



Australia's Independent Biotech Investment Resource, est. 1999

11 December 2023
Edition 949

	Bioshares Portfolio
Year 1 (May '01 - May '02)	21.2%
Year 2 (May '02 - May '03)	-9.4%
Year 3 (May '03 - May '04)	70.6%
Year 4 (May '04 - May '05)	-16.3%
Year 5 (May '05 - May '06)	77.8%
Year 6 (May '06 - May '07)	17.4%
Year 7 (May '07 - May '08)	-35.8%
Year 8 (May '08 - May '09)	-7.4%
Year 9 (May '09 - May '10)	50.2%
Year 10 (May '10 - May '11)	45.4%
Year 11 (May '11 - May '12)	-18.0%
Year 12 (May '12 - May '13)	3.1%
Year 13 (May '13 - May '14)	26.6%
Year 14 (May '14 - May '15)	23.0%
Year 15 (May '15 - May '16)	33.0%
Year 16 (May '16 - May '17)	16.8%
Year 17 (May '17 - May '18)	-7.1%
Year 18 (May '18 - May '19)	-2.3%
Year 19 (May '19 - May '20)	39.5%
Year 20 (May '20 - May '21)	86.8%
Year 21 (May '21 - May '22)	-15.6%
Year 22 (May '22 - Dec '22)	-2.2%
Year 23 (CY2023)	-21.3%
Cumulative Gain	1221%
Av. Annual gain (22 yrs)	18.1%

Companies covered: 4DX, CUV, DXB, EX1, HXL, IXC, IMU, Kazia Therapeutics, LBT, NEU, OPT, RNO

2023 Top Six Picks: -31%

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Flinders Lane Vic 8009
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Mark Pachacz – Editor/Analyst
Email: Bioshares1[at]gmail.com

Noa Meltzer – Researcher
Email: Bioshares3[at]gmail.com

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Extract from Bioshares –

Investor Interest Starts Return to Biotech Sector

Over the last two months, there have been some strong price movements in several major and minor biotech stocks. Following a downturn that has lasted almost two years, has the Australian sector finally bottomed?

Imugene (IMU) – Up 127% (up \$373 million)

Imugene's market value has rebounded strongly by 373 million since its low point in October. After having been sold down considerably from \$0.625 high two years ago, the stock experienced a strong resurgence last month following the early encouraging first results from its oncolytic virus CF33 trial.

Thirty-four patients with a range of solid tumours have been treated so far with the novel oncolytic virus drug candidate, CF33-hNIS, with initial results released from the first 25 patients. The strongest treatment effect was seen in patients with gastrointestinal tumours, where stable disease was achieved in seven of the eight patients, with one patient achieving a complete response. All patients enrolled in the study had previously undergone extensive treatment with other therapies that had either failed to control their cancer or provided only limited benefit.

Imugene will now expand the study with an additional 10 patients for the notoriously difficult-to-treat bile duct cancer which is considered 'immunologically cold,' meaning that it does not respond well to checkpoint inhibitor therapies.

The company has been granted Fast Track Designation from the FDA for the bile duct cancer treatment program. This designation may expedite the approval process (on smaller studies with a surrogate endpoint rather than for instance a survival benefit which can take longer to establish) and grant the study Priority Review (six months for FDA assessment of the NDA or BLA).

Imugene also stated that it has received a high level of interest from clinicians following the early bile duct cancer treatment results.

Bioshares recommendation: **Speculative Hold Class A**

Bioshares

How Bioshares Rates Stocks

For the purpose of valuation, Bioshares divides biotech stocks into two categories. The first group are stocks with existing positive cash flows or close to producing positive cash flows. The second group are stocks without near term positive cash flows, history of losses, or at early stages of commercialisation. In this second group, which are essentially speculative propositions, Bioshares grades them according to relative risk within that group, to better reflect the very large spread of risk within those stocks. For both groups, the rating “Take Some Profits” means that investors may re-weight their holding by selling between 25%-75% of a stock.

Group A

Stocks with existing positive cash flows or close to producing positive cash flows.

- Buy** CMP is 20% < Fair Value
 - Accumulate** CMP is 10% < Fair Value
 - Hold** Value = CMP
 - Lighten** CMP is 10% > Fair Value
 - Sell** CMP is 20% > Fair Value
- (CMP–Current Market Price)

Group B

Stocks without near term positive cash flows, history of losses, or at early stages of commercialisation.

Speculative Buy – Class A

These stocks will have more than one technology, product or investment in development, with perhaps those same technologies offering multiple opportunities. These features, coupled to the presence of alliances, partnerships and scientific advisory boards, indicate the stock is relative less risky than other biotech stocks.

Speculative Buy – Class B

These stocks may have more than one product or opportunity, and may even be close to market. However, they are likely to be lacking in several key areas. For example, their cash position is weak, or management or board may need strengthening.

Speculative Buy – Class C

These stocks generally have one product in development and lack many external validation features.

Speculative Hold – Class A or B or C

Sell

Corporate Subscribers: Cogstate, Pharmaxis, Dimerix, Patrys, Imugene, Chimeric Therapeutics, Neuren Pharmaceuticals, Aroa Biosurgery, Radiopharm Theranostics, Anteris Technologies, EBR Systems, Immuron, Respiro, Clinuvel Pharmaceuticals

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