Biotech Daily

Friday March 21, 2025

Daily news on ASX-listed biotechnology companies

*** ASX UP, BIOTECH DOWN: COMPUMEDICS UP 25.5%;**

- MEDADVISOR, PERCHERON, RESONANCE DOWN 9%

*** DR BOREHAM'S CRUCIBLE: MEDADVISOR**

*** MEDICINES AUSTRALIA APPOINTS SUE MACLEMAN CHAIR**

*** FDA OKAYS TELIX GOZELLIX FOR PROSTATE CANCER IMAGING**

*** COMPUMEDICS $6m HANGZHOU UNI MEG SALE**

*** BIOXYNE 'COMMITMENTS' FOR $3m PLACEMENT**

*** CANN DRAWS DOWN 2nd $750k OF $15m OBSIDIAN NOTES**

*** ANTERIS: 'FAVORABLE' ONE-YEAR DURAVR DATA**

*** MWP PARTNERS DILUTED TO 10% OF ISLAND**

*** AUSTRALIAN ETHICAL REDUCES TO 15.6% OF AUSTCO**

*** MEDICAL DEVELOPMENTS APPOINTS MARK FLADRICH DIRECTOR**

MARKET REPORT

The Australian stock market was up 0.17 percent on Friday March 21, 2025, with the ASX200 up 13.2 points to 7,932.1 points. Twelve of the Biotech Daily Top 40 companies were up, 19 fell, seven traded unchanged and two were untraded.

Compumedics was the best (see below), up 6.5 cents or 25.5 percent to 32 cents, with 496,590 shares traded. Amplia climbed 8.3 percent; EBR and Nova Eye were up five percent or more; Actinogen was up three percent; Emvision and SDI rose more than two percent; Immutep and Mesoblast were up more than one percent; with Clinuvel, Cochlear, Nanosonics and Telix up by less than one percent.

Medadvisor, Percheron and Resonance were equal best, all down 9.1 percent to 10 cents, one cent and four cents, respectively, with 3.7 million, 2.2 million and 759,032 shares traded, respectively. Micro-X and Pro Medicus lost more than six percent; Aroa and Imugene were down more than five percent; Alcidion, Cyclopharm and Dimerix fell four percent or more; Avita and Medical Developments were down more than three percent; Polynovo and Starpharma shed two percent or more; 4D Medical, Clarity, Genetic Signatures, Paradigm and Proteomics were down one percent or more; with CSL, Neuren and Resmed down by less than one percent.

DR BOREHAM'S CRUCIBLE: MEDADVISOR

By Tim BOREHAM

ASX code: MDR

Share price: 10 cents

Shares on issue: 551,965,637

Market cap: $55.2 million

Chief executive officer: Rick Ratliff

Board: Linda Jenkinson (chair), Mr Ratliff, Jim Xenos, Lucas Merrow, Catherine (Kate) Jane Hill, Kevin Hutchinson

Financials (December half 2024): revenue $57.1 million (down 24%), earnings before interest, tax depreciation and amortization $4.8 million (down 54%), net profit $1.4 million (down 80%), cash $12.4 million (down 45%), debt of $17.6 million (up 43%)

Major identifiable holders: Guildgroup Nominees 17%, Perennial 13.3%, EBOS Group 9.8%, Cotiviti Inc 8%, Jencay Capital 6.2%, Mercer Investments 5.0%

Medadvisor is a victim of a sharp drop-off in vaccination rates in the US.

But don't blame anti-vaxxer and US health secretary Robert F Kennedy Junior, or at least not directly: the downturn began well before the American people voted in Cyclone Donald last November.

According to Medadvisor, the nation's adult vaccination coverage is low, not helped by conflicting official guidelines on the influenza-like respiratory syncytial virus (RSV).

(Seventy-six percent of over-60-year-olds still aren't vaccinated for RSV – and they don't have Ita Buttrose to drive home the message of how dangerous it can be).

Medadvisor doesn't make vaccines, but the 'medical communications' house helps the vaccine makers promote the importance of immunization (and boost sales).

Medadvisor's proportion of its US revenue from vaccines ranges from 30 to 50 percent, depending on the season.

What the unpredictable RFK Junior says and does is crucial, not just in relation to vaccines but other factors such as drug pricing (see below).

"We remain extremely optimistic about the fundamentals of our US business," says Medadvisor CEO Rick Ratliff. "We are executing strategies to address these market shifts."

About Medadvisor

The Melbourne-based, US-focused Medadvisor says despite the billions of dollars spent on developing new drugs, many of them are ineffective for many patients.

Around one-fifth of adults with chronic health conditions don't fill their prescriptions in the first place. Of the remainder who do, half of them stop taking the treatment after 90 days.

In Australia and New Zealand, the company's paying clients are the chemists; in the US it's the drug makers.

Locally, the company operates Medadvisor for Pharmacy, a cloud-based subscription workflow tool for repeat prescription reminders, scheduling for 'flu shots and the like.

The company has signed up more than 95 percent of pharmacies accounting for 3.7 million prescriptions annually.

In the US, the drug companies pay Medadvisor to convey drug information via pharmacy intermediaries. This includes regulators' drug warnings and - crucially - facilitating vaccination campaigns.

"If they are picking up their prescription for Ozempic they will get information we have developed with the manufacturer and delivered to the pharmacy," Mr Ratliff says.

In the US, the company has rolled out Thriv, an analytics platform that scores an individual's propensity to adhere to medication based on history and fill rates.

"It determines how frequently chemists communicate with a particular patient," Mr Ratliff says.

The company works with more than 34,000 chemists in the US that service two-thirds of the population.

By Josh! What a good idea

Medadvisor was founded in 2012 by local software engineer Josh Swinnerton, after watching his mother (a Parkinson's disease sufferer) trying to manage 10 daily medications.

The company listed in December 2015 via the shell of Exalt Resources.

Medadvisor's US business is based on the medication communications platform Adheris, acquired from Syneos Health LLC in 2020.

In 2022, local founding CEO Robert Read stepped down in favor of the Charlotte, North Carolina-based Mr Ratliff.

Mr Ratliff spent more than 30 years building technology healthcare businesses.

Mr Swinnerton also stepped down from the board.

In July 2022, the company acquired Guildlink from the Pharmacy Guild of Australia in a scrip deal.

Guildlink provides services - including medication information - to more than 900 pharmacies.

This might hurt a little …

Medadvisor's half-year results in February showed the impact of the vaccination slide, with two big pharma customers adjusting their promotional budgets.

There's a lot going on, with Mr Ratliff pointing to a mix of vaccine fatigue and vaccine hesitancy.

"There are so many vaccines for many different purposes," he says.

As well as multiple 'flu and Covid vaccines, drug makers have released new shingles and pneumococcal vaccines, as well as two new prophylactics against the dangerous RSV.

These drug makers' RSV sales targets were off by 60-70 percent, so they pulled back their promotional budgets at Medadvisor's expense.

Citing the US Centers for Disease Control and Prevention (CDC), Medadvisor says 45.8 percent of American adults are vaccinated for 'flu and that number should be closer to 75 percent.

Usually starting in September, (Fall/Autumn), the US 'flu season was delayed with abnormally warm weather. But with ensuing colder conditions, hospitalizations are higher than they have been in more than a decade.

The CDC recommends that over 50s should get multiple key vaccinations at a time, especially if their health is compromised.

"But they say: 'My arm is sore'", Mr Ratliff says.

Finances and performance

Medadvisor reported revenue for the December 2024 half of $57.1 million, down 24 percent, with net profit declining 80 percent to $1.4 million.

US revenue declined 29 percent to $45.7 million, with gross profit falling 24 percent to $25.6 million.

Vaccine revenue fell 33 percent, with RSV and Covid programs accounting for most of the decline.

Revenue from general medicine promotions fell 19 percent, due to spending delays caused by patent issues and “business-related challenges” faced by key customers.

“We did manage to remain profitable across all markets,” adds chief financial officer Ancila Desai.

Medadvisor’s gross margins grew 3.8 percent to 61.3 percent “driven in part by higher margin, Thriv-powered adherence programs in the US”.

Thriv accounted for 35 percent of US revenue, compared with 7.0 percent previously.

Australian and NZ revenue declined 2.7 percent to $11.4 million, while gross profit fell 2.5 percent to $9.3 million.

In general medicine, revenues were affected by a heart anti-coagulant drug going generic, which meant less advertising of the product.

Another client shifted budgets into the current year.

“We haven’t seen that uptick yet, but we are cautiously optimistic it will come back,” Mr Ratliff says.

At the end of December, the company held cash of $12 million.

“With the December quarter lower than expected, the company is monitoring its cash position closely,” Ms Desai says.

Medadvisor shares over the last year have varied between 57 cents in mid-July 2024 and the current trough. The shares peaked at an all-time high of 62 cents in June 2020.

The Pharmacy Guild is the company’s biggest shareholder, with 17.5 percent stake.

‘Doing a 360’

Launched in October last year, Medadvisor’s Transformation 360° manifesto seeks to address the “value disconnect” between what the company thinks it’s worth and what investors value it at.

Dispensing with the company’s liberal jargon, the program seeks $1.4 million in savings in the current half and $5 million annually in the year to June 30, 2026.

The program remains “on track and on budget” – albeit with a modified budget and a few tweakings.

When the company says it is “doing a 360” it means it is taking a wholistic overview.

Drug pricing under pressure …

A fun fact: the US is one of only two countries to allow prescription drug advertising on TV. The other one? New Zealand.

US drug companies spend $US8-9 billion annually on TV advertising, but RFK Junior wants the funds spent on lower drug prices.

That's not new: the Biden Administration's Inflation Reduction Act (IRA) aims partly to reduce the cost of medications, especially for the public Medicare and Medicaid.

President Trump looks to be unpicking the IRA bit by bit, but the lower drug price mantra looks like staying the same.

The result is intensifying cost pressures for both the drug companies and pharmacies, who may lose money dispensing some medications (such as the anti-obesity drugs).

The TV advertising dollars are likely to be diverted to cheaper targeted communication channels – such as Medadvisor's.

"While it might be a negative for the pharma industry overall, it could be a positive for our business," Mr Ratliff says. "Time will tell".

Mr Ratliff says "given what we know at this point", general medicine promotions are likely to remain safe. These include programs for conditions such as chronic obstructive pulmonary disease, diabetes and heart and migraine drugs.

… but in adversity lies hope

"We have identified a number of opportunities within the category to drive vaccine messaging and delivery," Mr Ratliff says. "With vaccination rates coming down, there is a definite need to educate the market and get a better understanding of the value of vaccinations."

While the company expects a pull-back in vaccination promotion spend, some categories – such as pneumonia – could increase.

(Merck recently launched a new pneumococcal vaccine and Moderna will come out with a combined influenza/Covid vaccine).

Medadvisor has enjoyed wins elsewhere, with asthma-related revenue doubling year-on-year and thyroid medication surging 180 percent.

Chronic kidney disease and anti-inflammatory drug campaign activity also increased.

The company plans to diversify its US customer base from 52 drug makers to 62 and from 99 drug brands to 144.

Dr Boreham's diagnosis:

"We remain confident in our strategic direction and the value we are building," Mr Ratliff says.

Put bluntly, the market isn't - as reflected by the almost 60 percent share decline over the last year.

But management is listening and the chances are that Medadvisor will look a very different company in a few months, when a high-level strategic review by an independent Adelaide advisor is completed.

Mr Ratliff says investors don't appreciate the full value of the business, despite the company's attempts to educate them.

"It's a little bit challenging to be honest with you, which is why we are doing the strategic evaluation."

Options include delisting from Australia and privatizing the US or local operations, which can operate separately.

Maintaining the status quo also is an alternative, but not exactly a favored one.

"There are a number of interested parties in Australia and the US and we hope to see significant progress over the next 30 to 60 days," Mr Ratliff says.

With considerable understatement, Mr Ratliff says Medadvisor is operating in a "somewhat different time" than 18 months ago – on both sides of the Pacific

Otherwise, Medadvisor's core purpose remains the same.

"It's about making sure people stay on their medications and improve their health," he says.

In the meantime, vaccines remain a $US23-25 billion a year business in the US, growing at 7-8% annually.

There's also high growth in specialty drugs, which account for 60 percent of promotional spend in the US.

"This sector will continue to increase as these drugs get more personalized and target certain disease types," Mr Ratliff says.

Disclosure: Dr Boreham is not a qualified medical practitioner and does not possess a doctorate of any sort. The last time he tried a 180° degree strategy pivot he ended up where he was – on the bones of his backside.

MEDICINES AUSTRALIA

Medicines Australia says it has appointed Sue MacLeman as its chair, effective today.
Medicines Australia said that Ms MacLeman had more than 30 years' experience as a pharmaceutical, biotechnology and medical technology executive having held senior roles across Australia's corporate and life sciences sector.
The industry organization said that Ms MacLeman had been the chief executive officer and/or director of ASX, London AIM and Nasdaq-listed companies in the health technologies sector and was currently a non-executive director of public, private and not-for-profit companies as well as several academic, industry and government advisory boards and committees.
Medicines Australia said Ms MacLeman held a Bachelor of Pharmacy from the University of Queensland, a Master of Laws from Deakin University and a Master of Marketing from Melbourne Business School.
The organization said that Ms MacLeman was currently member of the New South Wales Government Innovation and Productivity Council, as well as a fellow and a non-executive director of the Australian Academy of Technology and Engineering.

TELIX PHARMACEUTICALS

Telix says the US Food and Drug Administration has approved its new drug application for TLX007-CDx, or 'Gozellix', with gallium-68 for prostate cancer imaging.
Telix said TLX007-CDx, after radio-labeling with gallium-68, was approved for the positron emission tomography (PET) scanning of prostate-specific membrane antigen (PSMA)-positive lesions in men with prostate cancer.
The company said the imaging agent was approved in patients who had suspected metastasis and were candidates for initial definitive therapy, as well as those with suspected recurrence due to increased serum prostate-specific antigen (PSA) levels.
The company said TLX007-CDx had a shelf life of up-to six hours, which was three times longer than Illucix, could be sent to rural and regional areas.
In 2022, Telix said that the FDA had approved Illucix for prostate cancer imaging (BD: Apr 4, 2022).
Today, Telix said that Gozellix could "reach PET cameras that are currently not served by any PSMA imaging providers, bringing the accuracy and clinical utility of gallium-based imaging to more patients across the US".
Telix said Gozellix's formulation allowed for more scalable production, with "the potential to enhance the efficiency, scheduling flexibility and throughput of scanning clinics".
Last year, Telix said it had filed its new drug application for TLX007-CDx as a prostate cancer imaging agent to the FDA; and later, said the regulator had accepted the submission of its application (BD: May 27, Jul 24, 2024).
Today, the company said PSMA-PET imaging had become the standard-of-care in the US for prostate cancer imaging after initial diagnosis and bio-chemical recurrence of prostate cancer, but that only a "relatively small fraction of the 3.4 million men living with prostate cancer in the US" had undergone this type of precision medicine scan.
Telix said it believed Gozellix would help to address access issues and was expected to be eligible for "full reimbursement with reduced or no patient co-insurance", meaning it could reach more patients, particularly in underserved populations.
Telix Precision Medicine chief executive officer Kevin Richardson said the approval was "a major win for prostate cancer patients, who gain enhanced access to state-of-the-art gallium-68 PSMA-PET imaging".
Telix was up 18 cents or 0.65 percent to $27.98 with 6.8 million shares traded.

COMPUMEDICS

Compumedics says it has a $US3.7 million ($A5.7 million) sale of its magneto-encephalography (MEG) system to the Zhejiang, China's Hangzhou Normal University.
In 2022, Compumedics said it had sold an Orion Lifespan MEG system for mapping brain activity for use in neuro-scientific research to China's Tianjin Normal University for $4.2 million, which was its largest contract to date (BD: Jan 12, 2022).
Last year, the company said it had record unaudited sales orders for the year to June 30, 2024 up 22 percent to $52 million, compared to the prior year (BD: Jul 16, 2024).
At that time, Compumedics said the strong sales performance was from its Australian sleep and neuro-diagnostic businesses, two new magneto-encephalography (MEG) orders worth $9.2 million and higher sales in European sleep and neuro-diagnostics.
Today, the company said the sale to Hangzhou Normal University was the fourth sale of its MEG device and was conducted by its long-term Chinese distributor Beijing Fistar, with sales of its MEG device totalling about $US20 million.
Compumedics said the MEG system would ship in "early 2026 after site preparations are completed", along with its Curry neuro-imaging software and ancillary equipment.
The company said it expected "to receive a significant deposit this month securing the new order, with additional payments tied to shipment and installation".
Compumedics said the sale established it as the "dominant supplier of MEG technology in the large and fast-growing Chinese neurosciences market".
The company said it expected revenue for the year to June 30, 2025 to be "more than $60 million" with earnings before interest, depreciation and amortization (Ebitda) of about $5 million and booked revenues for the year to June 30, 2026 at least $70 million.
Compumedics chair David Burton said the company was "very pleased to receive this new additional MEG order from China, which we regard as very important early adopters of our unique MEG technology offering".
"The business opportunity is now gaining material commercial traction, and we are now firmly on the path to significant commercialization of our innovative MEG offering over the foreseeable future," Mr Burton said.
Compumedics was up 6.5 cents or 25.5 percent to 32 cents.

BIOXYNE

Bioxyne says it has "firm commitments" to raise $3 million at 2.5 cents a share in a placement, with one attaching option for every two shares issued.
Bioxyne said the price was a 2.2 percent to the 15-day volume weighted average price, with the options exercisable at five cents each within two years from the issue date.
The company said that the funds would be used to support European expansion, certifying medical marijuana manufacturing facilities in the UK and Czechia (the Czech Republic) as well as allowing it to "deliver upon its stated revenue guidance of $25 million".
Bioxyne said directors would take up about $110,000 in the placement, subject to shareholder approval.
The company said Alpine Capital was lead manager and bookrunner.
Bioxyne said it would issue brokers and advisors 24,000,000 options exercisable at 4.37 cents each, expiring two years from issue, as well as a further 3,000,000 options, exercisable at one cent each within two years from issue.
Bioxyne chief executive officer Sam Watson said the company "received demand for well in excess of the amount raised, given that we are profitable and cash flow positive, we are of the view that it was important to limit the raise to the funds required for expansion".
Bioxyne was up 0.4 cents or 13.3 percent to 3.4 cents with 3.2 million shares traded.

CANN GROUP

Cann says it has drawn an additional $750,000 from its convertible note facility with New York's Obsidian Global GP LLC, taking the total drawn-down to $1.5 million.
In 2023, the company said it had an up-to $15 million convertible note facility with Obsidian, and had drawn down an initial $2 million, with a maximum $3 million draw-down at a time, expiring in 18 months (BD: Nov 21, 2023).
At the time, Cann said the notes had a face value of $US1.15 ($A1.75) each, converting at the lesser of 80 percent of the lowest volume weighted average price 10 days to the date of notice and a 75 percent premium to the five-day volume weighted average price.
Last month, Cann said it had drawn-down $750,000 from the facility (BD: Feb 28, 2025).
Cann fell 0.1 cents or four percent to 2.4 cents with 1.8 million shares traded.

ANTERIS TECHNOLOGIES GLOBAL

Anteris says one-year data from its 65-patient, 30-day study of the Duravr, balloon-expandable, transcatheter heart valve shows a "favorable" blood circulation profile.
Anteris said data showed its device had a "favorable haemodynamic profile", with an effective orifice area of 2.1 square centimetres (2.1cm^2), plus or minus 0.2 cm^2,and a mean pressure gradient of 8.6mm/Hg (mercury), plus or minus 2.6mm/Hg.
Last year, the company said a 13-patient cohort showed its Comasur delivery system successfully implanted its Duravr aortic replacement valve (BD: Jun 20, 2024).
At the time, Anteris said 30-day data showed Duravr implanted using its Comasur device led to an effective orifice area of 2.25cm^2 compared to 1.58cm^2 for standard-of-care and mean pressure gradient of 7.81mm/Hg compared to 11.94mm/Hg for standard-of-care.
Today, the company said that at one year the valve had positive safety outcomes with no valve or cardiovascular-related mortality.
The company said no prosthesis-patient mismatch, a predictor of valve failure and disease progression, was reported in the small annuli patients.
Anteris said current commercial devices had shown prosthesis-patient mismatch rates between 11.2 percent and 35.3 percent.
The company said the data would be included in its planned investigational device exemption filing to the FDA for approval of a randomized, pivotal study of Duravr.
Anteris chief medical officer Dr Chris Meduri said the data continued to validate Duravr's "groundbreaking haemodynamic performance, demonstrating sustained excellent effective orifice area and low mean gradients".
"Most notably, this is the only transcatheter valve to show zero prosthesis-patient mismatch in small annuli patients, an achievement that sets a new standard in [transcatheter aortic valve replacement]," Dr Meduri said.
Anteris fell 13 cents or 1.3 percent to $9.80.

ISLAND PHARMACEUTICALS

The Hong Kong-based MWP Partners Ltd says its substantial 20,891,365 share-holding in Island has been diluted from 11.56 percent to 9.94 percent.
Last year, Island said that it had raised $3.5 million in an institutional placement at seven cents a share, with one attaching option per share (BD: Oct 3, 2024).
On Wednesday, the company said that it had raised $1,941,586 through the exercise of options issued in a March 2024 rights issue, in addition to a previous $779,413, for a total $2,720,999 (BD: Mar 19, 2024; Mar 19, 2025).
Island fell half a cent or 2.6 percent to 18.5 cents.

AUSTCO HEALTHCARE

Australian Ethical Investment Ltd says it has reduced its substantial shareholding in Austco from 61,119,909 shares (16.79%) to 56,759,647 shares (15.59%).
The Sydney-based Australian Ethical said that it sold shares between November 14, 2024 and March 19, 2025, with the single-largest sale of 590,000 shares on November 18 for $147,257, or 25.0 cents a share.
Austco was up one cent or 3.4 percent to 30.5 cents.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says it has appointed Qbiotics chair Mark Fladrich as a director, effective from April 1, 2025.
Medical Developments said Mr Fladrich was board observer and strategic advisor at Healthmatch, had been chief commercial officer of German pain management company Grunenthal and had worked for Astrazeneca, Allergan (now part of Abbvie) and Faulding Pharmaceuticals.
The company said Mr Fladrich held a Bachelor of Pharmacy from Adelaide's University of South Australia and a Master of Business Administration from Sydney's Macquarie University.
Medical Developments chair Gordon Naylor said Mr Fladrich bought "extensive global commercial experience to the company".
"Mr Fladrich's experience is highly relevant to our continued commercialization of Penthrox, as well as being complementary to the board's membership and capabilities," Mr Naylor said.
Medical Developments fell 2.5 cents or 3.9 percent to 62 cents.