

Immunovia

Preparing to tackle big markets

Business update

Immunovia continues to leverage the IMMray technology to additional opportunities with prospective trials in the group of early pancreatic cancer symptoms (PANSYM-1) due to start in the next few weeks. In diabetes patients (PANDIA-1) trials should start after the readout of a retrospective study in this population expected in Q118. Immunovia is preparing for the launch of a PanCan-d test for the early detection of pancreatic cancer in high-risk patients in 2018. Our valuation is SEK156/share.

Year end	Revenue (SEKm)	PBT* (SEKm)	EPS* (SEK)	DPS (SEK)	P/E (x)	Yield (%)
12/15	17.0	(7.38)	(0.65)	0.0	N/A	N/A
12/16	24.5	(14.72)	(0.98)	0.0	N/A	N/A
12/17e	27.8	(17.55)	(1.04)	0.0	N/A	N/A
12/18e	43.6	(30.80)	(1.83)	0.0	N/A	N/A

Note: *Normalised, excluding amortisation of acquired intangibles and exceptionals.

Early symptoms PANSYM-1 study due to start

Immunovia's academic collaborator, the University College London (UCL) has started collecting samples from patients with early vague symptoms which is the initial part of the prospective PANSYM-1 study that will begin in the coming weeks. Immunovia's research suggests patients with early symptoms undergo up to 18 visits and a six- to nine-month delay until pancreatic cancer is diagnosed. Hence, identifying patients with pancreatic cancer and initial vague symptoms could lead to improved diagnosis and earlier treatment. Immunovia believes the potential opportunity could be over 1m tests in the US/EU.

Preparing to address the large diabetes opportunity

Immunovia is conducting a retrospective study to compare samples from diabetes patients that developed pancreatic cancer with those who did not using the biobank of Lund University Diabetes Centre (LUDC). The results of this study, due in Q118, will support the start of the prospective PANDIA-1 study in patients over 50 years old with new onset diabetes. We believe this could be a SEK34bn opportunity per year. The collaboration with a consortium led by the NCI to validate biomarkers for early diagnosis in this population continues despite the announced [budget cuts](#).

PanCan-d to market in 2018; new collaboration for AI

Immunovia plans to start out-of-pocket sales next year in the US and the EU once it receives the ISO 13485 and ISO 17025 certifications, obtains the CE mark and scales up production, expected later in 2018. The PANFAM-1 study for reimbursement remains on track for an interim readout after an undisclosed number of events with final results expected in 2019. We estimate US and EU sales could represent a [SEK2bn opportunity](#). On the autoimmune (AI) front, after the [results](#) presented in H117, the company started collaborating with Linköping University to discover biomarkers to explore IMMray's potential in AI diseases.

Valuation: rNPV of SEK156 per share

Our updated valuation is SEK156/share (previously SEK157), as a result of including end-Q317 net cash of SEK215.3m. We make no changes to our assumptions (penetration of 35% in patients at high risk of pancreatic cancer and 5% in newly diagnosed diabetic patients; total peak sales of c SEK2.1bn).

Healthcare equipment & services

7 December 2017

Price **SEK90.00**

Market cap **SEK1.5bn**

US\$0.12/SEK

Net cash (SEKm) at end Q317 215.3

Shares in issue 17.3m

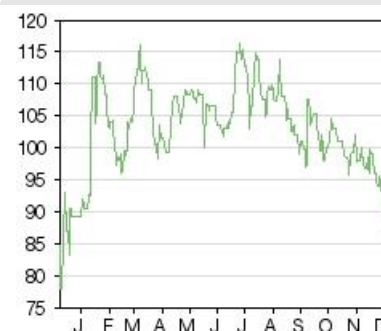
Free float 66.5%

Code IMMUNOV

Primary exchange NASDAQ FN Stockholm

Secondary exchange N/A

Share price performance



% 1m 3m 12m

Abs (10.0) (7.2) 10.1

Rel (local) (5.7) (10.2) 0.6

52-week high/low SEK116.2 SEK78.0

Business description

Immunovia is a Swedish diagnostics company specialised in diagnostics for oncology and autoimmune diseases. Its main product is IMMray PanCan-d, an antibody microarray based on its proprietary IMMray platform. A prospective trial in patients at high risk of pancreatic cancer is ongoing. The company expects to generate initial out-of-pocket sales in 2018.

Next events

Data from retrospective trial in diabetes patients Q118

First revenues 2018

Complete prospective trial, registration 2019

Analysts

Juan Pedro Serrate +44 (0)20 3681 2534

Jonas Peculis +44 (0)20 3077 5728

healthcare@edisongroup.com

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Exhibit 1: Financial summary

	SEK '000s	2015	2016	2017e	2018e
Year end 31 December		GAAP	GAAP	GAAP	GAAP
PROFIT & LOSS					
Revenue		17,007	24,503	27,803	43,609
Cost of Sales		0	0	0	(6,611)
Gross Profit		17,007	24,503	27,803	36,999
Operating expenses		(17,377)	(24,115)	(23,333)	(43,333)
Personnel		(6,749)	(14,815)	(22,223)	(24,005)
EBITDA		(7,136)	(14,429)	(17,753)	(30,340)
Operating Profit (before amort. and except.)		(7,424)	(14,978)	(18,202)	(31,332)
Intangible Amortisation		0	0	0	0
Exceptionals/Other		0	0	0	0
Operating Profit		(7,424)	(14,978)	(18,202)	(31,332)
Net Interest		40	255	648	529
Exceptionals/Other		0	0	0	0
Profit Before Tax (norm)		(7,384)	(14,723)	(17,554)	(30,803)
Profit Before Tax (IFRS)		(7,384)	(14,723)	(17,554)	(30,803)
Tax		0	0	0	0
Discontinued operations		0	0	0	0
Profit After Tax (norm)		(7,384)	(14,723)	(17,554)	(30,803)
Profit After Tax (IFRS)		(7,384)	(14,723)	(17,554)	(30,803)
Average Number of Shares Outstanding (m)		11.42	14.99	16.80	16.80
EPS - normalised (ore)		(65)	(98)	(104)	(183)
EPS - normalised (ore)		(65)	(98)	(104)	(183)
Dividend per share (ore)		0.00	0.00	0.00	0.00
Gross Margin (%)		N/A	N/A	N/A	N/A
EBITDA Margin (%)		N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)		N/A	N/A	N/A	N/A
BALANCE SHEET					
Fixed Assets		14,556	22,485	49,639	82,811
Intangible Assets		13,885	19,483	46,637	79,809
Tangible Assets		671	3,002	3,002	3,002
Other		0	0	0	0
Current Assets		76,959	260,925	214,939	147,446
Stocks		0	0	1,050	1,322
Debtors		814	1,830	1,830	1,889
Cash		75,767	259,095	211,763	143,939
Other		378	0	296	296
Current Liabilities		(7,713)	(6,778)	(5,500)	(1,983)
Creditors		(1,252)	0	0	(1,983)
Short term borrowings		0	0	0	0
Deferred revenues		0	0	0	0
Other short term liabilities		(6,461)	(6,778)	(5,500)	0
Long Term Liabilities		0	0	0	0
Long term borrowings		0	0	0	0
Deferred revenues		0	0	0	0
Other long term liabilities		0	0	0	0
Net Assets		83,802	276,632	259,078	228,274
CASH FLOW					
Operating Cash Flow		-2,844	(11,868)	(19,729)	(33,658)
Net Interest		0	0	0	0
Tax		0	0	0	0
Capex		-8,636	(30,809)	(27,603)	(34,166)
Acquisitions/disposals		0	0	0	0
Financing		55,441	207,233	0	0
Dividends		0	0	0	0
Other		0	18,772	0	0
Net Cash Flow		43,961	183,328	(47,332)	(67,824)
Opening net debt/(cash)		(31,804)	(75,767)	(259,095)	(211,763)
HP finance leases initiated		0	0	0	0
Exchange rate movements		0	0	0	0
Other		1	0	0	0
Closing net debt/(cash)		(75,767)	(259,095)	(211,763)	(143,939)

Source: Edison Investment Research, Immunovia accounts

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