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	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 - Current)	88.5%
Cumulative Gain	1953%
Av. Annual gain (20 yrs)	20.8%

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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 –

## ResApp Health to Raise \$5.5 Million

Digital health company ResApp Health (RAP: \$0.064) has received commitments to raise \$5.5 million at \$0.058 a share. The capital raising is being led by one of its major shareholders, Fidelity International. Fidelity is investing an additional \$1.5 million in ResApp to give it a 10% stake in the company. A number of new funds are participating in the raise.

The capital raise will allow the company to move through key milestone in coming months, that being the completion of a three month pilot program with Swiss insurer Medgate. Medgate is seeking to reduce healthcare costs by encouraging greater participation in telemedicine consultations by Swiss doctors.

The pilot program has been underway for one month with ResApp's respiratory diagnosis aid loaded on the Medgate system. Being a pilot study it is being used by a select number of GPs. ResApp CEO Tony Keating said that the company has been receiving good feedback from these clinicians. The types of KPIs being measured include patient satisfaction, whether the tool has been able to help doctors make a better remote diagnosis, whether the doctors trust the diagnosis from mobile phone app, and whether additional patients have been able to be effectively treated remotely by using the app. Keating said there is a lot of data sharing between the two groups.

Last month ResApp announced that it had signed its second deal with AstraZeneca in Japan. The latest deal is for use of the ResApp technology for measuring cough frequency in asthma patients being treated with AstraZeneca asthma medicines. The challenge with counting cough frequency comes from being able to effectively reduce background noise to yield more accurate data. Resolution of background noise issues during its US studies has built ResApp's expertise in measuring cough sounds in noisy environments. .

Last year ResApp signed a deal with AstraZeneca in Japan for use of its technology in a lung cancer trial. Keating said that nine of the top 10 pharmaceutical companies are involved in respiratory medicines with good potential for increasing revenue from this new (non-core) technology application.

Last month ResApp also announced that it was commencing a US study to develop an algorithm to help diagnose COVID-19, also through a smartphone app from cough signatures. It has partnered with US group Phosphorus to help recruit patients into its study. Phosphorus has developed and sells an at-home DNA-based test for the coronavirus. Phosphorus conducts thousands of coronavirus tests a day and Keating is confident that the company can recruit the target 1,500 patients within two months from starting the trial.

ResApp will be capitalised at \$50 million following completion of the current capital raise.

*Bioshares* recommendation: **Speculative Buy Class B**

**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**

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