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Companies covered: IMM, PXS, RAP, ZLD

| | 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 - Current) | 73.3% |
| Cumulative Gain | 1253% |
| Av. Annual gain (19 yrs) | 19.1% |

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

Extract from Bioshares –

ResApp Receives Additional Approval for Smartphone Diagnostic

Last week, ResApp Health (RAP: \$0.225) received a follow-on approval for its smartphone respiratory disease diagnostic aid from the Australian Therapeutic Goods Administration (TGA).

The approval for the ResAppDx-EU version 2 is an extension of an approval received a year ago, which now clears the way for the smartphone app to be used as an aid in the diagnosis of lower respiratory tract disease, pneumonia, asthma exacerbation and chronic obstructive pulmonary disease (CPOD) exacerbation in adults.

ResApp received a CE Mark (European clearance) for ResAppDx-EU for use with children in August 2019 followed by a clearance for use with adults (version2) in September 2019.

The TGA approved ResAppDx-EU for use with children in October 2019.

The company submitted a *de novo* application to the US FDA for its smartphone respiratory disease diagnostic aid for use with children in April 2019. There are currently no questions outstanding according to Brian Leedman, the company's VP Corporate Affairs.

Next Major Milestone

Clearance by the FDA for a pediatric application of ResApp's diagnostic test aid, likely in the next few months, will remove a key commercial risk for the product and confirm the technology's acceptability to the leading medical device regulator.

Coviu Integration

The TGA extension approval has an immediate implication for the company's agreement with Australian telehealth company Coviu, a CSIRO spinout.

The two companies agreed to integrate ResApp's diagnostic test aid in November 2019. With TGA approvals in place, and particularly the approval for use with adults, Coviu now formally offers a service that has a natural fit on its platform. Coviu is also working

Cont'd over

Registration to Open in March
2020 Bioshares Biotech Summit
10 - 11 July 2020
Queenstown, NZ
The Heritage Hotel

on adding speech pathology to its telehealth offerings. The core of Coviui's business is the provision of video conferencing software to GPs, mental health specialists and allied health professionals.

The tie-up with Coviui should be as beneficial to Resapp as it is to Coviui because it increases the incentives to healthcare practitioners to adopt Coviui's telehealth offering.

\$5 Million Capital Injection

Resapp recently completed a \$5 million capital raising, with the goal of using the funds to support the commercialisation of its smartphone respiratory diagnostic technology in Europe. The company closed the December quarter, 2019, with cash at hand of \$3.9 million.

Coronavirus Epidemic - A Comment

The current coronavirus epidemic is bringing acute respiratory disease into sharp focus, placing fresh and pressing demands on health care systems around the world for medical equipment and therapeutics. With no drugs available to directly address 2019-nCoV infection, the task is focused on diagnosis, management and prevention.

Resapp's smartphone respiratory diagnostic is a type of medical product that is very scalable and which can be deployed rapidly for remote use. It's potential as a management tool for large numbers of physically constrained individuals which require triaging for treatment and care might in the future be considered very closely by public health agencies around the world.

Resapp Health is capitalised at \$164 million.

Bioshares recommendation: **Speculative Hold 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 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, Bionomics, LBT Innovations, Opthea, ResApp Health, Pharmaxis, Dimerix, Adalta, Actinogen Medical, Patrys, Cyclopharm, Emvision, Antisense Therapeutics, Heramed, Imugene, Exopharm, Immutep, Neuroscientific Biopharmaceuticals

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