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Bioshares

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Edition 523

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

Quarterly Review

Biotech Stocks Power Ahead

The **Bioshares Index** enjoyed its strongest gain for more than two years in the September quarter 2013. The Bioshares Index increased by 17.4%, a movement in line with a 20.7% increase in the **Nasdaq Biotech Index**. The last time the Bioshares Index posted a similarly strong gain was in the December quarter 2010, when a 19.3% gain was recorded.

The **Bioshares Large Cap Index** registered a 4.3% gain for the quarter, which while a reasonably positive movement, was the third quarter in a row where only a lower single digit gain took place. In contrast, the ASX 300 put in a stronger performance in the September quarter, increasing by 8.7%. Sentiment has shifted away from the larger life science stocks in favour of other industrials and to some extent small cap biotechs.

Index Performance by Quarter

	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2014
Bioshares Index	5.5%	-8.7%	-0.1%	-3.0%	17.4%
Nasdaq Biotech Index	10.0%	-3.7%	16.7%	8.6%	20.7%
Bioshares Large Cap Index	15.8%	14.7%	6.9%	4.4%	4.3%
ASX 300 Index	7.1%	5.8%	6.7%	-3.6%	8.7%

The move in the Bioshares Index for the September quarter was noteworthy in that the index's largest component stock by capitalisation (Mesoblast – MSB \$5.70; Cap'n \$1.8 billion) made a relatively smaller contribution for the quarter. Adjusted for the effect of Mesoblast, the index would have posted a 15.5% gain for the quarter, which suggests that stock price moves were widely distributed. And also of some significance, but by way of non-contribution was the fact that Heartware de-listed from the ASX during the quarter and was therefore removed from the Bioshares Index. Heartware at the time of its exit was capitalised at \$1.4 billion.

Sixty-five (74%) of the 88 companies that comprise the Bioshares Index recorded positive share price gains over the September quarter. Ten companies saw their share price increase by more than 100%.

Perhaps the hallmark event for the quarter was the listing of cell therapy company Regeneus. This was the first IPO to take place since Osprey Medical listed in May 2012. IPOs are being considered by Nexvet (Melbourne) and Innate Immunotherapeutics (New Zealand). These may take place in 2014.

IPOs - 2013 Q3

Company	Code	Funds Raised (M)	Issue Price	CMP	Gain/loss	First Traded
Regeneus	RGS	\$10.5	\$0.25	\$0.27	8%	19/09/2013

Cont'd over

	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 - Current)	57.8%
Cumulative Gain	462%
Av. annual gain (13 yrs)	19.7%

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A more popular route to a listing on the ASX is by listing through a shell vehicle – ‘a backdoor listing’. In that category stands Oncosil Medical which was created through Neurodiscovery’s acquisition of pSiVida’s brachytherapy asset, Oncosil. Oncosil shares had a spectacular climb over the quarter with a 202% gain.

Eco Quest has now been included in the Bioshares Index following its move to secure 100% of Cynata Inc (up from 33%), a stem cell company. Eco Quest will be renamed Cynata Therapeutics and is also undertaking a \$5 million capital raising, fully underwritten by Forrest Capital and KTM Capital.

Pharmaust has also been reinstated into the Bioshares Index following its acquisition of Pitney Pharmaceuticals, a Sydney-based drug developer. Pharmaust raised \$6 million in past quarter to support the development and integration of Pitney’s cancer drug platforms with its contract drug discovery business, Epichem. Epichem recorded contract sales of \$1.3 million for FY2013. Pharmaust intends to follow the ‘Super Generics’ drug development pathway.

Another backdoor listing in progress is that of acne treatment company Mimetica, which is listing through the shell of Telesso Technologies (see *Bioshares* 516). Mimetica is seeking a minimum of \$6.5 million.

Capital Raisings

Almost \$130 million in capital was raised by ASX listed life science companies in the September quarter, up from \$67 million raised in the June quarter. On a calendar year to date basis, \$550 million has been raised by ASX listed life science companies.

GI Dynamics raised \$57.5 million through a placement and a further \$2.4 million through a share purchase plan.

Capital inflows have averaged \$58 million for the last six quarters, if raisings greater than \$50 million and IPO funds are excluded. Using this measure, an adjusted figure for the September quarter was \$59.6 million in funds raised.

Outperformers

Oncosil Medical was the best performing stock for the quarter, recording as mentioned earlier a 202% gain for the quarter.

Atcor Medical was the next best performer with a 171% gain. One reason for the lift in this company’s share price was that it posted a \$2.7 million profit for the year ending June 30, 2013, and flagged prospective pharmaceutical contracts going forward of US\$13 million. Other factors which supported the share price improvement were the company’s introduction of a more convenient cuff-based device, the Sphygmocor XCEL, and the gaining of a Category III reimbursement code covering the Sphygmocor test. Together these advances should widen the uptake of the Sphygmocor test. Eventually, the company will seek a Category I CPT code for the test, which should widen uptake further.

Tissue Therapies bounced back from the trough caused by regulatory obfuscation in Europe for its Vitro Gro ECM wound healing product, with a 165% gain for the quarter. The product is ready to

Top Ten Movers - September Qtr 2013

Company	Code	Cap'n (\$M)	Qtr - % ch.	Share Price 30/06/13
Oncosil Medical	OSL	\$39	202%	\$0.13
Atcor Medical	ACG	\$29	171%	\$0.19
Tissue Therapies	TIS	\$65	165%	\$0.31
Scigen	SIE	\$28	150%	\$0.05
Bionomics	BNO	\$338	141%	\$0.82
Imugene	IMU	\$3	125%	\$0.01
Living Cell Tech.	LCT	\$31	110%	\$0.09
Isona	ISN	\$194	107%	\$0.75
Invion	IVX	\$30	103%	\$0.07
Impedimed	IPD	\$33	100%	\$0.18

be rolled out in Europe once a CE Mark is received.

Shares in Bionomics increased by 141% over the quarter. The company signed an option and license deal with Merck in July for the discovery and development of novel small molecule drugs for the treatment of novel pain.

A Bionomics share price of 82 cents would appear to suggest that some investors are highly confident that some of the company’s clinical programs will deliver positive results. Results from the BNC105 Phase II 139 patient renal cancer trial are due early in 2014. Alternatively, investors have been attracted to the company’s business model, which is that of running multiple drug discovery programs and licencing products early on, in contrast to the more expensive fully-integrated pharma model championed to date unsuccessfully by Pharmaxis.

Underperformers

Actinogen shares were the worst performing in the September quarter, declining 65%. The Perth-based company closed its lab and has appointed a new board.

Advanced Surgical Design & Manufacture (ASDM) shares fell 65% for the quarter, with the company’s posting of its fifth consecutive loss contributing to the decrease. The company was capitalised at \$2.4 million at September 30, 2013. The net assets of the company, adjusted for assets held for sale, was \$1.86 million (at June 30, 2013).

Prima Biomed’s stock price fell 43% over the quarter following the release of its 63 patient CAN-003 trial of CVac for the treatment of epithelial ovarian cancer in remission after first or second line therapy. The was no difference observed between the treatment arm and the control arm in terms of progression free survival. The company has suspended recruitment into its larger Phase III (CAN-004) trial for the time being.

Summary

The September quarter’s raft of strong price gains could be repeated in the December quarter as investors take profits and buy into stocks that have not run as hard. Some stocks to watch include Benitec Biopharma, Uscom and Eco Quest.

Capital Raisings by Australian-listed Biotech Companies Q3 2013

Company	Investment Manager or Investor	Type of Raising	Funds Raised (\$M)
GI Dynamics	Bell Potter (Lead, Aust)/ CIMB Group (Co- ,Aust, Asia)/ Lazard Capital Markets (Lead, US)/ Suntrust (Co- , US)	Placement	\$57.5
GI Dynamics		SPP	\$2.4
pSivida	Ladenburg Thalemann & Co	Placement	\$11.8
Oncosil Medical		Placement	\$7.83
Prana Biotech		Placement/s	\$7.31
Pharmaust	Peloton Capital	Placement	\$5.00
Pharmaust		SPP	\$1.00
Elex Medical Lasers	Taylor Collison	Placement	\$3.30
IDT Australia	Wilson HTM	Placement (u/w)	\$3.10
IDT Australia	Wilson HTM	Rights Issue (u/w)	\$2.80
Benitec Biopharma		SPP	\$2.82
Calzada		SPP	\$2.61
Brain Resource Company	Och-Ziff Capital Management Group	Placement	\$2.00
SUDA	Ord Minnett	Convertible Notes	\$1.90
Bluechiip	Redhill Capital Partners	Placement (T1)	\$1.52
Nusep		SPP	\$1.20
USCOM		Placement	\$1.07
Consegna	Peloton Capital	Placement	\$1.00
Novogen	Hudson Bay Master Fund Ltd	Convertible Notes Tranches	\$0.55
Genera Biosystems		Convertible Notes	\$0.37
Genera Biosystems		Placement	\$0.13
		IPOs	\$10.5
Total raised in Q3 2013			\$127.6
Total raised in Q2 2013			\$67.1
Total raised in Q1 2013			\$355.5
Total - 2013 (CY to date)			\$550.3

NOTICE***The 4th Australian Microcap Investment Conference***

The 4th Australian Microcap Investment Conference is being held in Melbourne at the Sofitel on Collins on Tuesday the **22nd** and Wednesday the **23rd** of **October**.

Biotech companies presenting include Bluechiip, Biotron, Invion, Rhinomed and Regeneus.

Bioshares subscribers can receive a \$300 discount off the \$695 registration fee using the discount code BIOSHARES2013.

www.microcapconferences.com

Bioshares Model Portfolio (3 October 2013)

Company	Price (current)	Price added to portfolio	Date added
Oncosil Medical	\$0.125	\$0.155	September 13
Calzada	\$0.076	\$0.073	September 13
Invion	\$0.082	\$0.060	August 13
IDT Australia	\$0.345	\$0.260	August 13
Viralytics	\$0.380	\$0.300	August 13
Circadian Technologies	\$0.280	\$0.270	March 2013
Tissue Therapies	\$0.300	\$0.255	March 2013
Benitec Biopharma	\$0.380	\$0.40	November 2012
Somnomed	\$1.18	\$0.94	January 2011
Cogstate	\$0.450	\$0.13	November 2007
Universal Biosensors	\$0.71	\$1.23	June 2007

Portfolio Changes – 3 October 2013

IN:
No changes.

OUT:
No changes.

Selected Clinical Trial Developments - Q3 2013

Company	Code	Product/Therapeutic	Event
Allied Healthcare	AHZ	HSV Vaccine	First two of five cohorts dosed in Phase I trial; 20 healthy volunteers; no adverse events reported
Antisense Therapeutics	ANP	ATL1103 (acromegaly)	Announced dosing of 6 pts in 24 subject study; no serious adverse events reported
Avita Medical	AVH	ReCell (spray-on-skin) (chronic leg ulcers)	Commenced enrolment in 65 pt randomised trial (the RESTORE study)
Avita Medical	AVH	ReCell (spray-on-skin) (vitiligo)	Completed enrolment in 10 pt randomised, observer-blinded, w ithi-in patient controlled study. Compares ReCell and laser w ith laser alone.
Calzada	CZD	Novosorb BTM (dermal scaffold)	Treated tenth of 10 pts; treatment of free flap donor sites; final results expected October 2013
GI Dynamics	GID	EndoBarrier (Type 2 diabetes and/or obesity)	Announced that 17 sites (of 25) are actively enrolling in the ENDO; 500 pt trial
Invion	IVX	INV103 (ala-CPN10)(lupus)	Commenced Phase II trial; 32 pts
Invion	IVX	IVX102 (nadalol)	Commenced Phase II trial; up to 136 pts w ith chronic bronchitis enrolled in a validated smoking cessation program
Osprey Medical	OSP	AVERT System	Received approval to commence IDE trial to study marketing claim expansion to include 'reduction of Contrast Induced Nephropathy' for pts undergoing stenting or angiogram procedures; trial start expected 2013 Q4
Prana Biotech	PBT	PBT2 (Huntington disease)	Completed treatment phase in Phase IIa trial; 100 pts; release of results delayed until early 2014
Prana Biotech	PBT	PBT2 (Alzheimer's disease)	17 of 41 pts in Phase II imaging tria have completed full 12 months of treatment
Prana Biotech	PBT	PBT2 (Alzheimer's disease)	Opened IMAGINE extension trial in July - 8 of 12 pts have joined the trial; another 5 w ill also continue
Bone Medical	PGL	PI-88 (liver cancer)	Partner Medigen expects to complete enrollment in 500 pt Phase III trial by the end of the year
Prima Biomed	PRR	Cvax (ovarian cancer)	Completed Phase II trial (CAN-003) in epithelial ovarian cancer patients in complete remission after first or second line; 63 patients; no observable difference between treatment and control arm; CAN-004 trial suspended
Viralytics	VLA	CAVATAK (oncolytic immunotherapy) (melanoma)	Met primary endpoint w hile still recruiting; 10 or 30 evaluable pts reached 6 mo irPFS target; 44 pts now enrolled

The Australian Listed Life Sciences Sector

September 30, 2013 : Capitalisation \$52.3 billion, 93 companies

Bioshares Large Cap. Index

Company	Code	Cap. \$m	Principal Activities	Change - Quarter	Change - Year	Price 30/09/13
CSL	CSL	31,290	Manufactures pharmaceutical products including vaccines and human plasma fractions	4%	39%	\$64.00
Resmed Inc.	RMD	8,024	Manufactures diagnostic and treatment equipment for sleeping disordered breathing	13%	47%	\$5.65
Cochlear	COH	3,442	Manufactures cochlear hearing implants	-2%	-10%	\$60.48
Sigma Pharmaceuticals	SIP	655	Pharmaceutical manufacturing and wholesaling	-26%	-9%	\$0.58

Capitalisation Total 43,412

Bioshares Index

Company	Code	Cap. \$m	Principal Activities	Change - Quarter	Change - Year	Price 30/09/13
Mesoblast	MSB	1,809	Developing therapies based on mesenchymal pre-cursor stem cells, with applications in cartilage regrowth and heart and bone repair.	8%	-15%	\$5.700
Sirtex Medical	SRX	764	The company's core technology uses radioactive particles to irradiate tumours in the liver. Approved for use in most major regions.	14%	43%	\$13.610
Acruz	ACR	550	Developer of the transdermal drug products Axiron, Evamist/Ellavie and Recuvyra	-6%	3%	\$3.300
Blackmores	BKL	475	Manufactures vitamin, mineral and herbal supplements and skin & hair products in Australia and N.Z.	4%	-10%	\$27.970
Mayne Pharma Group	MYX	363	Manufactures, develops and markets generic drugs. Has operations in Australia and the USA.	50%	74%	\$0.645
Unilife Corporation	UNS	339	Developer of retractable syringes	0%	20%	\$0.570
Bionomics	BNO	338	Developing drugs to treat cancer and CNS diseases, and has also developed a gene diagnostic for epilepsy.	141%	119%	\$0.820
GI Dynamics	GID	328	Commercialising the Endobarrier, an implantable polymer liner for the management of obesity and diabetes	38%	15%	\$0.820
Starpharma Holdings	SPL	292	Developer of pharmaceutical applications of chemical scaffolds known as 'dendrimers'	26%	-31%	\$1.030
Nanosonics	NAN	216	Developing a novel disinfection technology, the first product is a point of care ultrasound probe disinfection unit	36%	67%	\$0.820
API	API	210	Pharmaceutical wholesaler	8%	12%	\$0.430
Reva Medical	RVA	199	Developing a bioresorbable coronary stent	7%	-12%	\$0.600

Bioshares Index

Company	Code	Cap. \$m	Principal Activities	Change - Quarter	Change - Year	Price 30/09/13
Alchemia	ACL	198	Biopharmaceutical company with a revenue generating product, generic fondaparinux. Lead product HA-Irinotecan in a pivotal Phase III trial for colorectal cancer.	91%	17%	\$0.610
Isonea	ISN	194	Respiratory and pulmonary devices company. Recently launched Airsona, an ehealth product.	107%	1046%	\$0.745
Prana Biotechnology	PBT	181	Developing drugs to treat CNS diseases such as Alzheimer's and Parkinson's	82%	98%	\$0.445
Universal Biosensors	UBI	127	Development, manufacture and commercialisation of a range of in vitro diagnostic tests for point-of-care use	8%	-16%	\$0.725
Neuren Pharmaceuticals	NEU	119	Developing neuroprotective therapeutics	40%	252%	\$0.095
pSiVida	PVA	116	Developing drug delivery technologies, with a special focus on ophthalmic applications	8%	170%	\$4.320
QRxPharma	QRX	113	Developing a 'dual opioid' drug (MoxDuo) to treat moderate to severe pain.	-26%	15%	\$0.780
Allied Health Group	AHZ	93	Diversified medical products group. Investor in Coridon, a vaccine technology company.	82%	287%	\$0.089
Clovercorp	CLV	86	Development and production of omega-3 food additives from tuna oil.	-10%	-3%	\$0.520
Phosphagenics	POH	86	Commercialising a platform technology (alpha-tocopherol) that improves the delivery of pharmaceutical and other products across the skin.	-35%	-33%	\$0.084
Vita Life Sciences	VSC	84	Development, manufacture and distribution of prescription and OTC medicines as well as complementary and alternative medicines, dietary supplements and health foods	47%	249%	\$1.485
Medical Developments	MVP	75	Commercialising the Pentrox inhaler for temporary pain relief. Used widely in ambulances across Australia.	4%	6%	\$1.320
Osprey Medical	OSP	73	Developing the CINCOR and AVERT systems to limit the incidence of contrast induced nephropathy.	47%	118%	\$0.720
SDI	SDI	72	Manufacture & distribution of amalgam (fillings) & other dental materials and product R&D.	19%	157%	\$0.605
Tissue Therapies	TIS	65	Developing the VitroGro product for ulcer and wound healing	165%	-23%	\$0.305
Clinuvel Pharmaceuticals	CUV	61	Developing an analogue of the alpha-MSH protein, named Scenese, as a photo-protective agent	-12%	1%	\$1.590
Somnomed	SOM	51	Markets oral devices for the treatment of sleep apnea and snoring.	29%	43%	\$1.170
Regeneus	RGS	49	Commercialisation of autologous adipose derived stem cells and factors. Markets HiQCell for human use and CryoShot for veterinary use.	6%	0%	\$0.265

Bioshares Index

Company	Code	Cap. \$m	Principal Activities	Change - Quarter	Change - Year	Price 30/09/13
Prima Biomed	PRR	48	Developing the CVac immunotherapy.	-43%	-80%	\$0.039
Anteo Diagnostics	ADO	47	Developer of a biological coatings technology that can be applied to immunoassays, bio-separations, drug delivery and other medical devices	2%	3%	\$0.061
Avita Medical	AVH	44	Markets ReCell, a skin repair product	-8%	-11%	\$0.135
Genetic Technologies	GTG	41	Provides DNA paternity testing services and holds broad patents relating to the use of non-coding DNA.	-17%	-28%	\$0.079
Bioniche	BNC	40	Developing a bladder cancer treatment and food safety vaccine; sale of veterinary products	27%	-5%	\$0.380
Pharmaxis	PXS	40	Markets the lung function test, Aridol. Bronchitol is approved in Europe for the management of cystic fibrosis.	-7%	-89%	\$0.130
Oncosil Medical	OSL	39	Developing Oncosil, a brachytherapy for pancreatic cancer.	202%	400%	\$0.130
Cogstate	CGS	37	Marketing cognitive performance diagnostic products	31%	24%	\$0.470
Brain Resource Corp	BRC	34	Development and commercialisation of functional brain analysis techniques	22%	32%	\$0.330
Calzada	CZD	33	Holds a 100 % stake in PolyNovo, a polymer chemistry company.	16%	76%	\$0.081
Viralytics	VLA	33	Developing a cancer treatment based on the application of viruses (oncolytic virus technology)	53%	42%	\$0.375
Impedimed	IPD	33	Markets products that aid the diagnosis of secondary lymphoedema, muscle wasting and other disorders	100%	6%	\$0.180
Benitec Biopharma	BLT	31	R&D company focusing on gene silencing, specifically DNA delivered RNAi technology	6%	-8%	\$0.370
Living Cell Technologies	LCT	31	Developing cell therapies for diabetes, haemophilia and Huntington's disease	110%	69%	\$0.086
Cryosite	CTE	30	Provides specialised storage services, especially for umbilical cord blood	51%	124%	\$0.650
Ellex Medical Lasers	ELX	30	Develops, manufactures and markets solid state ophthalmic lasers used to treat secondary cataracts and retinal disorders.	55%	82%	\$0.310
Invion	IVX	30	Evaluating Xtoll biologic for lupus and developing an approved heart drug, Nadalol, for COPD and asthma.	103%	14%	\$0.065
Asian American Medical Group	AJJ	29	Manages liver treatment centres in Asia . Recently changed name from Asian Centre for Liver Diseases and Transplantation	12%	56%	\$0.140

Bioshares Index

Company	Code	Cap. \$m	Principal Activities	Change - Quarter	Change - Year	Price 30/09/13
Atcor Medical	ACG	29	Markets the SphygmoCor device, a noninvasive technology that provides information regarding the functioning of the cardiovascular system	171%	217%	\$0.190
Scigen	SIE	28	Developer and manufacturer of biopharmaceuticals. Company is based in Singapore and was spun out of Sonic Healthcare in 2002.	150%	11%	\$0.050
ITL	ITD	25	Develops and distributes medical devices such as safety equipment to prevent needle stick injuries and sterile preparation kits.	7%	50%	\$0.300
Novogen	NRT	24	Acquired Triaxial Pharmaceuticals in 2012. Now developing 'super' benzopyrans for the treatment of cancer.	-15%	152%	\$0.165
IDT Australia	IDT	23	Manufacturer of pharmaceutical ingredients to international standards for major pharmaceutical groups.	80%	60%	\$0.360
Antisense Therapeutics	ANP	20	Developing antisense compounds to treat multiple sclerosis and acromegaly	40%	-26%	\$0.014
OBJ	OBJ	20	Developing transdermal drug delivery technologies	60%	14%	\$0.016
SUDA	SUD	19	Developing the anti-malarial product ArTiMist. Recently changed name from Eastland Medical Systems	8%	-23%	\$0.027
Cellmid	CDY	18	Developing therapies that target the midkine protein. Recently launched a range of hair loss products.	13%	80%	\$0.027
Probiotec	PBP	17	Manufacturer, marketer and distributor of a range of over the counter (OTC) pharmaceuticals, complementary medicines and speciality ingredients	18%	-4%	\$0.330
Bluechiip	BCT	16	Development, manufacture and commercialisation of a tracking system for biological samples	-12%	-42%	\$0.145
PharmAust	PAA	15	Will leverage its Epichem drug discovery business with its recently acquired Pitney Pharmaceuticals to develop Super Generics	38%	10%	\$0.011
Patrys	PAB	15	Developing human antibody therapies for the treatment of lung, pancreatic, gastric and colon cancers	32%	-24%	\$0.029
Rhinomed	CGP	14	Formerly Conseгна. Developing nasal technologies with applications for sport performance, sleep and drug delivery.	62%	-35%	\$0.042
Circadian Technologies	CIR	14	Developing drugs, including antibodies, around the VEGF C and VEGF D targets	19%	-22%	\$0.280
USCOM	UCM	14	Marketing a non-invasive heart output function monitor. Recently acquired Pulsecor, which has developed a non-invasive central blood pressure product.	6%	9%	\$0.180
Compumedics	CMP	14	Develops, manufactures and markets sleep diagnostic and monitoring equipment.	47%	16%	\$0.081
Ecoquest	ECQ	13	Has acquired a 100% interest in Cynata, a stem cell company. To be renamed Cynata Therapeutics	-5%	0%	\$0.021

Bioshares Index

Company	Code	Cap. \$m	Principal Activities	Change - Quarter	Change - Year	Price 30/09/13
Progen Pharmaceuticals	PGL	13	A developer of cancer therapeutics, including PI-88 and PG545	7%	-8%	\$0.240
Avexa	AVX	13	Developing an HIV drug, apricitabine. Has invested in a US coal company.	7%	-25%	\$0.015
Biotron	BIT	13	Developing compounds to treat HCV and HIV.	4%	-6%	\$0.085
Cyclopharm	CYC	12	A nuclear medicine company that markets the Technegas lung imaging system	14%	-2%	\$0.200
Medical Australia	MLA	11	Manufacture and supply of medical devices and equipment	31%	96%	\$0.235
Optiscan Imaging	OIL	10	Manufactures confocal microscopes for clinical diagnosis	-11%	-31%	\$0.062
Analytica	ALT	10	A medical devices company that has developed a retractable syringe	-10%	-14%	\$0.018
Genera Biosystems	GBI	9	Develops, manufactures and distributes advanced molecular diagnostic tests, with a particular focus on women's health.	5%	-27%	\$0.110
NuSep Holdings	NSP	8	Manufacture and sale of protein separations technologies	0%	-12%	\$0.050
Phylogica	PYC	8	Developing peptide compound libraries for use in human therapeutics.	6%	-40%	\$0.018
LBT Innovations	LBT	8	Developed the MicroStreak technology for the automation of microbiology laboratory processing. Now developing an Automated Optical Plate Sorting system.	-20%	52%	\$0.076
Resonance Health	RHT	5	Marketing the FerriScan technology, a non-invasive tool for measuring liver iron levels	40%	56%	\$0.014
Biodiem	BDM	5	Focused on the development of LAIV influenza vaccines	6%	-44%	\$0.035
Immuron	IMC	4	Sales and development of hyper-immune bovine colostrum products for therapeutic use	0%	-76%	\$0.004
Holista Colltech	HCT	4	Extracts collagen from sheepskins and markets natural healthcare products.	15%	23%	\$0.069
Imugene	IMU	3	A buccal drug delivery technology company	125%	-47%	\$0.009
Advanced Surgical Design & Manufacture	AMT	2	A developer and manufacturer of prosthetic implants and medical devices	-48%	-59%	\$0.055
Medigard	MGZ	2	Developed retractable syringe technology and other safety medical products.	-17%	127%	\$0.025

Bioshares Index

Company	Code	Cap. \$m	Principal Activities	Change - Quarter	Change - Year	Price 30/09/13
Agenix	AGX	2	Developing a compound to treat Hepatitis B, AGX1009. Also seeking a partner in China to develop Thromboview, an imaging agent.	-17%	-75%	\$0.019
Bone Medical	BNE	1	Developing treatments for bone and joint degenerative diseases such as arthritis and osteoporosis.	0%	-67%	\$0.001
Bioxyne	BXN	0.9	Terminated proposed acquisition of Vitality Devices during the June Quarter	50%	-80%	\$0.006
Actinogen	ACW	0.6	Lab closed. Board changed. Undergoing recapitalisation.	-65%	-79%	\$0.007

Capitalisation Total 8,854

Listed Biotech Investment Funds or Companies

Company	Code	Cap. \$m	Principal Activities	Change - Quarter	Change - Year	Price 28/06/13
Biotech Capital	BTC	2	The entity is engaged in the orderly sale of assets.	10%	-45%	\$0.022

Capitalisation Total 2

Capitalisation Total - All Indices 52,267

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 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

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