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# Bioshares

3 June 2019  
Edition 794

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

Companies covered: ACW, BNO, CUV, PAB,  
VHT

	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)	0.2%
<b>Cumulative Gain</b>	<b>682%</b>
<b>Av. Annual gain (18 yrs)</b>	<b>16.0%</b>

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Extract from Bioshares –

## **Actinogen Medical – Update on Higher Dose Safety Study**

Actinogen Medical (ACW: \$0.011) is continuing with additional studies of its cognition drug candidate, Xanamem. A second study in healthy older volunteers has now recruited 34 of the planned 42 volunteers, exploring a dose of 20mg a day over 12 weeks. The recently completed Phase II study in Alzheimer's disease patients evaluated a 10mg daily dose; however, at that dose, key cognitive benefit endpoints were not met.

The current safety study is blinded, with one third receiving a placebo and two thirds receiving Xanamem. While safety is the primary endpoint, the company is using the Cogstate battery of cognition tests to measure cognition benefit differences between the two groups.

This week the company announced that there would be some 'protocol enhancements' to the study, which will involve additional blood tests as well as adding more detail to the current inclusion criteria according to CEO Bill Ketelbey.

Following on from this study, the company may also explore a higher dose of 30mg a day from an additional group of 42 subjects. However, this will depend on the outcome of the current 20mg safety study, as well as data that emerges from its other studies underway, including a target occupancy study and a homogenous binding study.

A target occupancy study is being conducted at the Austin Hospital in both healthy subjects and in patients with Alzheimer's disease, exploring five patients at each dose of Xanamem. The study involves the use of a radiolabelled tracer that binds to the target enzyme. APET scan is taken after the tracer is delivered, and then Xanamem is dosed for seven days, before a second round of tracer is delivered. The difference in images will help inform the level of Xanamem binding to the target enzyme.

The homogenous binding study is an *in-vitro* test looking at the binding of the drug to brain samples.

Actinogen continues to build the data for its drug candidate asset Xanamem following the Phase II Alzheimer's study which failed to hit its endpoints, which was possibly due to a low dose of drug.

The path forward for the company includes a detailed assessment of that trial, as well as additional information from ongoing studies. Helpful information from the Phase II study completed will include an analysis of cortisol levels in the patients treated, blood levels of drug achieved, tied to age of patients and severity of disease.

Actinogen finished March with \$11 million in cash and is capitalised at \$12 million. Ketelbey said that the company continues to receive strong support from some of its largest shareholders.

**Bioshares recommendation: Speculative Hold Class B**

Click here for the Bioshares Index... <http://www.bioshares.com.au/companiescovered.htm>

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**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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