

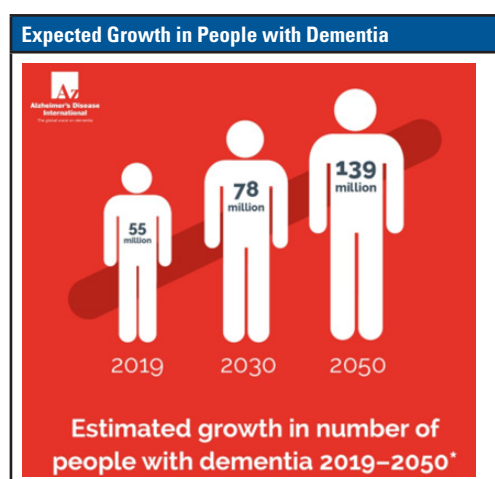
Welcome to the first edition of the IIR Movers & Shakers report for Pharma & Biotech. Each month, we will be looking at those stocks that experience significant share price moves and the reason behind the move. Our coverage will include stocks that are classified in the following GICs sectors: (i) Health Care Equipment & Suppliers (ii) Health Care Technology; (iii) Pharmaceuticals; (iv) Biotechnology; and (v) Life Sciences. There are currently 157 companies that are classified across these five GICs sectors.

So what happened during February..... Pharma and Biotech stocks were on the retreat after the ASX 300 Pharma & Biotech Accumulation Index hit a 12-month high of at the beginning of February. The decline broadly mirrored the market, where there has been weakness due to a number of global macroeconomic headwinds, including continuing inflation. The biggest news in Australian biotech for February was the approval of psychedelic drugs in treating a range of diseases. Overall, the Biotech sector had a few wins in February, which made for interesting news.

Argentia Therapeutics Limited (ASX: AGN)

AGN opened up 45% higher from the previous close on the 9th of February before retreating, after it posted positive results concerning its Alzheimer's drug candidates. Preclinical data showed that AGN's lead candidate, ARG-007, significantly inhibited the aggregation of human recombinant Amyloid-Beta in a cell-free Abeta aggregation assay model. Amyloid-beta aggregation is thought to be one of the main causes of Alzheimer's Disease. AGN will now progress to animal studies to further confirm the efficacy of ARG-007 in Alzheimer's Disease.

Global cases of Dementia are expected to more than double over the next 30 years. Alzheimer's Disease accounts for 60%-70% of all cases of Dementia. The global Alzheimer's market is slated to hit \$6-7 billion in 2029-30. As stated by the AGN CEO, Dr. Liz Dallimore, in the announcement "A safe therapeutic drug that can reduce Abeta aggregation is a huge opportunity."



Source: WHO

Following the release of the preclinical data, the Company announced it had received non-dilutive cash funding from philanthropic doctors via the Perron Institute to progress preclinical studies into the efficacy of ARG-007 in Alzheimer's Disease. The funding will cover the cost of further in vivo preclinical studies to assess the efficacy of ARG-007 to treat Alzheimer's Disease.

Emyria Limited (ASX: EMD)

EMD skyrocketed on the back of news that the drug authorities, will now allow drugs such as 'magic' mushrooms, and MDMA to be used in clinical settings to treat a range of diseases. After the initial exuberance from the market, the stock finished up 15% for the month of February. The Company has research programs that address a range of mental health issues and has two programs, Ultra-Pure CBD and MDMA-inspired medicines.

The Ultra-Pure CBD medicines provide a range of solutions including treatments for psychological distress, irritable bowel syndrome and innovative MDMA-focused treatments for severe psychological conditions. The Ultra-Pure CBD medicines, EMD-RX5 and EMD-RX7, are currently in trials. The drugs are low dose, high bioavailability and high dose, high bioavailability, respectively, both of which are currently being targeted for over-the-counter treatment.

Psychedelics being used to treat ailments should not surprise investors, as the drugs have been showing increasing levels of efficacy in treatment. The market as an alternative to traditional drugs has been highly anticipated for a while and should help the likes of EMD to drive their products forward.

Mach7 Technologies Limited (ASX: M7T)

M7T's share price declined 9.9% in February after being one of the better performers in January. Shares surged after the Company landed its largest-ever contract in January. The medical imaging company has been making strong progress with the Company reporting record revenue for 1H'FY23. Considering all the positive news flow around the company the strong results are likely to continue for the coming year and could see the stock continue its good run of form.

Medical imaging and radiology are witnessing significant investment, as hospitals and clinics look to reduce both their workload and the cost of imaging. Furthermore, there is an increasing push to ensure that imaging devices are more accurate and to ensure that mistakes are minimised.

M7T currently operates 234 centers, and 300 semi-mobile trailers, and is continuously looking to expand its operations globally, with an eye to what is a relatively large market.

Avita Medical Inc. (ASX: AVH)

AVH has been the best performing stock in the pharma & biotech universe in 2023 to 28 February. The share price exploded post the release of the 2022 full year earnings and fourth quarter 2022 results. The respiratory and regenerative medical devices company, which sells a range of products including Spray on Skin Cells, for acute thermal burns, saw its revenue grow by 36% year-on-year.

The Company is set to release a range of vitiligo products and soft tissue treatments in 2023, on the back of FDA approval. The Company continues to make a loss but investors will be looking at results in the upcoming quarters for an indication of where things are headed, especially as new products come to market.

The Company has indicated that it will more than double its existing sales team in anticipation of approvals.

Avita's unique products have clearly found a market, which is expected to lead to strong sales growth. The continued expansion of products, that have strong market demand, and management that is determined to execute well, sets the company up for success.

Cochlear Limited (ASX: COH)

The hearing solutions company has seen its share price gain momentum in February, as better-than-expected results sent the stock 9% higher after results came in, this despite net profit falling by 10%, driven by higher operating costs, specifically related to capital expenditure and product launches. Total sales in 1H'FY23 were 9% higher than the pcp, coming in at \$893 million.

The Planar Cell Polarity (PCP) division grew by 14%, while the acoustic implant division saw an increase of 17%. The board also approved a share buyback plan of up to \$75 million in shares over the next 12-months.

The global hearing aid industry continues to be driven by factors including aging demographics and rising incidence of hearing impairment. The FDA approved COH's latest product the 'Nuclear Sound-8 processor', providing a smaller sounder processor to improve aid.

Medical Developments International Limited (ASX: MVP)

MVP shares jumped on the back of the release of 1H'FY23 results with the Company reporting a revenue increase of \$242%, to \$32.9 million. The Company posted a net profit of \$2.66m compared to a net loss during the same period in 2022.

MVP is primarily focused on products that provide improvements to respiratory care. The Company is targeting, delivery systems that help asthma patients, and those suffering from COPD.

The share price spiked from \$1.37 to \$1.59 after the results were announced, however retreated back to \$1.45 to end the month, leaving the share price essentially flat for the month of February.

Imricor Medical Systems Inc. (ASX: IMR)

IMR primarily deals in medical devices. It designs manufactures, sells, and distributes, resonance imaging compatible products for cardiac catheter ablation procedures. The Company recently teamed up with GE HealthCare for heart ablation procedures, bringing together GE's MRI system's and IMR's catheter and other disposable devices. The primary target market remains cardiac arrhythmia patients.

"The addition of GE HealthCare will give physicians and hospitals significantly more flexibility to use the MRI hardware of their choice, when providing real-time iCMR ablations for their patients. We are grateful to our existing customers who have embraced our real-time iCMR ablation technology, and look forward to making the benefits of this technology even more widely available." Steve Wadden – IMR CEO.

Cogstate Ltd (ASX: CGS)

CGS shares fell dramatically during February, after discussions related to a takeover came to a halt. During the month it was announced that discussions were no longer progressing after it was determined that a takeover would not be feasible. After bottoming out at \$1.135 from the highs of \$2.455 in February, the share price bounced to finish the month down 21.6%.

The CGS share price had risen significantly over the past few months, after the Eisai Alzheimer's drug met its initial clinical endpoint.

Cogstate fared poorly in the 1H'FY23 with revenue declining year-to-year, on the back of lower clinical trials revenue. Total revenue came in at \$19.5m, with a negative EBIT of \$0.2m. Cogstate pointed to fewer admissions to clinical trials than expected, thereby delaying trials. Management has pointed out that the coming results should be improved as the number of patients involved in clinical trials normalises.

Telix Pharmaceuticals Limited (ASX: TLX)

TLX finished the month in volatile fashion with the share price ranging from \$5.825 to \$6.985 on the last trading day of the month. The volatility followed the release of the 2022 full year results. The Company reported strong earnings with group revenue increasing close to 20x, to \$160 million, driven by the commercial launch of Illuccix. The Company also confirmed positive top line data for Phase-3 of its Zircon trial of investigational kidney cancer imaging agent (TLX250-CDx), paving the way for regulatory filings.

Despite the significant increase in revenue, net losses continued reflecting the investment towards commercial and clinical activity. The Company has a healthy cash balance of \$116 million, with the cash reserves boosted by the \$175 million capital raise completed in January.

TLX's share price finished up 1.6% down in February, however is up 48.6% over the 12-months to February-end.

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