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BIOSHARES
Australia's Independent Biotech Investment Resource, est.1999

6 June 2023
Edition 939

	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)	-17.6%
Cumulative Gain	1284%
Av. Annual gain (22 yrs)	18.1%

Companies covered: CYP, EBR, PXS, Cashflow Summary, Survival Index Summary

2023 Top Six Picks: -7.2%

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Extract from Bioshares –

Mixed Results from Pharmaxis' Scar Treatment Study

Pharmaxis (PXS: $0.048) recently wrapped up its PXS-6302 Solaria 2 Trial, showing "encouraging" results. The double-blind placebo-controlled study followed 42 adult patients with an established scar (>1 year old) for three months. Patients were treated with PXS-6302 with the collagen content of scarred skin assessed using biopsy. Patient and Observer Scar Assessment Scale (POSAS) measurements were also taken for both experimental and control groups before and after the course of treatment.

Scarring occurs when fibroblasts in the skin are activated by a variety of factors, including trauma from injury or surgery, causing them to secrete collagen and the enzyme Lysyl Oxidase (LOX). The LOX enzyme causes cross-linking of collagen, leading to increased matrix stiffness of skin. This acts in a positive feedback loop to stimulate the production of more collagen and LOX, which leads to visible scarring. PXS-6302 acts as a LOX inhibitor, stopping the cross-linking of collagen and halting the positive feedback loop.

As a phase 1c study, the primary endpoints were safety and tolerability. The drug was well tolerated, with no serious adverse events recorded. The drug was determined to have a good safety profile, with the only incidents of note being two patients withdrawing from the study due to the development of a reversible rash.

The trial's "exploratory endpoint" was to complete "physical and visual skin and scar assessments". PXS-6302 was confirmed as an effective LOX inhibitor, showing a mean inhibitory activity of 66% when compared to the baseline and placebo as measured by skin biopsy. With a $p<0.001$, the study confirms the role of LOX in the cross-linking of fibres associated with adverse scarring.

In what Professor Fiona Wood of the University of Western Australia hails as "an unprecedented change to the scar composition that we have not seen with any other form of treatment", patients treated with PXS-6302 showed a mean reduction in hydroxyproline, a "surrogate for collagen content", of 30% ($p<0.01$). Professor Wood estimates that "up to 50% of the excess collagen in these patients' scars has been removed."

Whilst there was no change in the appearance of the scars, the longstanding nature of the scars - average age of 13 years - and the short treatment period (three months) were limiting factors. Professor Wood claims that "the length of this Phase 1c safety study was not sufficient to change the appearance of an established scar", likening the treatment to "ongoing processes" such as laser therapy.

Continued over

Pharmaxis CEO Gary Phillips said that not observing a physical improvement in the scars was disappointing but not surprising given the age of the scars. The company will potentially explore longer treatment, treatment of more recent scars, and scar prevention after surgery.

The next major milestone for Pharmaxis are results from its open label, Phase IIa study in myelofibrosis, with a 'significant data update' due mid-year. Pharmaxis is capitalised at $35 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, Pharmaxis, Dimerix, Patrys, Antisense Therapeutics, Imugene, Chimeric Therapeutics, Neuren Pharmaceuticals, Aroa Biosurgery, Radiopharm Theranostics, Imricor Medical Systems, Anteris Technologies, Bio-Gene Technology, EBR Systems, Immuron