ISSN 1443-850X

Bioshares

19 August 2022
Edition 923

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

Companies covered: **ACR, AVR, IXC, OPT, TLX**

	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 - Current)	0.7%
Cumulative Gain	1628%
Av. Annual gain (21 yrs)	19.0%

Bioshares is published by Blake Industry & Market Analysis Pty Ltd.
ACN 085 334 292
PO Box 447
Flinders Lane Vic 8009
AFS Licence No. 258032

Mark Pachacz - Editor/Analyst
Email: mark[at]bioshares.com.au
Ph: 0403 850 425

Edition Number 923 (19 August 2022)

Extract from Bioshares –

Anteris Technologies to Move to Pivotal Study as Positive Results Continue

For the six and 12 months to 30 June this year, medical device company Anteris Technologies (AVR: $24.60) has been the best performing stock, with a share price gain of 122% over the last six months and 310% over the financial year.

Anteris has developed an aortic heart valve, called DurAVR 3D, that can be implanted through a catheter in a process called transcatheter aortic valve replacement (TAVR). The alternative is through surgical opening of the chest to access the aorta. Around 42% of stents are implanted by a catheter, with 58% through the more invasive surgical procedure. However, over the next six years 76% of all procedures are expected to be via catheter, with Medtronic and Edwards LifeSciences dominating the market (with 88% share).

Last year just over 530,000 TAVR procedures were conducted globally generating device revenue of US$8 billion. This is expected to increase by around 75% to US$14 billion by 2028.

In December last year the first five patients were implanted with the Anteris device with excellent results. The outcome was an 86% reduction in what was previously a largely blocked valve due to calcification. According to the company this was up to 50% lower than what is achieved with other TAVR devices when looking at similar sized valves, as well as up to a 45% larger effective orifice area at 30 days following implant than other devices.

In the last week of May this year, the second cohort of eight patients were implanted with the Anteris TAVR device. Last month the company announced that after 30 days, the pressure across the valve was reduced by 81% with an average 300% increase in effective orifice area. All 13 patients treated to date have shown a strong improvement in health from pre-implant.

Anteris will continue to enrol patients into this study ahead of a planned pivotal study. The company anticipates it will be able to charge US$25,000 per device used in the US clinical program with the first revenues expected next year.

The Anteris valve is made from decellularized bovine pericardium tissue using the ADAPT process developed in Perth. After 10 years of implant (in other tissue repair procedures) the tissue has shown to remain resistant to calcification (hardening). Competing heart valves have shown to begin deteriorating after 12 months in cases and may need replacement after five years according to the company. The appeal of the Anteris technology is for broadening the use into younger patients who can be expected to live with the device for longer, requiring a longer-term solution. Over the last decade the average age of patients receiving an aortic valve replacement through a catheter has fallen by 12 years to an average 73 years of age.

Continued over

Anteris Technologies finished June with $33 million in cash, following a $28 million placement to Perpetual Life Sciences Master Fund in March (at $15 per share). The company is capitalised at $342 million.

Bioshares recommendation: **Speculative Buy 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, Opthea, ResApp Health, Pharmaxis, Dimerix, Adalta, Patrys, Antisense Therapeutics, Imugene, Chimeric Therapeutics, Neuren Pharmaceuticals, Neurotech International, Aroa Biosurgery, Radiopharm Theranostics, Imricor Medical Systems, Anteris Technologies