

	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)	-15.4%
Year 24 (CY2024)	20.6%
Cumulative Gain	1613%
Av. Annual gain (23 yrs)	16.6%

Companies covered: **ACR, CGS, CUV, CYC, ILA, IMC**

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BIOSHARES

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Extract from Bioshares –

Immuron Sales Up 171% with Phase II Trial Readouts Approaching

Immuron (IMC: \$0.105) has increased sales revenue by 171% over FY2024 to \$4.9 million, primarily from its Travelan product. Travelan is used to prevent travellers' diarrhea and has been well established for many years.

The company has more than doubled its sales and marketing budget, from \$0.9 million to \$2.0 million. That investment is likely to continue to grow this year.

The majority of the company's revenue is generated in Australia (77%) with the balance coming from the US. An interruption in supply in the previous year as well as an interruption in demand due to the pandemic were the reasons for revenue plummeting.

Sales re-started in August last year (after a three month break) once the supply chain was reinstalled. However the resurgent sales path appears to be continuing, exceeding pre-pandemic sales levels (sales in 2019 were \$2.4 million).

Immuron sells its products through pharmacies in Australia, and predominantly online into the US, with Amazon making up around half of the US sales. The company also uses other now traditional marketing channels such as Google, YouTube, Instagram and Facebook as well as selling through Walmart.

As its sales build, the main driver of the stock will remain its clinical programs which utilise the same production technology as with Travelan. Travelan is produced by extracting the polyclonal antibodies against bacterial targets (strands of E.coli in the case of Travelan) from hyperimmune bovine colostrum. Most of the company's clinical programs are funded by the US Department of Defense, which has strong interest in the somewhat unique and proprietary Immuron technology.

C.difficile Clinical Program

Next year the company anticipates starting a clinical study with a therapeutic for the treatment of C.difficile infection. A pre-IND application has been filed with the FDA and preclinical safety testing has been completed. The clinical program will commence once the IND has been submitted and approved, although funding for this study will also be required.

The study is expected to cost around \$5 million over two to three years. The therapeutic antibodies, also sourced from immunised cows, target not just clostridium difficile toxin B, but also the spores and vegetative cells that lead to recurrence of the infection.

Large Field Study with Travelan – Results in Q1 2025

In Australia Immuron is allowed medical claims for Travelan, specifically that it "Reduces the risk of Travellers' Diarrhea" by 90%. If the US however there are very few claims the

Continued over

company can make about the product which is one of the reasons clinical studies are being conducted in the US or outside of the US but funded by the US Department of Defense.

A large field study involving the US and UK defence forces are assessing Travelan given twice daily with meals. Soldiers are being given the equivalent of six doses of the standard Travelan tablets over the day which are recommended to be taken with meals.

The trial has recruited almost 700 participants with recruitment expected to be completed this year and results in early 2025.

The aim is to progress Travelan for FDA approval, giving it specific claims for the prevention of travellers' diarrhea.

Prevention of Effects from Campylobacter Infection – Results Due

A Phase II study is being conducted with a preventative treatment for Campylobacter infection. The aim is to reduce the effects from infection, specifically diarrhea and fever. The trial is being conducted (and funded) by the US Naval Medical Research Command at John Hopkins University.

The trial has dosed 27 volunteers with either the Immuron drug candidate, CampETEC, or placebo. The volunteers will receive the drug candidate or placebo three times a day, for two days before infection and five days after.

Results from the trial are due shortly.

Continued Interest in Immuron Technology from the US DoD

Last month the US Naval Medical Research Command awarded Immuron funding to explore adding protection against other bacterial strains not included in the current Travelan formulation. Specifically it includes developing protection against Campylobacter, Shigella and other strains of E.coli. The NMRC is providing US\$2.3 million of funding.

Summary

For value investors, Immuron is worth consideration. The company had a good cash balance of \$11.7 million at the end of June, a commercial product in Travelan that is currently generating close to \$5 million in sales. That can be expected to double in the next three years on the current growth rate.

It also has two clinical programs underway with a third expected to start next year, with funding for many of its programs from the US DoD.

Immuron is capitalised at \$24 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

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