



Australian biotech and pharma continued with its strong momentum in the month of May with a number of key results coming through. These included: strong financial results, commercialisation of key products, and trials that showed increased levels of promise. This led to several stocks rallying significantly, as investors took stock of the situation.

Oneview Healthcare PLC (ASX: ONE)

OneView's share price surged over 100% in May, as the Company's latest results came in better than expected. Receipts during 1Q'CY23 came in 34% higher than the pcp and the Company's operating cash outflow improved substantially on the pcp, albeit still an outflow.

During the quarter, OneView added 3,000 new beds, and major healthcare providers such as NYU's Langone hospital, and also saw contract flow from a number of European healthcare centres where it received preferred tenders. In addition, there were also contracts from Thailand, where Bumrungrad Hospital will receive 600 beds for Gen 3. The Company added A\$ 9.3 million in TCV sales in 1Q'CY23, with an annualised recurring revenue of A\$1.8 million.

Due to the significant increase in the share price, the Company was issued a speeding ticket from the ASX, in which the Company responded that the Company was in negotiations with respect to a matter that it believed did not warrant disclosure under the ASX listing rules and believed confidentiality was maintained by those parties involved, although it appears that maybe that was not the case. In its response to the ASX, the Company advised it is in advanced stages of signing an agreement with a major North American supplier of equipment to hospitals under which the supplier would become a reseller of Oneview's care experience platform to the supplier's customer base in North America. There is potential for this agreement to involve the supply of Oneview's care experience platform to between 3,000 and 5,000 hospital beds within the first year of that agreement. The agreement is yet to be finalised.

Healthcare administrative costs have risen significantly over the years, resulting in an increased need for solutions that address the need to reduce these costs. OneView is one such company addressing the needs of healthcare networks to help reduce their ancillary costs.

OneView has been introducing quite a few solutions including, patient engagement and clinical workflow technology solutions, to facilities worldwide, to help them reduce costs and improve patient outcomes. The stock had been struggling for a few years, as execution remained poor, but since then, the company has been able to add significant capacity and get its execution correct, as a result, investors are taking note.

The global healthcare cloud computing market, including patient records, is expected to reach \$90-\$95 billion by 2027 growing at 20% a year, which provides a significant opportunity for OneView. The US on average spends around USD\$2,500 per patient on healthcare administration; meanwhile, Canada spends around USD\$550. Differences in the costs are significant despite similar levels of productivity and healthcare providers will be looking to bring those costs down however they can.

Neuroscientific Biopharmaceuticals Ltd (ASX: NSB)

Neuroscientific's share price increased 30% in May, driven by the Company's lead peptide, EmtinB, which showed significant treatment effect "in a Gold Standard MOG-EAE induced model of Multiple Sclerosis" (MS). The treatment showed initial delay in progression of EAE clinical symptoms, displaying neuro-protective effects. The preclinical data will be used to complete the efficacy section for Neuroscientific's planned submission for its Phase 1 human trials.

Neuroscientific has developed multiple uses for its drug, EmtinB, including BACE inhibitor drugs for Alzheimer's, drugs that seek to block BACE enzymes involved in the production of forming amyloid plaque. The Company derives its competitive advantage from treatment of pathways for Alzheimer's. Currently, most treatment protocols look to target the removal of amyloid plaque primarily from the brain. Such treatments have shown some success in delaying the onset of Alzheimer's. Neuroscientific's treatment is different as it looks to block the enzyme associated with amyloid plaque at the source, which could provide the next big breakthrough in the treatment of the disease. Neuroscientific believes EmtinB can modulate microglia induced neuroinflammation in Alzheimer's Disease, and "to activate neuronal pro-survival pathways leading to axonal regeneration is a game changing approach towards Alzheimer's Disease"

Both diseases, but especially Alzheimer's, is becoming a significant issue, with an aging global population and increasing incidences of the disease due to a varied number of reasons, which means the market for treatment will continue to grow at for the foreseeable future. There are currently no treatments that cure Alzheimer's. Several novel treatments have achieved onset delay, but a permanent solution remains distant.

Telix Pharmaceuticals Limited (ASX: TLX)

Telix Pharmaceuticals shares have continued to rally with the share price rising 16% in May. The share price up 151% over the 12-months to May-end. The share price is being driven by growth in the Company's Illucix product, with the Company reporting total revenue of \$100.1 million in 1Q'CY23. Sales of Illucix was up 27% on the pcp. During the first quarter, customer receipts increased by 15%, quarter-on-quarter, and net operating cash flow came in at \$2.4 million. Meanwhile, gross margins came in at 63%.

Illucix is primarily used in PET imaging for prostate cancer. Telix also has a number of products in late-stage clinical trials, prostate and brain imaging, which should hit the final stages of trials, and/or commercialisation soon.

Illucix, the sales of which hit a total of \$97.5 million in 1QCY23, is expected to be rolled out globally, with commercial availability across Canada, Europe, Latin America, and China, which could significantly boost revenue moving forward. The global rollout should add significantly to the topline and could send the stock up further, as results continue to come in.

Immutep Limited (ASX: IMM)

Immutep's shares surged (but have since retreated) as results came in regarding its Efti Combination treatment with Pembrolizumab, an anti-PD-1 immunotherapy drug for non-small cell lung cancer. KEYTRUDA is currently one of the foremost immunotherapy drugs on the market. And, any combination treatment provides a significant market opportunity for the ancillary drug.

Results were positive and showed that the combination achieved robust initial Overall Survival (OS) in 1st line non-small cell lung cancer (1L NSCLC) patients in the Phase II TACTI-002 trial.

Lung cancer is the second most common type of cancer, and non-small cell lung cancer accounts for 80-85% of those total cases. Furthermore, the Company initiated a number of integrated AIPAC-003 trials evaluating eftilagimod alpha (efti) and paclitaxel in HER2-neg/low metastatic breast cancer and triple-negative breast cancer.

The Company raised a total of \$67.9 million at a price of \$0.26 per share consisting of \$50 million under a Placement and \$17.9 million under an Institutional Entitlement Offer. The capital raised takes the cash balance to \$135.2 million, which should see it through the current and expanded clinical program.

Mesoblast Limited (ASX: MSB)

Mesoblast's shares increased 18% in May to be trading at \$1.015 per share at May-end. This remains substantially below the highs of \$5.70 in 2020.

The Company replenished its balance sheet in late April raising US\$40 million in a private placement to existing shareholders.

Mesoblast is primarily involved in developing and marketing proprietary mesenchymal lineage cell technology platforms to develop and commercialize innovative allogeneic cellular medicines to treat complex inflammatory diseases resistant to conventional standards of care. Mesoblast currently has many Phase-3 treatments, including, Remestemcel-L steroid-refractory acute graft versus host disease.

Furthermore, Mesoblast also has several other treatments in the pipeline which are currently in phase-3 of trials, including treatments for Acute Respiratory Distress Syndrome, Chronic Low Back Pain due to degenerative disc disease, and Chronic Heart Failure Reduced Ejection Fraction (with a focus on schemics and diabetes).

Island Pharmaceuticals Limited (ASX: ILA)

Island Pharmaceuticals shares surged 51%, as the Company received the go-ahead from the FDA for its ISLA-101 program. The mid-clinical stage company's ISLA-101 drug is primarily used for the treatment of dengue fever and other mosquito-borne (or vector) diseases.

CEO Island Pharmaceutical Dr. David Foster commented - "We are extremely pleased to have received Investigational New Drug application clearance from the FDA. With the clinical hold now lifted from the program, we can proceed with taking the next steps to get ISLA-101 into the clinic via the Single Ascending Dose study."

The study aims to ensure that administered doses could safely achieve blood concentrations of ISLA-101 that are predicated to be effective against the dengue virus. Dengue treatment is expected to grow at a rate of 20% CAGR over the next ten years and will reach a total of \$5 billion by 2033.

Developing countries represent the vast majority of Dengue cases, with Brazil, and Indonesia being the largest sources.

There are currently 20+ companies working on dengue drug discovery each at different stages of the clinical process, including Abivax, Takeda, Merck, Immunoforge, and Glaxokline Smith. Essential pipeline drugs include anti-RNA inhibitor therapy (ABX220), and TAK-003, which demonstrated continued protection against dengue post hospitalisation.

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