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Bioshares IT Partner

BIOSHARES

Australia's Independent Biotech Investment Resource, est.1999

2 November 2023
Edition 947

	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)	-28.2%
Cumulative Gain	1107%
Av. Annual gain (22 yrs)	18.1%

Companies covered: **ARX, AVR, CHM, IMC, LBT, NEU, RNO, TLX, VHT**

2023 Top Six Picks: -32%

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Extract from Bioshares –

Anteris Technologies Secures $40 Million in Capital Raise to Prepare for Pivotal Study

Novel heart valve development company Anteris Technologies (AVR: $20.00) has secured commitments to raise $40 million at $20 per share through a private placement.

Anteris is commercialising an aortic heart valve that is delivered via catheter and to date has been implanted in 39 patients in what the company says are outstanding results.

There was just one mild side effect in one of the implant recipients in the most recent study, that being a 'paravalvular leak' which can be caused by incorrect implantation of the valve and is generally not considered significant. There were no moderate or severe leaks between the aorta tissue and the implant.

The outcome for patients who have received the implant is an improved result over not just completing valves on the market that are also delivered via catheter, but also an improved result over valves implanted through open chest surgery.

One of the main measures of performance is the pressure gradient across the valve, with lower being better. In the 15 patient feasibility study recently completed, a mean pressure gradient of 7.8 mmHg was achieved, with a value to lower than 10 mmHg considered normal/healthy.

This is an improvement over the first 13 patients (Cohorts 1 and 2) implanted in the first study with a mean pressure gradient of 9.0 mmHg achieved at 30 days following implant. In Cohort 3 in the first study in seven patients, the mean pressure gradient was reduced from 53 mmHg to 8.7 mmHg post implant.

The Sapien 3 transaortic valve from Edwards Lifesciences is considered one of the gold standards in these valves. In the September quarter just ended, TAVR product sales for Edwards were US$961 million, up 11% on the previous year.

In a similar patient population and implant, Edwards Sapien 3 achieved a mean pressure gradient of 11.7 mmHg compared to 8.8 mmHg for the Anteris valve. With respect to mean effective orifice area (the larger the better) the EOA for the Sapien 3 was 1.9 cm^2 compared to 2.26 cm^2 for the Anteris DurAVR device.

The Anteris valve is expected to provide not just better hemodynamic outcomes, but also improved durability due to its single tissue design with tissue that has been used in over 50,000 patients in tissue repair with sustained anti-calcification properties over 10 years.

Anteris remains an acquisition target with one of the two majors in the sector, Edwards or Medtronic being likely suitors.

Anteris is capitalised at $312 million. The company held cash of $7 million at September 30 and is raising an additional $40 million.

Bioshares recommendation: **Speculative Buy Class A**

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

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