cynata climbed 23.3 percent; Micro-X was up 12.2 percent; Clarity rose 11.8 percent; Botanix, Cyclopharm and Impedimed improved more than 10 percent; Alcidion was up 9.1 percent; Curvebeam climbed 8.2 percent; Medadvisor was up 7.1 percent; 4D Medical rose six percent; Amplia was up 5.6 percent; Medical Developments improved four percent; Compumedics, CSL, Neuren and Polynovo were up more than three percent; Avita, Orthocell, Paradigm and Telix rose more than two percent; Clinuvel, Cochlear, EBR, Imugene, Nova Eye and Syntara were up one percent or more; with Emvision, Resmed and SDI up by less than one percent.

Universal Biosensors led the falls for the second day in a row, down 0.3 cents or 11.1 percent to 2.4 cents, with 361,889 shares traded. Optiscan lost eight percent; Atomo fell 4.8 percent; Genetic Signatures was down 3.85 percent; Nanosonics shed 2.3 percent; Proteomics was down 1.2 percent; with Aroa, Dimerix and Pro Medicus down by less than one percent.

DR BOREHAM'S CRUCIBLE: PERCHERON THERAPEUTICS

By TIM BOREHAM

ASX code: PER

Share price: 0.8 cents; **Shares on issue:** 1,087,437,633; **Market cap:** $8.7 million

CEO: Dr James Garner

Board: Dr Charmaine Gittleson (chair), Dr Garner, Dr Gil Price

Financials (March quarter 2025): revenue nil, cash outflows $4.47 million, cash balance $12.9 million

Major identifiable shareholders: Dr Garner 4.8%. **Former substantial holders** Powerhouse Ventures (last filing 4.46%), Platinum Asset Management 0.0%.

On Friday the 13th of December, Percheron CEO James Garner awaited the top-line results of the phase IIb Duchenne muscular dystrophy trial from his Brisbane lounge room.

The company's clinical development head Andrew McKenzie heard the grim tidings first and conveyed it to Dr Garner that evening.

"I joked that I had been sitting on the couch, with a bottle of champagne on ice on one end and a bottle of whisky and revolver at the other," Dr Garner said. "I said to Andrew 'what I am drinking' and he said: 'I hope it's good whisky'."

Testing Percheron's drug candidate ATL1102 (avicursen), the trial failed its primary endpoint based on upper limb performance of the non-ambulant subjects.

"My heart sunk," Dr Garner said. "We spent the weekend picking through the data and it was just really clear it was as negative a result as they come."

The company immediately scrapped the program. After a bout of soul-searching Percheron hunted for another asset - and last month settled on an acquired immune-oncology program (see below).

Along the way, the board stared down two spill attempts from aggrieved shareholders proposing alternative uses for Percheron's remaining cash kitty.

Sarepta setback highlights the perils of treating DMD

Percheron is not the only company to run into trouble with DMD.

After this column was published on Friday, the Nasdaq-listed Sarepta Therapeutics said it agreed with the US Food and Drug Administration to "voluntarily halt shipment" of Elevidys (delandistrogene moxeparvovec), the only gene therapy for DMD.

Other reports assert Sarepta was not such a Boy Scout, having earlier refused an FDA request to do so. The issue followed two reported deaths of teenage boys from liver failure. Sarepta says a 51-year-old man who also died from liver failure was not treated with Elevidys, but an investigational gene therapy as part of a separate phase I trial.

Chance of success was '50-50'

A regressive, fatal and poorly treated genetic disease, Duchenne muscular dystrophy (DMD) affects about one in 10,000 males (or 300,000 in all).

DMD affects production of the muscle protein dystrophin, causing movement-related muscle damage leading to chronic inflammation and progressive loss of function.

Dr Garner says realistically the trial only had a 50 percent chance of success - the standard odds for a mid-staged program of its ilk.

The nature of the endpoints also added another degree of difficulty, with a placebo effect creeping in. One example is measuring the patient's ability to drink a cup of water.

"If everyone is watching and wants you to succeed, you put that little bit more effort into it," Dr Garner says.

And merely being on a study can make a patient feel better and improve behavior.

He says the patients were older boys who had been subject to other treatments - evidently with minimal success. As a result, carers and patients were realistic about the prospect of failure "but it still hurts". He says ATL1102 did show an effect - but not meaningful enough.

From Toorak toff to draught horse

Formerly known as Antisense Therapeutics, the company is an offshoot of Circadian Technologies and is one of the oldest ASX biotechnology companies.

Quirkily, the company was based in Melbourne's upmarket Toorak, having sprung from Circadian Technologies.

The company dabbled in multiple sclerosis, acromegaly and - later - Covid therapies.

Having served as CEO for a record-breaking 17 years, Mark Diamond departed in May 2023 (he remains chairman of ASX listed kidney drug developer Dimerix).

His replacement, Dr Garner, a qualified physician, worked at Biogen, Takeda and Sanofi, overseeing more than 30 product approvals and more than a dozen clinical trials; and was appointed CEO of brain cancer drug developer Kazia Therapeutics for seven years.

Antisense licenced ATL1102 from the Nasdaq-listed Ionis Pharmaceuticals. Early last year, Antisense changed its name to Percheron which means 'draught horse' in French.

After the trial failure, five shareholders requisitioned an extraordinary general meeting to replace Dr Garner and chair Dr Charmaine Gittleson and install three of its own board candidates. The resolution failed by a comfortable margin at the March 3 showdown.

The ASX-listed Powerhouse Ventures had a crack along similar lines, but its proposal was defeated at an April 24 gunfight (by a wider margin).

Percheron's new purpose

On June 26, Percheron bought the exclusive rights to the HMBD-002 monoclonal antibody with potential applications in cancers, from Singapore's Hummingbird Bioscience. Percheron will pay Hummingbird an upfront $US3 million ($A4.6 million), with contingent milestone payments of up to $US287 million ($A443 million), plus royalties.

Dr Garner said the company has looked at more than 100 opportunities "of every imaginable shape and size". About half were in cancer, with others including neurological and skin diseases including alopecia, irritable bowel disease and reverse takeovers.

"Some were cursory - we looked at them for an afternoon and decided this doesn't sound promising," he says. "With others we got into deep due diligence and spent weeks looking under the hood."

Familiar with Hummingbird's activities, Dr Garner asked if it had anything interesting that didn't fit its strategy. And - voila! - HMBD-002 emerged from the bottom drawer.

How it works

HMBD-002 targets an agent called Vista, not a city view but a "v-domain immunoglobulin suppressor of T-cell activation". A new target "Vista potentially represents a new mechanism to treat a diverse range of tumors."

As with other immuno-oncology drugs, HMBD-002 targets the interaction between the tumor and the immune system. (For a tumor to establish, it needs to dampen down the immune system or it gets attacked).

Commercial treatments such as Yervoy and Keytruda are based on pathways such as programmed death-ligand 1 (PD-L1) inhibitors.

ASX peer Immutep is tackling the Lag-3 pathway with encouraging results.

"There are nuanced differences, but they all basically work the same way," Dr Garner says.
But Vista shows promise in overcoming strong patient resistance to the current drugs.

"For example, half to two-thirds of patients don't response to PD-L1 therapies," Dr Garner says. "It may be that Vista stops them from responding."

This raises the prospects of a combination drug.

Safety first

HMBD-002 passed muster in a US-based 48-patient, phase I study, with 28 patients treated in combination with Keytruda. The trial showed the agent was “pharmacologically active” and generally safe and well-tolerated.

Another distinction is that most drugs to date have been based on the immunoglobulin 1 (IgG1) antibody that causes toxicity, cytokine release syndrome (CRS, inflammation from a hyperactive immune system). HMBD-002 harnesses the IgG4 antibody.

“While this sounds like a nerdy technical nuance, IgG4s don’t cause CRS,” Dr Garner says. The 28 patients dosed with Keytruda had no apparent CRS.

“Normally no one is excited about clearing phase I, but in oncology that’s half the battle,” Dr Garner says. “If this had been presented to us as a pre-clinical opportunity, we would have been more wary.”

Finances and performance:

In April, Percheron reported end of March quarter cash of $12.9 million.

Accounting for the DMD trial wind-up costs and the acquisition, we estimate the June quarter statement will show cash of $5million to $6 million - the remnants of last year’s $14.85 million capital raising, by way of an $8 million placement and a share purchase plan that bought in another $1.85 million, at eight cents a share, a 14 percent discount.

Dr Garner reckons these funds can go a long way, especially when combined with potential grants.

“Our priority is to get good convincing data, but often in oncology there are ways to do that, economically.”

Should the company become profitable, it can avail of $82.4 million of accrued tax losses.

Not surprisingly, Percheron’s registry has evolved to largely retail holders, with most institutions “gracefully” exiting after the Friday the 13th horror show.

“The register has been remarkably stable since [December],” Dr Garner says. “For the most part, we have been left with a register of loyal shareholders who want the company to succeed.”

Powerhouse Ventures is below the 5% threshold, while the five backers of the first coup attempt have shed their holdings altogether.

Wisely, in April the company announced bonus loyalty options on a one-for-10 basis, exercisable at 3.5 cents within three years.

Dr Garner has forfeited half his salary, but - board note - he’s never worked harder in his life to fix the snafu.

In the meantime, ATL1102 remains on the books awaiting a divestment or partnership.

“It’s probably not going to run off the shelves,” he says. “We must find the right partner and the right circumstances.”

“But if we can give the drug a home and another chance then we would love to do that.”

Percheron shares tumbled from six cents to one cent on the day of the trial news. The stock hit a 12-month peak of 12 cents in mid-October last year and an all-time high of 27 cents in October 2021. The company held a 10-for-one consolidation in 2013. The stock jumped 30 percent, or one-third of a cent on news of the asset purchase.

Dr Boreham’s diagnosis:

Dr Garner says the company could have done little differently to ameliorate the risk of the DMD trial. For example, the “imperfect” endpoints largely were determined by the regulators.

“The company had done all the reasonable things to take the risk out of it, but it was never a slam dunk,” Dr Garner says.

He says the acid test of any drug candidate is when it is applied in a large, randomized, multi-centre study.

“It’s a reminder - if one is ever needed - that drug development is a risky business,” he says. “Many drugs fail in development, through no fault of anyone. We set difficult tasks and sometimes don’t succeed.”

This is a lesson keenly felt by Opthea, which in March reported the failure of both of its phase III eye disease trials.

While Opthea’s fate is undecided, it is likely to be cruelled by the complex debt funding it had in place.

Percheron is fortunate to be living another day, courtesy of its well-timed capital raising ahead of the Friday the 13th black-cat event.

The Vista program is early stage, but promising. And, hopefully, management can banish the curse of avicursen.

The crucial factor is that Percheron has acquired a genuinely promising asset, rather than “this year’s Christmas turkey” (as Dr Garner puts it). Ultimately, he says, there’s an element of gut feel in acquisitions. So, let’s hope Percheron’s corporate belly compass is pointing in the right direction.

Dr Boreham is not a qualified medical practitioner and does not possess a doctorate of any sort. He is relieved that no more Friday the 13ths are scheduled until mid-February next year.

MESOBLAST

Mesoblast says unaudited revenue from US sales of Ryoncil, or remestemcel-L, since product launch from March 28 to June 30, 2025 was $US13.2 million ($A20.3 million).
Last year, Mesoblast said it had US Food and Drug Administration approval for Ryoncil for children with graft versus host disease (BD: Dec 19, 2024).
At the time, the company said the Ryoncil approval included children aged two months and older, adolescents and teenagers, with steroid-refractory acute graft versus host disease.
Today, the company said it had $US1.6 million in revenue from royalties on sales of its Temcell in Japan for the three months to June 30, 2025.
Mesoblast chief executive Prof Silviu Itescu said the company was “pleased with the commercial launch activities of Ryoncil in the first quarter post-launch and look forward to updating on the current quarter's progress now that mandatory state [US Centres for Medicare and Medicaid Services] coverage has become effective as of July 1, 2025 and we complete onboarding of the remaining major US transplant centres”.
The company said it had signed more than 25 transplant centres since product launch and expected to complete the process across all 45 priority transplant centres by October 2025, accounting for about 80 percent of US paediatric transplants.
Mesoblast said receipts from customers for the year to June 30, 2025 were down 15.8 percent to $US5,704,000, compared to the prior corresponding period.
The company said it had a cash burn of $US16,616,000 for the three months, with cash of $US161,551,000 at June 30, 2025 compared to $US62,960,000 at June 30, 2024.
Mesoblast was up 62 cents or 34.6 percent to $2.41 with 29.5 million shares traded.

4D MEDICAL

4D Medical says it has a $155,000 lung imaging contract with the University of Michigan and has received a $1.1 million Australian Federal Government grant.
4D Medical said it had a three-year contract renewal with Ann Arbor’s University of Michigan Medical Center for its lung analysis software, including computed tomography (CT) lung density analysis - inspiration, CT lung density analysis - functional, pulmonary hypertension analysis and lung texture analysis for research use.
The company said it had been awarded $1.1 million of a $3.8 million Federal Government Australia Economic Accelerator Innovate grant to conduct a research project of its X-ray velocimetry (XV) technology with the University of Adelaide, the University of Melbourne and the Australian Institute for Machine Learning.
4D Medical said the project would use its XV technology to develop artificial intelligence-derived functional bio-markers to improve respiratory disease diagnosis and treatment.
The company said a recent multi-centre study conducted by Nashville, Tennessee’s Vanderbilt University which showed its XV lung ventilation analysis software (LVAS) could “detect early and subtle forms of small airways disease that are often missed by standard tests like spirometry and [computed tomography] scans”.
Last year, 4D Medical said Vanderbilt University would test its XV LVAS technology’s ability to study deployment-related respiratory disease in veterans (BD: May 7, 2024).
4D Medical managing-director Prof Andreas Fouras said the Economic Accelerator grant “delivers powerful, non-dilutive, leverage on our current [research and development] investment and accelerates our progress,” Prof Fouras said.
“This grant is a big win for making our technology more accessible and impactful globally,” Prof Fouras said.
4D Medical was up 1.5 cents or six percent to 26.5 cents with 1.9 million shares traded.

THE PETER MACCALLUM CANCER CENTRE

The Peter MacCallum Cancer Centre says in-vitro studies show revumenib with PF-9363 could be a treatment combination for certain subtypes of blood cancer.

The Peter MacCallum Cancer Centre said that with Sydney's University of New South Wales and Melbourne's Monash University it studied the combination of the menin inhibitor revumenib, marketed as Revuforj by New York's Syndax Pharmaceuticals, and Pifzer's PF-9363, which was in development and being trialed for breast cancer.

The Centre said PF-9363 blocked the KAT6/7 enzymes which helped "cancer cells grow and survive so when used with a menin inhibitor, the two drugs rapidly stop the leukaemia cells from multiplying and eventually lead to cancer cell death".

The study, titled 'Catalytic inhibition of KAT6/KAT7 enhances the efficacy and overcomes primary and acquired resistance to Menin inhibitors in MLL leukaemia' was published in Cancer Discovery, with an abstract available at: http://bit.ly/4m01RSK.

The Peter MacCallum Cancer Centre said an animal model study showed the combination increased survival and could overcome resistance to menin inhibitors.

The Centre said it would "look at combining the two treatments in [acute myeloid leukaemia patients to see if they can achieve a longer, more durable response".

The Peter MacCallum Cancer Centre's Prof Mark Dawson said that "in the clinic we often find that people treated with menin inhibitors initially respond well but the treatment stops being effective after some time and the cancer returns".

"Our lab had previously identified KAT7 as an enzyme essential for leukaemia cells to grow and survive so we worked in collaboration with Pfizer, to characterize new drugs that are effective at blocking KAT6/7," Prof Dawson said.

"Importantly, we showed that combining this new drug with menin inhibitors, which are already in the clinic, markedly increases the anti-cancer activity against the most common cause of leukaemia in children," Prof Dawson said.

CENTENARY INSTITUTE

The Centenary Institute says its Covid-19 vaccine "has shown strong potential to protect against both current and emerging coronavirus variants" in mice.

The Centenary Institute said it had developed the vaccine with the University of Sydney which targeted "features shared by a range of coronaviruses" and offered "broader and longer-lasting protection as the virus continues to evolve".

The Institute said the research, titled 'An adjuvanted chimeric spike antigen boosts lung-resident memory T-cells and induces pan-sarbecovirus protective immunity' was published in Nature Vaccines, with the full article available at: http://bit.ly/4eRJr4g.

The Centenary Institute said the laboratory tests showed its vaccine, called Covexs5, "reduced virus levels in the lungs of infected mice by approximately 99.9 percent compared to unvaccinated controls, demonstrating a dramatic protective effect".

The Institute said the vaccine "triggered high levels of virus-blocking antibodies and activated special immune T-cells in the lungs that play a key role in defending against respiratory viruses".

The Centenary Institute said its Covexs5 had "a unique version of the spike protein, which fused protein elements from several coronaviruses into a single structure".

The Institute said the fusion helped "the immune system recognize and respond to a broader range of virus types, not just one specific strain".

The Centenary Institute said its researchers were "focused on advancing the vaccine candidate through further development and testing".

SYNTARA

Syntara says it has begun its up-to 40-patient, phase Ib/II study of SNT-5505 with 5-azacitidine for myelodysplastic neoplasms and chronic myelomonocytic leukaemia.
Syntara said the open-label trial would be conducted by the University Medicine Mannheim and would study twice daily oral dose of either 150mg or 200mg of SNT-5505, or amsulostat, with the pan-lysyl oxidase inhibitor azacitidine for patients with myelodysplastic neoplasms and myelomonocytic leukaemia, a type of blood cancer.
The company said phase Ib of the study would enrol three-to-12 patients to assess the safety and recommended dose of SNT-5505, followed by a 30-patient phase II evaluating safety and efficacy endpoints.
Syntara said secondary efficacy objectives included overall response, such as haematological improvement in blood and marrow, molecular and cytogenetic parameters, progression-free, event-free and overall survival, quality of life, pharmaco-kinetics and pharmaco-dynamics.
Syntara managing-director Gary Phillips said opening the trial was “an important milestone for amsulostat, leveraging the positive results in myelofibrosis and expanding to a second blood cancer indication”.
Last month, the company said 24-week data from a phase II trial showed SNT-5505 resulted in eight of 11 evaluable patients having a 50 percent or more improvement of myelofibrosis symptoms (BD: Jun 13, 2025).
Syntara was up 0.1 cents or 1.85 percent to 5.5 cents with 3.7 million shares traded.

ANTEOTECH

Anteotech says its Ultranode X for lithium-ion batteries has achieved 890 cycles with 80 percent capacity retention, improving battery performance, cost and sustainability.
Anteotech said its high-silicon anode technology targeted a more than 30 percent increase in energy density into commercial batteries, relative to traditional graphite anodes, and delivered benefits including driving range extension for electric vehicles from 500km to 650km, 30 percent smaller consumer batteries and long run time.
The company said its anodes could also lead to “longer run time for miniature batteries … used in medical devices”.
Anteotech said following an order to evaluate its anodes from Mercedes Benz Group AG the company’s technical team tested its technology and “acknowledged that they see value in … Ultranode technology and will continue to engage with Anteotech as they progress their battery technology strategy’ (BD: Oct 15, 18, 2024).
Anteotech managing-director Merrill Gray said achieving this cycle-life and performance milestone was “another step forward for the company”.
Anteotech was up 0.1 cents or 8.3 percent to 1.3 cents with 18.4 million shares traded.

EMYRIA

Emyria says it has established an unmarketable parcels facility for holders of shares worth less than $500, or 2.9 cents a share, at the record date of July 15, 2025.
Emyria said that an unmarketable parcel was 17,241 shares or fewer and that the shares would “be sold on-market or as otherwise determined by the directors after the closing date at or above the prevailing market price”.
The company said it had appointed GBA Capital as the broker for the facility.
Emyria said the facility would close on September 1, 2025.
Emyria was up 0.1 cents or 2.9 percent to 3.5 cents with 8.1 million shares traded.

AUSBIOTECH

Ausbiotech says it will host its 2025 Bio-Cheers networking event on Thursday July 24, 2025 at RSM, Level 27, 120 Collins Street, Melbourne from 5pm to 7.30pm (AEST).
Ausbiotech said the event would bring together members and non-members from the life sciences sector, including therapeutics, medical technology (devices and diagnostics), digital health and agricultural-biotechnology.
The organization said that tickets were free for members and $100 for non-members, with registration and tickets available at: http://bit.ly/4lDfg3z.