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Companies covered: 1AD, AVR, CGS, DXB

	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)	-2.4%
Cumulative Gain	1576%
Av. Annual gain (21 yrs)	19.0%

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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 –

Adalta Returns to IV Formulation for AD-214

Last year novel antibody company Adalta (1AD: $0.044) announced that it would be moving to develop an inhaled formulation of its lead drug candidate, AD-214. This followed preclinical studies that showed high accumulation of the compound in the liver, although no liver toxicity was observed in patients in the Phase I study.

However, it has decided to return to an intravenous delivered version of the compound, which was re-engineered in 2018 (from AD-114) to provide a longer half-life for less frequent administration.

There were three key reasons the company has decided to move back to developing the intravenous formulation of AD-214.

Over the last 18 months Adalta has developed an inhaled version of AD-214, however this could not be successfully tested in a mouse model of lung disease. In this time, data was published on the potential efficacy of AD-214 in kidney disease, for which an inhaled therapy would not be suitable. And the duration of receptor occupancy has been found to be longer than earlier expected, with a three day (71 hours) elimination half-life in the blood stream.

With the now longer than expected binding of the target, an intravenous version could be delivered to patients every one to two weeks. (Studies have shown that 90% target inhibition is sustained at the dose of 10mg/kg one week after injection.)

Adalta expects to move into a Phase II study in the first half of 2024 with the IV version. This will be either in lung fibrosis (IPF), kidney fibrosis or eye fibrosis, with more preclinical data expected in the latter two which may direct the clinical program. The end point in lung fibrosis is a slowing of lung function decline, however according to CEO Tim Oldham, the rate of decline across patients is not linear (and therefore harder to measure the benefit). Measuring the effect on renal function is more predictable and consistent believes Oldham.

The Phase II study will likely recruit between 40 - 60 patients. Manufacture of product is scheduled to be completed by the end of 2023. The commercialisation of the inhaled version of AD-214 will be available for potential partners to in-license.

Adalta is capitalised at $14 million with just $9 million in cash at the end of September including the R&D tax rebate received this quarter.

Bioshares recommendation: **Speculative Buy 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 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