

# Argent BioPharma

## An innovative approach to drug development

Argent BioPharma is a clinical-stage specialty biopharma company developing therapeutics targeting areas of unmet need. Currently focused on CNS conditions and immunology, Argent has a broad pipeline of assets, led by CannEpil (drug-resistant epilepsy), CimetrA (acute lung disease) and CogniCann (CNS disorders). The first two are available under special access schemes in markets such as the UK, US and EU, generating early revenue streams as well as real-world evidence, which should aid regulatory outcomes. Argent has a strong internal IP position with two EU-GMP R&D and manufacturing sites (in Malta and Slovenia) supporting in-house drug development. These could potentially be monetised via contract manufacturing services. We expect the most significant upcoming catalysts to be the investigational new drug (IND) filings with the FDA for CannEpil and CimetrA, expected by end 2025 according to management.

### A differentiated portfolio and business strategy...

Argent's pipeline, developed fully in-house, targets a broad range of indications, all underserved areas but with significant commercial potential. Leading the pack are CannEpil, targeting drug-resistant/refractory epilepsy (market expected to be worth **\$6bn** by 2034), currently available in the UK and covered by insurance in Ireland, and CimetrA, a drug in research for acute lung injury and acute respiratory distress syndrome, currently available in the US as an over-the-counter unlicensed drug. CogniCann targets symptoms related to Alzheimer's, while the preclinical pipeline is focused on diverse areas such brain cancer and **wound management**. Argent's strategic rationale of offering its drugs under special access schemes holds merit in our opinion, not only providing an early revenue stream but also de-risking the development process, given the real-time safety and efficacy data generated.

### ...backed by in-house capabilities

The company's R&D efforts are supported by its two EU-GMP facilities, in Slovenia and Malta (with capacity to manufacture over **20k units/day**), which management believes will be able to support the clinical and commercial requirements of its pipeline. We also see monetisation opportunities from offering contract manufacturing services as the company scales internal operations.

### Next up: US IND filings

We expect Argent's medium-term focus to be on progressing its pipeline while continuing to implement its early access programmes across the EU, the UK and the US. We view the most significant upcoming catalysts to be the IND filings with the FDA for CannEpil and CimetrA, expected by end 2025 according to management.

#### Historical financials

Year end	Revenue (A\$m)	PBT (A\$m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
06/20	2.1	(18.8)	(1.40)	N/A	N/A	N/A
06/21	3.0	(15.9)	(0.83)	N/A	N/A	N/A
06/22	4.7	(20.8)	(0.79)	N/A	N/A	N/A
06/23	3.4	(21.1)	(0.71)	N/A	N/A	N/A

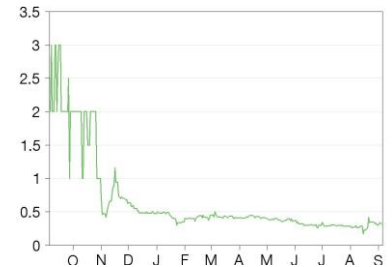
Source: Company filings

Pharma and biotech

5 September 2024

**Price** **A\$0.34**  
**Market cap** **A\$17m**

#### Share price graph



#### Share details

Codes RGT.AX (to delist soon), RGT.L  
 Listings ASX, LSE, OTCQB Venture Market  
 Shares in issue 48.41m

#### Business description

Argent BioPharma (previously MGC Pharma) is a revenue-generating, clinical-stage biopharma company, focused on developing treatments for neurological and immunological conditions. Its pipeline includes three clinical-stage assets (Phase I and II) and one preclinical asset, led by CannEpil (drug-resistant epilepsy) and CimetrA (acute lung disease), both available under special access schemes in the EU, the UK and the US. Management plans to file IND applications for the two assets with the FDA by end 2025.

#### Bull

- Revenue generating, with sales recognised through early access schemes.
- Targeting areas of significant unmet need and commercial potential.
- Growing exposure to the key markets of EU, UK and US with two products on the market (under special access) with IND filings planned by end 2025.

#### Bear

- Portfolio in the early stages of clinical development, with long lead times to approval under traditional regulatory pathways.
- Currently funded to Q424 but will need to raise significant capital to advance its development pipeline to the market.
- Potentially more stringent regulatory oversight for some of the assets.

#### Analysts

Jyoti Prakash, CFA +44 (0)20 3077 5700  
 Dr Arron Aatkar +44 (0)20 3077 5700

[healthcare@edisongroup.com](mailto:healthcare@edisongroup.com)  
[Edison profile page](#)

**Argent BioPharma is a research client of Edison Investment Research Limited**

---

## General disclaimer and copyright

This report has been commissioned by Argent BioPharma and prepared and issued by Edison, in consideration of a fee payable by Argent BioPharma. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2024 Edison Investment Research Limited (Edison).

---

## Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

---

## New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

---

## United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

---

## United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.