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	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)	-36%
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 - Current)	-2.6%
Cumulative Gain	660%
Av. Annual gain (18 yrs)	16.0%

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Blake Industry & Market Analysis Pty Ltd
ACN 085 334 292
PO Box 193
Richmond Vic 3121
AFS Licence No. 258032
Enquiries for *Bioshares*
Ph: (03) 9326 5382
Fax: (03) 9329 3350
Email: info[at]bioshares.com.au

David Blake - Editor/Analyst

Ph: (03) 9326 5382
Email: david[at]bioshares.com.au
Mark Pachacz - Editor/Analyst
Ph: 0403 850 425
Email: mark[at]bioshares.com.au

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Bioshares

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Delivering independent investment research to investors on Australian biotech, pharma and healthcare companies

Extract from *Bioshares* –

Actinogen – Phase II Study Dose Too Low

Actinogen Medical (ACW: \$0.014) reported that its 186 patient Phase II Alzheimer's disease trial of Xanamem missed its primary endpoint, that being an improvement in cognition compared to the placebo. The most likely explanation is that the trial dose was too low. The company is currently conducting higher dose studies in healthy older subjects.

The dose used in this study was 10mg a day, which is half the dose recommended following earlier clinical studies, as previously noted in *Bioshares* 746: "The current Phase II study is trialing a 10mg a day dose, which may not be the optimal dose. Previous clinical studies with the drug have shown that a positive effect can be expected at 20mg a day. However, the company was restricted to the dose level it could evaluate by the FDA."

Having shown safety of the drug at this level, the company has been able to move to explore higher doses in healthy subjects, firstly at 20mg a day, then at 30mg a day, for 12 weeks. What is surprising is that longer term safety study results were not conducted at 10mg a day to allow a higher dose (20mg+ per day) to be explored in the target population.

More Data to be Released

One positive outcome from the trial was that there were no safety issues with the treatment. Also positive were increased levels of the adrenocorticotrophic hormone (ACTH), with ACTH levels falling normally as cortisol levels rise. This implies an impact on cortisol inhibition, which is the mechanism of action of the company's drug candidate. Excessive cortisol levels are linked to cognitive impairment and potentially the progression of Alzheimer's disease. Changes in cortisol levels, which were also measured, will also be released when analysis is complete.

Other helpful information that is to be provided will be any links between changes in

Continued over

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Saturday at the picturesque Millbrook Country Club
Strictly Biotech CEOs-Only Dinner on Thursday Preceding

Early Bird Offer Closes Friday 17 May

www.bioshares.com.au/queenstown2019.htm

cortisol levels and cognition, as well as any correlation between absorption data of Xanamem and cognitive changes. There will also be an analysis of the sub domains of the ADOSCog test used in this study.

Higher Dose Study Results

In coming weeks Actinogen expects to complete enrolment into the first part of the higher dose study (20mg a day of Xanamem for 12 weeks). Interim results from this study, on the volunteers enrolled in February and March, will be released towards the end of June. That study is looking not just at the safety of Xanamem over 12 weeks at 20mg and 30mg a day, but also at effects on cognition.

Other trial results will include information around target occupancy, identifying the dosage required to adequately inhibit the target, 11B-HDS1.

Next Stage for Actinogen

Actinogen will wait for full data from the Phase II Alzheimer's study, the higher dose studies in healthy older volunteers, and the target occupancy study before proceeding with the next stage of development for Xanamem. While the company is funded to complete the current studies, it will need to raise additional funds for subsequent work.

The dearth of successful approaches to treat Alzheimer's disease means that Actinogen's chances of successfully raising fresh funding are still high.

Actinogen Medical is capitalised at \$16 million with \$11 million in cash at the end of March.

Bioshares recommendation: **Speculative Hold Class B**

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 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, Bionomics, LBT Innovations, Opthea, ResApp Health, Pharmaxis, Dimerix, Adalta, Actinogen Medical, Patrys, Cyclopharm, Emvision, Antisense Therapeutics

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