EDISON

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The Edison healthcare team

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Lala Gregorek

Lala joined Edison's healthcare team in January 2010 from Canaccord Adams, where the focus of her coverage as a life sciences analyst was on UK and European biotech stocks. Before graduating with an M.Phil in bioscience enterprise from Cambridge University, she worked in risk management as a credit analyst covering European financial institutions and hedge funds at Dresdner Kleinwort and Lehman Brothers. Lala also holds a BA (Hons) in biological sciences from Oxford University.

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Mick joined Edison's healthcare team in January 2010, after working for three years at Blue Oar Securities as the pharmaceuticals & biotechnology equity analyst, where he covered a wide range of healthcare companies. He holds a doctorate from Cambridge University and completed an MBA at INSEAD business school in France after working as a parliamentary researcher. Mick is also a CFA charterholder.

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Christian joined Edison's healthcare team in January 2012 and has 11 years' experience covering the global biotech/pharmaceutical sector as an analyst and a journalist. He came to Edison having held senior analyst and editorial roles at EvaluatePharma and EP Vantage. Christian also has prior experience as a marketing analyst at Zeneca Agrochemicals.

Franc Gregori

Franc is a pharmacist who started his career with Boots, Eli Lilly and Pfizer before moving into the City as an analyst. He has worked with Robert Fleming, BZW and BNP Paribas, where he was involved in a number of major transactions. He joined Edison's healthcare team from Charles Stanley, where he focused his coverage on small- and mid-cap life sciences stocks. Franc gained his pharmaceutical qualifications from the Welsh School of Pharmacy and King's College London.

Dr Philippa Gardner

Philippa joined Edison's healthcare team in January 2013, having previously worked as a biotechnology analyst on award-winning teams both at Jefferies and at Lehman Brothers. She has eight years' experience as a sell-side analyst covering European biotechnology, life science and mid-cap pharma stocks and has worked on a number of IPOs. Philippa holds a doctorate in biochemical engineering from UCL, with her research sponsored by GE Healthcare in Sweden.

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Emma has a strong background in broking, having worked for five years as an equity sales assistant at Société Générale on the European sales desk. After this she worked for Thomson Financial where she helped to ensure the integrity of financial data across all instruments. Emma is a qualified linguist with an MA in technical and specialised translation in Spanish and French. In addition, Emma recently earned the Investment Management Certificate, CFA level 4.

Dr John Savin

John is an analyst working on biotech, pharma, medical device and diagnostics companies. As founder CEO of Physiomics plc, he devised the strategy, raised funds and took the company to AIM in 2004. At Greig Middleton, John was director in charge of the pharma and biotech analyst team and worked with corporate finance on fund-raising, IPOs and corporate restructuring. He has an industry background in sales and marketing with GE Healthcare and AstraZeneca and is a co-author on a number of scientific publications.

Pooya Hemami

Pooya is a licensed optometrist with over five years of experience in life sciences equity research. Prior to joining Edison, he covered the Canadian healthcare sector as a research analyst at Desjardins Capital Markets. He holds a doctor of optometry degree from the University of Montreal, and an MBA (finance concentration) from McGill University. He received his CFA charter in 2011.

Dr Wang Chong

Wang is a physician with over 21 years of experience in the healthcare industry. He is also experienced in M&A transactions and has helped negotiate multi-million-pound out-licensing deals with Unilever and Schering-Plough. His previous roles include CFO of Phytopharm, life sciences analyst at Canaccord Capital (Europe), CEO of Osmetech, leader of UK healthcare initiatives at management consultants Arthur D. Little, and commercial roles at Glaxo Wellcome and SmithKline Beecham.

Dr Jason Zhang

Jason joined Edison's healthcare team in October 2012, after working as a biotech analyst at many investment banking firms, most recently Burrill & Company, and previously BMO Capital Markets, Prudential Equity Group and Stephens.

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A boost for allergy immunotherapy

Investor interest in allergy immunotherapy (AIT) has been revived by the announcement of Circassia's intended £200m IPO on the London Stock Exchange coupled with positive FDA Advisory Committee (AdCom) recommendations for the approval of three respiratory allergy immunotherapy tablets. These AdCom discussions also have important repercussions for the wider therapeutic modality. The expert panel confirmed significant US market potential for novel AITs and provided insight into FDA requirements for trial design and approval of respiratory AIT products, facilitating the path to approval for other companies looking to enter the US market, including Circassia.

Changing the US AIT landscape

The anticipated approval and launches of the first FDA-approved sublingual immunotherapy (SLIT) tablets – Grastek and Ragwitek from ALK-Abello/Merck & Co, and Stallergenes' Oralair – have the potential to expand and change the dynamics of the US AIT market. Once approved tablet products are available, market dynamics are likely to shift; extracts may no longer be considered the most appropriate therapeutic option by payers. These, and in future other, novel therapies could significantly grow the AIT market by overcoming the burdensome treatment schedules of existing allergen extract-based options, increasing treatment penetration rates and capturing potential patients who refuse or drop out of long-term subcutaneous immunotherapy (SCIT).

New FDA efficacy criteria

The need to unequivocally demonstrate robust clinical efficacy with clear data separation between treatment and placebo groups underpins revised FDA requirements for respiratory AIT trials. The FDA has determined that meaningful efficacy is shown if two criteria are met: achievement of a statistically significant point estimate of -15% change in the Total Combined Symptom and Medication Score (negative change represents an improvement) primary endpoint coupled with a 95% confidence interval upper limit of at least -10%. Any new respiratory AIT seeking FDA approval will need to meet these two efficacy hurdles.

Looking to the future…

The FDA approval decisions for Grastek, Oralair (both grass pollen allergy) and Ragwitek (ragweed pollen allergy) are expected in H114. Data presentations at the recent American Academy of Allergy, Asthma and Immunology (AAAAI) meeting in San Diego (28 February-4 March) should also focus more attention on AIT and emerging technologies. The latter included data from Circassia as well as new preclinical data on DBV Technologies' EPIT (epicutaneous immunotherapy) patch-based programmes for peanut and milk allergies.

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Prices as at 21 February 2014

A boost for allergy immunotherapy

A positive recommendation for both ALK-Abello/Merck & Co's Grastek and Stallergenes' Oralair at their respective FDA Advisory Committee meetings last December has stimulated a resurgence of interest in allergy immunotherapy (AIT). The anticipated approval and launch of these two sublingual immunotherapy (SLIT) tablets for grass pollen allergy later this year is significant on a number of fronts.

Firstly, it has the potential to fundamentally change the dynamics of the US AIT market, which is currently 90% subcutaneous immunotherapy (SCIT) but with no FDA-approved products. Secondly, the regulatory process has provided insight into FDA requirements for trial design and approval of AIT products for respiratory allergy, facilitating the path to approval for other companies looking to enter the US market. Of these, we highlight Allergy Therapeutics, currently seeking a US partner for its Phase III-ready grass pollen AIT, Pollinex Quattro Grass, and Circassia, which has announced its intention to raise c £200m through listing on the London Stock Exchange and has a suite of products in development, the most advanced being Cat-SPIRE in Phase III for cat allergy.

Data presentations at the recent American Academy of Allergy, Asthma and Immunology (AAAAI) meeting in San Diego (28 February-4 March should also focus more attention on AIT and emerging technologies. The latter includes clinical data from Circassia on cat allergy symptoms and its Phase II house dust mite programme as well as new preclinical data on DBV Technologies' EPIT (epicutaneous immunotherapy) patch-based programmes for peanut and milk allergies. Food allergy is an area of significant unmet need; DBV, a pioneer in patch-based AIT, is targeting potentially fatal peanut allergy with its lead programme Viaskin Peanut.

An overview of allergy and AIT is provided in Exhibit 1.

Exhibit 1: All about allergy

What is allergy?	Allergy results when the immune system, designed to fight and protect against disease, mistakenly recognises a harmless substance (an allergen) as a threat, triggering an immune response. On exposure to an allergen, an allergic patient's immune system will overreact to attack the allergen. This immune response leads to the allergic reaction, which can range from sneezing and itchy eyes (eg from hay fever), through to life-threatening anaphylaxis often associated with certain food allergies (eg peanut).
What are the most common allergies?	The most common allergies include food, skin and respiratory allergies. Respiratory allergies typically result from exposure to airborne allergens such as pollen (from grasses or trees, 'hay fever'), moulds, house dust mites (or rather their faeces) and pets (from dander and saliva on pet hair). 90% of food allergies are caused by eight allergens; milk, egg and peanut are the most prevalent allergies in children.
How is allergy treated?	Respiratory allergy sufferers can treat the symptoms with antihistamines, nasal sprays and corticosteroids. Food allergy sufferers have no pharmaceutical treatment options; instead, patients must avoid the allergen and are advised to carry an adrenaline pen (EpiPen) in case of accidental exposure to serious allergens (ie in the case of peanut allergy sufferers).
What is allergy immunotherapy?	Allergy immunotherapy (AIT, allergy shots, or allergy vaccination) can be used to treat severe cases of allergy and aims to treat the underlying condition by desensitising the immune system via repeated exposure to small, controlled concentrations of the allergen. AIT is available as injections (SCIT, subcutaneous immunotherapy), drops under the tongue (SLIT, sublingual immunotherapy) and as tablets.
What are the benefits of allergy immunotherapy?	AIT is a specific and targeted approach with disease modifying potential. It reduces symptoms and use of symptomatic medication, induces immunological tolerance and has a long-lasting effect that persists after the end of the treatment course. It may also prevent development of asthma and onset of new allergies.
What are the limitations to allergy immunotherapy?	Allergy immunotherapy has been around for nearly 100 years, although there remain a number of significant limitations including the type of allergy that can be treated (it is not generally available to food allergy sufferers), compliance (typical AIT requires a long time commitment, three years is not unusual) and safety (potential for anaphylaxis). Traditional AIT, including SCIT and SLIT, repeatedly introduces a potentially dangerous allergen directly into the blood stream, which could induce a life-threatening systemic reaction such as anaphylaxis. Hence, despite the general acceptance of immunotherapy to treat allergy, the risks have precluded its use in food allergy, especially in life-threatening allergies such as peanut.
What is the allergic march?	The allergic march is the progression from childhood allergy to asthma later in life. There is speculation that curing childhood allergy could prevent the allergic march.

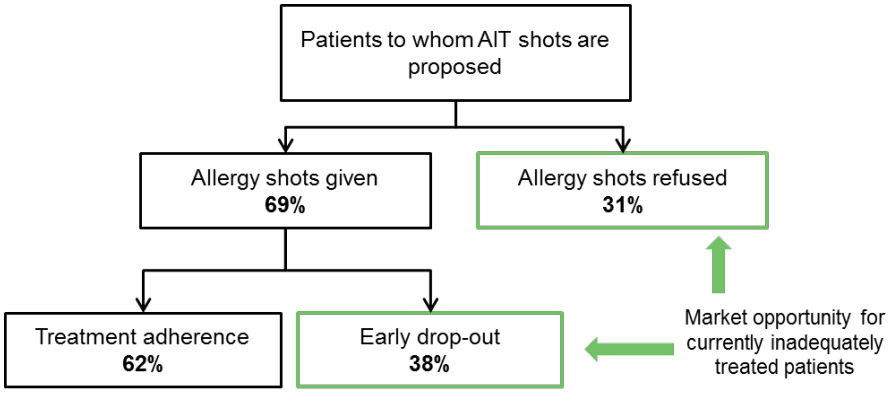
Source: Edison Investment Research

Regulatory changes trigger a shift in AIT market dynamics

The main AIT markets, Europe and the US, share common drivers (increased allergy awareness, high prevalence – c 25% of patients in US and Europe are affected by allergies – and an increasing focus on disease-modifying/preventative therapies); however, their dynamics are influenced by the differing regulatory environments.

- **Europe:** EU directive 2001/83/EC prompted rationalisation of the European market, which currently accounts for c 80% of the global AIT market. This directive requires that all new allergy products are fully-registered standardised pharmaceutical products with proven clinical efficacy; consequently, former 'named patient' products have either had to meet these new regulatory standards or have been phased out. The EMA CHMP has subsequently issued two formal guidelines pertaining to the clinical development and production of AIT products.[1]
- **US:** The US market is mainly injectable AIT based on 'home brew' allergen extracts that are not commercially available but produced *ad hoc* by allergists. The significant drawbacks with this extract approach include compliance and safety issues. The introduction of FDA-approved products could grow the US AIT market significantly by increasing the treatment penetration rate, capturing potential patients who refuse or drop out of long-term extract-based SCIT. Exhibit 2 illustrates this potential for the grass pollen market: c 30m people suffer from allergic rhinitis caused by grass pollen, although less than 10% of these are currently treated with SCIT.

Exhibit 2: US market opportunity for currently untreated patients allergic to grass pollen



Source: Adapted from Stallergenes corporate presentation, January 2014

European AIT companies looking to the US

Overall, the AIT market is competitive but fragmented. In Europe, the main players are ALK-Abello, Stallergenes and Allergy Therapeutics, while Greer is the leading company in the US. There are also various smaller established businesses commercially focused on particular geographies (including Allergopharma, Hal and Leti) as well as emerging companies developing products based on novel and differentiated proprietary technologies (eg Circassia, DBV Technologies, Anergis and Biomay). The main AIT classes, companies and programmes are outlined in Exhibit 3.

ALK-Abello, Stallergenes and Allergy Therapeutics are looking to enter the US market, initially with their standardised grass pollen AITs, which are all currently commercially available in Europe, followed by other development pipeline products targeting additional respiratory allergies. Since 2007, ALK-Abello has had a strategic alliance with Merck & Co (formerly Schering Plough) to develop and commercialise SLIT-tablets (grass, ragweed and house dust mite) in the US, Canada and Mexico. The deal includes $100m in upfront and clinical/regulatory milestones, with aggregate

[1] Guideline on the clinical development of products for specific immunotherapy for the treatment of allergic diseases (CHMP/EWP/18504/2006) and Guideline on allergen products: production and quality issues (CHMP/BWP/304831/2007).

sales milestones of $190m, plus undisclosed sales royalties and product supply revenues. In October 2013, Stallergenes signed an exclusive US commercialisation agreement for Oralair with Greer, which has a successful and established US allergen extract business. The headline value of the Stallergenes/Greer deal was $120m in regulatory/commercial milestones, plus undisclosed royalties and a transfer price. Allergy Therapeutics is still to secure a US partner.

Exhibit 3: Classes of allergy immunotherapies

Class	Main companies	Technology	Leading products
Subcutaneous immunotherapy (SCIT)	ALK-Abello	Standardised allergen extract suspension for injection	AlutardSQ (EU: approved for asthma prevention)
	Allergy Therapeutics	MATA-MPL: Modified Allergen Tyrosine Absorbate with Monophosphoryl Lipid A adjuvant, which enables ultra-short treatment course of four injections over three weeks pre-allergy season	Pollinex Quattro Grass (EU/Canada: registration; US: Phase III ready); Pollinex Quattro Ragweed (Phase III); Pollinex Quattro Tree (Phase II)
	Stallergenes	Allergen extract suspension for injection	Alustal and Phostal (available in EU)
Sublingual immunotherapy (SLIT)	ALK-Abello	SLIT-tablets: standardised allergen extract	Grazax (EU: approved)/Grastek (Canada: approved; US: registration); Ragwitek (US: registration); HDM-SLIT tablet (Phase III); Japanese cedar SLIT-tablet (Phase II ready)
		SLIT-drops: allergen extract sublingual solution	SLITone (available in EU)
	Stallergenes	SLIT- tablets: standardised allergen extract	Oralair (EU/Canada: approved; US: registration); HDM tablet (Phase III); Birch tablet (Phase II)
		SLIT-drops: allergen extract sublingual solution	Staloral (available in EU)
Synthetic peptide immuno-regulatory epitopes (SPIRE)	Circassia	ToleroMune T-cell technology coupled with MicronJet micro-needle delivery: identifies and generates unique combinations of synthetic peptides, which mimic T cell epitopes present in naturally-occurring allergens	Cat-SPIRE (Phase III); HDM-SPIRE (Phase II); Grass-SPIRE (Phase II); Ragweed-SPIRE (Phase II)
Epicutaneous immunotherapy (EPIT)	DBV Technologies	Viaskin patch: non-invasive delivery of minute quantities of allergen in dry powder form, bound to a metal-coated (titanium) film via electrostatic forces	Viaskin Peanut (Phase IIb); Viaskin Cow's Milk (Phase II)

Source: Edison Investment Research

FDA AdComs provide insight into regulatory requirements

The US FDA recently held a series of Advisory Committee meetings (AdComs) focused on novel oral AIT products for respiratory allergies. Both the FDA and the expert panel were generally enthused by the availability of novel treatment options. The Allergenic Products Advisory Committee (APAC) discussions about Grastek and Oralair in December, followed by Ragwitek (ALK-Abello/Merck & Co) for Ragweed allergy in January provided a clear outline of FDA requirements for respiratory allergy immunotherapies, and the first real insights into both the regulatory FDA view of novel AIT products in addition to prescribing physician opinion from the expert panel.

Direct impact on SLIT-tablets under FDA review

During these meetings a panel of experts reviewed and discussed the clinical data for Oralair, Grastek and Ragwitek. All three received positive panel recommendations for approval having demonstrated both efficacy and safety.

The main safety concerns highlighted were similar across all three products, namely whether an adrenaline auto-injector (EpiPen) would be available as a matter of course owing to concerns regarding severe allergic reactions such as anaphylaxis, and the potential for gastrointestinal (GI) disorders related to accidental ingestion of a tablet, rather than allowing full dissolution under the tongue. In addition, the panels were keen to see additional post-marketing data in specific subgroups: ie children, pregnant women, the elderly, other ethnic groups (including Hispanics and African Americans), asthmatics, and patients suffering other allergies. Severe asthmatics were highlighted as an important group in which further safety data should be collected given concerns regarding potential serious hypersensitivity reactions in patients with asthma triggered by allergen exposure.

The formal FDA approval decisions for all three AITs are expected in H114, and while the FDA is not obliged to follow the panel recommendation, it often does so.

Exhibit 4 summarises the outcomes of the APAC meetings.

Exhibit 4: APAC meeting summaries for FDA-filed allergy immunotherapies

Oralair (Stallergenes)	
Panel date	11 December 2013
Efficacy	9:1 in favour. The single vote against was due to reviewer uncertainty whether the question related to all patients over five years old or patients in the five to 65 age range. Potential skew in post-treatment efficacy owing to the more symptomatic placebo patients dropping out, noting that Oralair-treated patients maintained their symptom scores out to two years.
Safety	5:4 in favour with one abstention. Vote split due to concerns that an auto-injector adrenaline pen should be available. Question changed and split into two age categories: (1) five to nine years old: 5:5 vote (opposition due to the more limited dataset in this age group, not any specific safety concern) (2) 10 to 65 years old: 10:0 in favour. Concerns regarding safety, particularly for severe allergic reactions and in certain populations.
Proposed indication	Treatment of confirmed grass pollen-induced allergic rhinitis or conjunctivitis due to five grass species (Cocksfoot, *Dactylis glomerata*; Sweet vernal grass, *Anthoxanthum odoratum*; Rye grass, *Lolium perenne*; Meadow grass, *Poa pratensis*; and Timothy, *Phleum pratense*) in persons five years of age or older.
Potential additional post-marketing data	More data from pregnant patients, children, asthmatics and polysensitive patients, among others
Approval expected	Q114
Grastek (ALK-Abello/Merck & Co)	
Panel date	12 December 2013
Efficacy	9:0 in favour for patients five to 65 years old. Disease-modifying claim supported by long-term data for year-round treatment over three years.
Safety	7:1 in favour with one abstention. When question changed to reflect availability of an auto-injector adrenaline pen, the vote was unanimous (9:0). Concerns regarding severe reactions and subgroups. Rapid dissolution time (<10 sec), should avoid accidental swallowing, potentially causing GI issues.
Proposed indication	Seasonal treatment and sustained and disease-modifying treatment of diagnosed Timothy grass (*Phleum pratense*) and cross-reactive grass pollen induced allergic rhinitis, with or without conjunctivitis in persons over five years of age.
Potential additional post-marketing data	More data from pregnant patients, children and asthmatics, and data on various ethnic groups (including Hispanics and African Americans).
Approval expected	H114
Ragwitek (ALK-Abello/Merck & Co)	
Panel date	28 January 2014
Efficacy	6:2 in favour with one abstention. When question changed to cover 18-50 age range vote was 8:0 in favour, reflecting the limited data in over 50s. Efficacy not studied in patients over 50 years old, thus risk/benefit assessment for older patients based on extrapolation rather than clinical data. The 50-65 age group was included in the safety database.
Safety	8: 0 in favour with one abstention. Question assumed availability of an auto-injector adrenaline pen. Concerns regarding GI issues, severe reactions and food allergies.
Proposed indication	Immunotherapy of diagnosed ragweed (*Ambrosia artemisiifolia*) pollen induced allergic rhinitis, with or without conjunctivitis in patients 18 to 65 years of age.
Potential additional post-marketing data	Data on children (five to 18 years old), elderly, other ethnic groups (including Hispanics and African Americans), asthmatics, and those with food allergies or GI issues. Also longer-term studies (supporting potential disease modifying claim).
Approval expected	H114

Source: Edison Investment Research

Respiratory AIT trial design: Two criteria required to show efficacy

Clinical trial design and what constituted a 'meaningful clinical response' for respiratory AIT was an important discussion topic during the AdComs and is the key focus for AIT companies looking to enter the US market. Historically, pivotal Phase III programmes for AITs included a double-blind placebo-controlled field trial in multiple study sites, coupled with the use of direct allergen challenge (exposure chamber) studies. The primary endpoint was based on the peak season Total Combined Symptom and Medication Score (TCS), which combines both the daily symptom and daily medication scores to capture the impact of the use of rescue/symptomatic medication. This remains central to FDA requirements; however, the interpretation of efficacy data and the hurdles needed to be cleared for approval have been refined.

The FDA definition of a **clinically meaningful response** is confirmed as the demonstration of:

- **a statistically significant point estimate of -15% change in TCS and;**
- **a 95% confidence interval (CI) upper limit of -10% or more.**

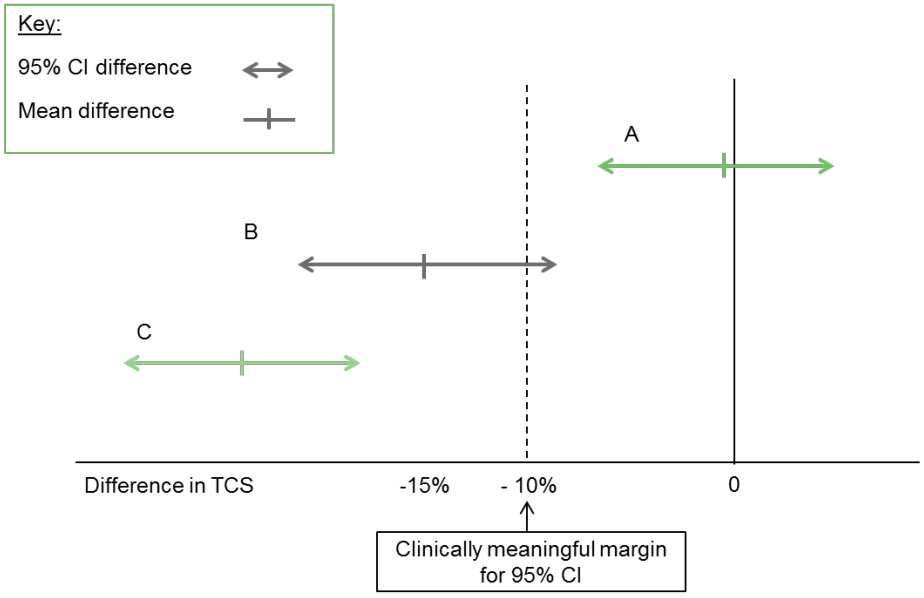
By convention, most clinical trials look at differences in the TCS between the treatment and placebo arms (ie $TCS_{treatment} - TCS_{placebo}$), rather than actual symptom scores; this means an improvement

will generate a decrease in combined scores (negative difference). The first criterion is broadly consistent with prior requirements and would typically be applied to the peak season (the period with peak pollen/allergen counts) as a primary endpoint, although assessment of the entire season average should be included as a secondary endpoint. Calculation of confidence intervals was not previously incorporated into the pre-specific success criteria for AIT, although inclusion of this data was encouraged. The upper bound of the CI represents a minimum improvement of 10%, which demonstrates clear data separation between the treatment and placebo groups, and thus a robust and meaningful clinical effect.

Exhibit 5 is a schematic representation illustrating what type of data would and would not meet the FDA requirements. The three datasets in this exhibit would be categorised as follows:

- **A: no difference in efficacy.** Mean difference is close to zero and the 95% CI straddles zero.
- **B: does not meet FDA efficacy hurdles.** The mean difference is clinically meaningful but the second efficacy criterion is not met (upper limit of the 95% CI crosses the pre-specified delta threshold of -10%).
- **C: clinically meaningful efficacy**. Mean difference and upper limit of 95% CI are both more negative than the specified deltas, meeting both efficacy criteria.

Exhibit 5: Differences of mean scores ($TCS_{treatment}$ – $TCS_{placebo}$) over the grass pollen season



Source: Adapted from FDA Allergenic Products Advisory Committee materials; Edison Investment Research

The panel emphasised the need to consider the totality of evidence for efficacy and highlighted a number of important issues, including the subjectivity of symptom scores, the high variability of allergy severity and existence of polyallergic individuals. Data evaluated over the course of the three APAC meetings indicated that for an approval recommendation the primary endpoint needed to meet both efficacy criteria. However, meeting the upper bound of the 95% CI was not necessary for subpopulations (often due to limited data) or secondary endpoints, although it would strengthen the efficacy case.

Another important consideration highlighted for pollen allergies was the need to record pollen count and identify the start of the pollen seasons. Studies of potentially effective AITs may fail in low pollen count seasons as little treatment effect may be discerned if less symptom development is seen in the placebo group. Field trials are typically of two years' duration, which may somewhat limit the potential for this, but conversely could result in longer development timelines if consecutive pollen seasons are poor. This factor is obviously not so relevant for non-seasonal respiratory

allergies such as cat and house dust mite, and also for food allergies where the allergens are more persistent in the environment.

Broader context for new allergy immunotherapy products in the US

The APAC panel comments suggested that there is a substantial group of patients who do not receive conventional allergy shots (extract injections), either owing to the cumbersome treatment schedule (monthly visits to the physician office) or because they simply do not want injections. These patients could therefore benefit from novel therapies, including tablets, and one panel member suggested that the tablet products could go "viral". This is in a market where well-established existing treatment is available, with around three million patients per year treated with allergy shots vs an overall allergy market of 20-30 million.

Once approved AIT products are available, US market dynamics are likely to shift. However, the evolving market dynamics are also likely to be influenced by the interplay between existing treatment practices vs the potential benefits conferred by new therapeutic options. The former include the preferred allergen formulation for AIT (allergists prefer SCIT, allergy shots, while otolaryngologists largely use SLIT formulations, allergy drops) and differences in treatment practices (for example, in the US, allergen extracts can be customised to the patient to treat all his/her allergies while in Europe it is more typical to treat only the dominant allergy or allergies). Patient convenience, compliance, safety and the payer angle may be among the strengths of the latter.

Exhibit 6: Allergy immunotherapy news flow for 2014

Company	Timing	Event
Various	28 February-4 March	American Academy of Allergy, Asthma and Immunology (AAAAI) meeting – San Diego
	7-11 June	European Academy of Allergy and Clinical Immunology (EAACI) – Copenhagen
	6-10 November	American College of Allergy, Asthma and Immunology (ACAAI) – Atlanta
ALK-Abello	8 May	Q114 results
	13 August	H114 results
	14 November	Q314 results
	H114	Grastek: FDA approval decision
		Ragwitek: FDA approval decision
	2014	House dust mite SLIT-tablet: EMA filing for allergic asthma and rhinitis
		Grastek: potential Health Canada approval and launch
		House dust mite SLIT-tablet: Merck & Co to initiate US Phase III programme
		Japanese cedar SLIT-tablet: initiation of Phase II/III trial
Allergy Therapeutics	24 March	H114 interim results
	September	FY14 results
	2014	Pollinex Quattro: potential update on US partnering
Circassia	March	IPO: Expected admission to trading on London Stock Exchange
		Imperial Innovations (holders of current 19.7% equity stake in Circassia): H114 results
DBV Technologies	17 March	FY13 results
	Q214	Investor Day – New York
	15 April	Q114 results
	28 July	H114 results
	14 October	Q314 results
	H214	Viaskin Peanut: Top line results of Phase IIb VIPES trial
		Viaskin Peanut: 36-mth data from Phase II Arachild trial
		Viaskin Milk: initiation of Phase II programme
Stallergenes	6 March	FY13 results
	Q114	Oralair: FDA approval decision
	24 April	Q114 sales
	24 July	H114 results
	23 October	Q314 sales
	2014	Oralair: launches in US, Argentina, Hungary, Greece and Turkey subject to regulatory approvals

Source: Company data; Edison Investment Research

Upcoming newsflow

Exhibit 7: Expected near-term newsflow catalysts for pharma/biotech

March		
Advanced Medical Solutions	6 Mar	FY13 results
Alexza Pharmaceuticals	6 Mar	FY13 results
Stallergenes	6 Mar	FY13 results
Viralytics	6 Mar	EGM: shareholder vote on proposed A$27.1m fund raise
Paion	12 Mar	FY13 results
Athersys	13 Mar	FY13 results
DBV Technologies	17 Mar	FY13 results
ThromboGenics	17 Mar	FY13 results
Bavarian Nordic	19 Mar	FY13 results
Consort Medical	19 Mar	IMS
Ixico	20 Mar	AGM
Allergy Therapeutics	24 Mar	H114 results
Epistem	25 Mar	H114 results
Evotec	25 Mar	FY13 results
4SC	26 Mar	FY13 results
Alliance Pharma	26 Mar	FY13 results
Epigenomics	26 Mar	Epi proColon – FDA advisory committee review of premarket approval (PMA) application
Transgene	26 Mar	FY13 results
Vectura	26 Mar	Investor Day
Medigene	27 Mar	FY13 results
SkyePharma	27 Mar	FY13 results
Epigenomics	28 Mar	FY13 annual report
Futura Medical	28 Mar	FY13 results
aap Implantate	31 Mar	FY13 results
GLG Life Tech	31 Mar	FY13 results
Alexza Pharmaceuticals	Mar	Adasuve – Teva (US partner) to launch product in US
Imperial Innovations	Mar	Expected admission of Circassia to the London Stock Exchange
Imperial Innovations	Mar	H114 results
Innate Pharma	Mar	AGM
NovaBay Pharmaceuticals	Mar	FY13 results
Stem Cell Therapeutics	Mar	FY13 results
Wilex	Mar	FY13 results
Hybrigenics	Mar	FY13 results
April		
Carmat	2 Apr	AGM
Biotie	3 Apr	AGM
Evolva	8 Apr	FY13 results
Orexo	10-13 Apr	Zubsolv – potential data presentations at ASAM
Nanobiotix	12 Apr	FY13 results
Wilex	14 Apr	Q114 results
BioAlliance	15 Apr	Q114 results
DBV Technologies	15 Apr	Q114 sales
Orexo	15 Apr	AGM
Actelion	17 Apr	Q114 results
Transgene	22 Apr	Q114 IMS
AstraZeneca	24 Apr	Q114 results
Bavarian Nordic	24 Apr	AGM
Bioinvent	24 Apr	Q114 results
Novartis	24 Apr	Q114 results
Stallergenes	24 Apr	Q114 sales
Orexo	25 Apr	Q114 results
Erytech	29 Apr	FY13 results
MorphoSys	29 Apr	Q114 results
Oxford BioMedica	29 Apr	FY13 results
Cytos	30 Apr	Q114 results
GlaxoSmithKline	30 Apr	Q114 results
Lombard Medical	Apr	FY13 results
Smith & Nephew	10 Apr	AGM
Surgical Innovations	Apr	FY13 results
Verisante	Apr	FY13 results
Vernalis	Apr	FY13 results

Source: Edison Investment Research

Exhibit 8: Expected near-term newsflow catalysts for pharma/biotech (cont'd)

May		
Shire	1 May	Q114 results
Genmab	7 May	Q114 results
Paion	7 May	Q114 results
4SC	8 May	Q114 results
ALK Abello	8 May	Q114 results
Karolinska Development	8 May	Q114 results
Topotarget	8 May	Q114 results
Biotie	9 May	Q114 results
Bavarian Nordic	14 May	Q114 results
Bionor Pharma	14 May	Q114 results and AGM
Evotec	14 May	Q114 results
aap Implantate AG	15 May	Q114 results
Erytech	15 May	Q114 sales
Medigene	15 May	Q114 results
Nanobiotix	15 May	Q114 sales
BTG	20 May	FY14 results (year-end March 2014)
Paion	21 May	AGM
Vectura	21 May	FY14 results
ThromboGenics	22 May	Q114 business update
Wilex	23 May	AGM
Trimel Pharmaceuticals	28 May	CompleoTRT – PDUFA date in male testosterone deficiency
Alliance Pharma	May	AGM
Epigenomics	May	Q114 results
e-Therapeutics	May	FY14 results
Futura Medical	May	AGM
GW Pharmaceuticals	May	Sativex – Almirall Q114 results
Lombard Medical	May	AGM
Medigene	May	Q114 results
Mologen	May	Q114 results
Oxford BioMedica	May	IMS and AGM
SkyePharma	May	AGM
Smith & Nephew	May	Q114 results
Tigenix	May	Q114 results
Vernalis	May	IMS
June		
Orexo	7 Jun	Zubsolv – PDUFA date for BioDelivery Sciences' Bunavail film
Evotec	17 Jun	AGM
Consort Medical	Jun	FY14 results (year-end April 2014)
GW Pharmaceuticals	Jun	Q214 results
NovaBay Pharmaceuticals	Jun	Auriclosene: Phase IIb results in viral conjunctivitis
Transgene	Jun	AGM
Vernalis	Jun	AGM
Unspecified		
Athersys		MultiStem: Phase II results in ulcerative colitis
Bavarian Nordic		Prostvac – completion of enrollment in PROSPECT Phase III prostate cancer trial
Biotie		BTT-1023 – potential conclusion of non-dilutive co-funding discussions
BTG		Lemtrada – potential NICE guidance (public consultation end January)
BTG		Varithena – US launch
GW Pharmaceuticals		Sativex – FDA grant of SPA for US Phase III MS trial
GW Pharmaceuticals		THC:CBD – Phase Ib safety cohort data in refractory glioma
GW Pharmaceuticals		GWP42003 – headline Phase IIa results in ulcerative colitis
GW Pharmaceuticals		GWP42003 – start of Phase IIa study in schizophrenia
GW Pharmaceuticals		GWP42004 – start of Phase IIb dose ranging trial in Type 2 diabetes
GW Pharmaceuticals		GWP42006 – headline results from Phase I epilepsy study
Mesoblast		JR-031 (adult mesenchymal precursor cells) – Japan filing for steroid refractory GvH
Orexo		Zubsolv – improvement in reimbursement status expected
Orexo		Zubsolv – Phase III data from induction therapy trial
Paion	H114	Remimazolam – data from Phase II European general anaesthesia study
Sunesis		Vosaroxin – Phase III data in relapsed/refractory AML
Vernalis		Cough/cold programme – potential proof of concept for next two programmes (CCP-04 and CCP-05)
Viralytics		Cavatak – initiation of Phase II randomised trial in melanoma

Source: Edison Investment Research

Exhibit 9: Expected near-term newsflow catalysts for pharma/biotech (cont'd)

Conferences	
3-5 Mar	Cowen & Co. Health Care Conference – Boston
4-5 Mar	Credit Suisse Healthcare One-on-One Conference – London
10-12 Mar	BIO Europe Spring – Turin
10-13 Mar	BioPharma Asia Convention 2014 – Singapore
11-13 Mar	Barclays Capital Healthcare Conference – Miami
13 Mar	The Economist Pharma Summit 2014 – London
20-21 Mar	The Economist Healthcare in Asia – Thailand
27 Mar	BioCapital Europe 2014 – Amsterdam
28 Mar	BioCentury Future Leaders in the Biotech Industry – New York
29-31 Mar	American College of Cardiology – Washington
5-9 April	American Association for Cancer Research (AACR) – San Diego
8-9 April	BIO Asia International Conference – Tokyo
9-13 April	European Association for the Study of the Liver (EASL) – London
10-13 April	American Society of Addiction Medicine (ASAM) – Chicago
26 April-3 May	American Academy of Neurology (AAN) – Philadelphia
29-30 April	Needham Health Conference – New York
30 April-3 May	American Pain Society – Tampa
3-6 May	Digestive Disease Week (DDW) – Chicago
3-7 May	American Psychiatric Association (APA) – New York
4-8 May	Association for Research in Vision and Ophthalmology (ARVO) – Orlando
7-8 May	Deutsche Bank Annual Healthcare Conference – Boston
7-10 May	Heart Rhythm – San Francisco
12-14 May	BioTrinity – London
13-15 May	Bank of America Merrill Lynch Healthcare Conference – Las Vegas
15 May	FT US Healthcare and Life Sciences Conference – New York
16-21 May	American Thoracic Society (ATS) – San Diego
16-21 May	American Urology Association Meeting (AUA) – Orlando
20-22 May	World Stem Cells and Regenerative Medicines Congress – London
21-22 May	BioEquityEurope – Amsterdam
28-31 May	European Congress on Obesity (ECO) – Sofia
30 May-3 June	American Society of Clinical Oncology (ASCO) – Chicago
2-5 June	Jefferies Global Healthcare Conference – New York
7-11 June	European Academy of Allergy and Clinical Immunology (EAACI) – Copenhagen
10-12 June	Goldman Sachs Annual Global Healthcare Conference – Rancho Palos Verdes
11-14 June	European Congress of Rheumatology (EULAR) – Paris
13-17 June	American Diabetes Association (ADA) – San Francisco
23-26 June	BIO International Convention – San Diego

Source: Edison Investment Research

Company coverage

Company	Note	Date published
4SC	Update; Update	14/11/2013; 14/02/2014
aap Implantate AG	Update; Update	27/11/2013; 03/03/2014
Aastrom BioSciences	Update; Update	02/04/2013; 23/05/2013
Ablynx	Update; Update	10/10/2012; 12/03/2013
Addex Therapeutics	Update; Update	05/03/2013; 19/04/2013
Alexza Pharmaceuticals	Outlook; Update	27/08/2013; 02/12/2013
Allergy Therapeutics	Update; Update	29/10/2013; 26/02/2014
Animalcare Group	Update; Outlook	03/04/2013; 03/10/2013
ArQule	Update; Update	08/10/2013; 22/01/2014
Arrowhead Research	Update; Update	02/10/2013; 18/10/2013
Athersys	Update; Update	02/12/2013; 21/01/2014
Bavarian Nordic	Outlook; Update	05/12/2013; 26/02/2014
Bellus Health	Update; Update	08/11/2013; 17/01/2014
BioAlliance Pharma	Update; Update	25/09/2013; 08/01/2014
BioInvent	Update; Update	14/03/2013; 26/02/2014
BioLineRx	Outlook; Update	09/12/2013; 06/02/2014
Bionomics	Update; Update	27/06/2013; 07/08/2013
Bionor Pharma	Outlook; Update	03/10/2013; 07/02/2014
Biotie Therapies Corp	Update; Update	07/06/2013; 14/10/2013
BTG	Update; Outlook	24/07/2013; 13/12/2013
Can-Fite BioPharma	Update; Update	13/11/2013; 22/01/2014
Cardio3 BioSciences	Outlook	08/01/2014
Circadian Technologies	Update; Update	13/05/2013; 05/09/2013
Clinigen	Outlook	07/01/2014
Consort Medical	Update; Update	18/12/2013; 03/02/2014
Cytori Therapeutics	Outlook	04/02/2014
Cytos Biotechnology	Update; Outlook	18/10/2013; 13/01/2014
CytRx Corporation	Update; Update	17/12/2013; 23/01/2014
DBV Technologies	Outlook	02/12/2013
Deltex Medical	Update; Update	15/11/2013; 18/02/2014
Derma Sciences	Outlook; Update	19/09/2013; 13/01/2014
Diaxonhit	Update; Update	17/10/2013; 04/03/2014
e-Therapeutics	Update; Update	23/10/2013; 08/01/2014
Epigenomics	Update; Update	02/01/2013; 14/06/2013
Erytech Pharma	Outlook	23/01/2014
Evolva	Update; Update	09/01/2014; 12/02/2014
Evotec	Update; Outlook	19/09/2013; 04/02/2014
Futura Medical	Update; Update	06/12/2013; 28/01/2014
GW Pharmaceuticals	Outlook; Update	09/12/2013; 20/02/2014
Hutchison China Meditech	Outlook; Update	07/10/2013; 04/03/2014
Hybrigenics	Update; Update	07/05/2013; 19/02/2014
Imperial Innovations	Update; Update	28/11/2013; 13/02/2014
Innate Pharma	Update; Update	02/07/2013; 09/01/2014
LeMaitre Vascular	Update; Update	05/08/2013; 04/11/2013
Lombard Medical	Update; Update	11/09/2013; 20/01/2014
MagForce	Outlook	27/11/2013
Medcom Tech	Update; Update	13/06/2013; 20/11/2013
Medigene	Update; Update	14/11/2013; 28/01/2014
Mesoblast	Update; Update	30/01/2014; 04/02/2014
Mologen AG	Update; Update	16/10/2013; 18/02/2014
MorphoSys	Outlook; Update	08/08/2013; 07/01/2014
Nanobiotix	Update; Update	19/12/2013; 20/02/2014
Neovacs	Update; Update	17/10/2013; 21/02/2014

NovaBay Pharmaceuticals	Update; Outlook	04/12/2013; 08/01/2014
Omega Diagnostics	Update; Update	02/12/2013; 18/02/2014
Oncolytics Biotech	Update; Update	03/10/2013; 02/12/2013
Onconova Therapeutics	Update; Update	10/02/2014; 21/02/2014
Orexo	Outlook; Update	07/01/2014; 10/02/2014
OvaScience	Update; Update	04/04/2013; 12/08/2013
Oxford BioMedica	Update; Update	17/10/2013; 20/11/2013
Paion	Update; Update	11/07/2013; 10/09/2013
Phylogica	Update; Outlook	11/05/2012; 23/01/2013
Proteome Sciences	Update; Update	04/10/2013; 19/12/2013
SkyePharma	Outlook; Update	04/07/2013; 14/10/2013
SQI Diagnostics	Outlook; Update	09/01/2014; 28/01/2014
Stratec Biomedical	Update; Update	12/11/2013; 10/01/2014
Sunesis Pharmaceuticals	Outlook; Update	21/03/2013; 03/04/2013
Sygnis Pharma	QuickView, Outlook	10/12/2012; 31/05/2013
Synta Pharmaceuticals	Update; Update	03/04/2013; 27/06/2013
TESARO	Outlook	21/02/2014
TiGenix	Update; Update	26/11/2013; 20/02/2014
Topotarget	Update; Update	09/01/2014; 10/02/2014
Transgene	Update; Update	09/01/2014; 04/03/2014
Vernalis	Update; Update	16/07/2013; 24/09/2013
Viralytics	Outlook; Update	12/08/2013; 24/09/2013
Wilex	Update; Update	14/06/2013; 05/02/2014

Investment trusts

BB Biotech AG	Investment trust review	07/03/2013; 08/01/2014
Biotech Growth Trust (The)	Investment trust review	26/04/2013; 20/01/2014
International Biotechnology Trust	Investment trust review	07/06/2013; 20/12/2013
Worldwide Healthcare Trust	Investment trust review	15/10/2012; 01/08/2013

To view the June edition of the Investment Trusts Quarterly, featuring biotechnology and healthcare trusts, see the investment companies and trusts sector profile on our website.

QuickViews

To view the following QuickViews see the healthcare sector profile page on our website.

AB Science	06/02/2012; 13/02/2013
Aegerion Pharmaceuticals	10/06/2013
Alchemia	07/06/2013; 25/02/2014
Algeta	20/05/2013
ALK-Abello	07/02/2013; 18/12/2013
Alkermes	05/11/2012; 05/02/2013
AmpliPhi BioSciences	19/12/2013
Anteo Diagnostics	04/03/2014
Aratana Therapeutics	23/10/2013
Array BioPharma	08/02/2013; 30/07/2013
Anteo Diagnostics	20/11/2013; 19/12/2013
Anthera	24/02/2012
AVEO Pharmaceuticals	10/08/2012; 15/02/2013
Basilea	07/09/2012; 08/02/2013
Benitec Biopharma	04/03/2014
BioCryst Pharmaceuticals	20/02/2012; 25/07/2013
Esperion Therapeutics	14/08/2013
Formycon	07/11/2013

Genfit	07/03/2013; 24/07/2013
Genmab	09/01/2013; 15/11/2013
Gilead Sciences	13/02/2013
GLG Life Tech	02/12/2013
Halozyme Therapeutics	05/07/2013
iCo Therapeutics	20/01/2014; 04/02/2014
Incyte Corporation	05/11/2012; 01/03/2013
Insmed	05/07/2013
Invion	04/03/2014
Ion Beam Applications	20/03/2013; 23/10/2013
KaloBios Pharmaceuticals	23/07/2013
Karolinska Development	25/02/2013; 02/07/2013
LCA-Vision	31/01/2013; 04/09/2013
Medivir	01/11/2013
Merrimack Pharmaceuticals	17/04/2013
MolMed	18/02/2013
Nanosonics	04/03/2014
Nektar Therapeutics	08/02/2013
Newron Pharmaceuticals	12/09/2013; 10/12/2013
Nordion	29/10/2012; 31/05/2013
Novogen	30/10/2013; 12/11/2013
NPS Pharmaceuticals	07/01/2013
OncoMed Pharmaceuticals	06/12/2013
Oncothyreon	05/06/2013
Onyx Pharmaceuticals	05/11/2012; 04/01/2013
Optos	21/05/2013
Orexigen Therapeutics	03/12/2013
Pharmaxis	30/01/2012; 08/03/2013
Prima BioMed	08/11/2013; 28/11/2013
Prosensa	05/09/2013; 15/10/2013
QRxPharma	28/03/2012; 06/03/2013
Resverlogix	29/04/2013; 14/06/2013
REVA Medical	21/06/2013
Sangamo BioSciences	03/02/2012; 18/02/2013
Scancell	07/12/2012; 17/07/2013
Simavita	04/03/2014
Sirtex Medical	19/04/2013
Sobi	18/11/2013
Source Bioscience	27/03/2012; 22/07/2013
Stallergenes	06/08/2013; 18/12/2013
Starpharma	24/02/2014
Stem Cell Therapeutics	13/08/2013
Tekmira Pharmaceuticals	16/11/2012; 15/04/2013
Threshold Pharmaceuticals	28/01/2013; 03/07/2013
ThromboGenics	14/01/2013; 09/09/2013
Tissue Therapies	04/03/2014
Trimel Pharmaceuticals	12/12/2013; 21/02/2014
UCB	25/01/2013
United Drug	19/11/2012; 24/09/2013
Universal Biosensors	04/03/2014
Vectura	20/12/2013
Vertex Pharmaceuticals	06/11/2012; 26/04/2013
Vivalis	15/01/2013
Zealand Pharma	22/11/2012; 18/02/2013
Zeltia	26/04/2012; 25/02/2013

Alternext stocks covered
Biosynex
CARMAT
Cellectis
Cerep
Diaxonhit
Genfit
GenOway
Hybrigenics
IntegraGen
MEDICREA International
Neovacs
Novacyt
Qiagen Marseille
Spineway
Theradiag
Vexim
Visiomed Group

Company profiles

Sector: Pharma & healthcare

Price:	€1.53
Market cap:	€77m
Forecast net cash (€m)	4.5
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

4SC is a Munich-based drug discovery and development company focused on the development of small-molecule compounds for treating cancer and autoimmune diseases. Its R&D pipeline has three NCEs in active clinical development.

Price performance

%	1m	3m	12m
Actual	(13.3)	(11.7)	(28.8)
Relative*	(12.6)	(15.9)	(44.1)

* % Relative to local index

Analyst

Christian Glennie

4SC (VSC)

INVESTMENT SUMMARY

A recently signed €15m convertible note agreement with Yorkville provides financial flexibility in a pivotal year, as 4SC seeks to secure additional finance and/or a partner for the proposed Phase IIb/III study of resminostat in liver cancer. We remain optimistic that 4SC will advance resminostat and model €789m in peak sales. Separately, 4SC's two Phase I programmes (4SC-202 for haematological cancers and 4SC-205 for solid tumours) should both read out by mid-2014. Our fair value is €122m or €2.41/share.

INDUSTRY OUTLOOK

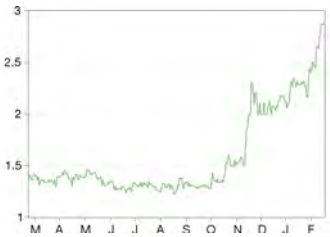
4SC's resminostat is emerging as a leader in solid tumour indications within the HDACi class. The company's recent decision to prioritise resminostat development in first-line HCC is supported by the clinical data (high-ZFP64 identified as a potential biomarker), existing partnerships and competitive developments.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	0.8	(17.1)	(17.3)	(43.1)	N/A	N/A
2012	4.4	(11.7)	(11.8)	(25.6)	N/A	N/A
2013e	5.0	(11.7)	(11.7)	(23.2)	N/A	N/A
2014e	5.0	(7.1)	(7.1)	(14.1)	N/A	N/A

Sector: Pharma & healthcare

Price:	€2.92
Market cap:	€90m
Forecast net debt (€m)	2.0
Forecast gearing ratio (%)	4.0
Market	Xetra

Share price graph (€)



Company description

aap is a German medical technology company focused on developing, manufacturing and selling products for bone fractures. These include the recently launched Loqteq trauma plating system, in addition to bone cements.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Dr Philippa Gardner

aap Implantate AG (AAQ)

INVESTMENT SUMMARY

aap's strategy to simplify and focus the business on the key areas of trauma and biomaterials (bone cement) should drive top-line growth and margin expansion. Continued roll-out of the Loqteq trauma plates should help cement aap's position as a specialised medtech player, aided by strategic relationships with physicians and global medtech partnerships (including Zimmer and Smith & Nephew). We forecast a doubling of current sales to around €80m by 2020, with peak Loqteq sales of €40m and operating margins reaching around 25% from 14% today. The existing base business exluding Loqteq underpins around €1.4/share of our valuation, providing downside protection.

INDUSTRY OUTLOOK

Loqteq is aap's internally developed and recently launched trauma plating system. Loqteq's locking and compression technology improves fracture repair by providing more stable fixation, even in weak bones or multi-fragment fractures. The existing market for locking plate technology is estimated at up to $1bn in the US alone and is dominated by DePuy Synthes (J&J). Loqteq's innovative design could offer a number of advantages over the nearest competitor, including increased surgeon flexibility and potential clinical advantages upon plate removal.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	29.2	4.1	2.7	7.78	37.5	26.9
2012	36.4	6.1	4.9	13.80	21.2	12.6
2013e	40.1	7.3	6.0	16.94	17.2	14.5
2014e	44.5	8.1	6.7	19.85	14.7	12.2

Sector: Pharma & healthcare

Price:	490.0p
Market cap:	£979m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Abcam produces and sells antibodies and other protein tools for use in research via its website. Its main clients are universities, research institutes and pharmaceutical companies across the world.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Dr Mick Cooper

Abcam (ABC)

INVESTMENT SUMMARY

Abcam achieved c 8.1% underlying growth in total H114 revenues compared to 12% growth in H113. This suggests that overall growth is being affected by the continuing pressures on grant funding. The RabMab portfolio is growing, with sales representing around 16% of total catalogue revenues, suggesting that these products are becoming more established and gaining momentum; historically the sales of the products represented around 10% of total catalogue revenues. Abcam has a programme of organic investment initiatives in place, which could boost near-term growth, including marketing and operational changes and planned new product launches. Notably, it opened a Shanghai office during the period and strengthened the local distribution network. Our forecasts are under review.

INDUSTRY OUTLOOK

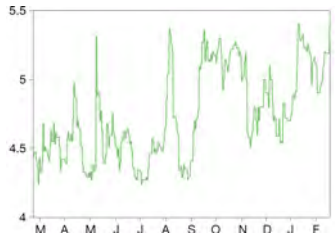
More biological research is conducted into proteins, increasing the demand for protein research tools. However, the funding of academic research is coming under greater pressure as governments look to reduce their debts. Abcam is the market leader for research antibodies, but has a limited market position in the wider protein research tools market.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	97.8	40.4	39.3	16.2	30.2	27.9
2013	122.2	49.1	47.1	18.7	26.2	18.9
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	US$5.48
Market cap:	US$95m
Forecast net cash (US$m)	14.6
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Alexza Pharmaceuticals is a US-based company developing products for acute CNS disorders using its proprietary Staccato aerosol rapid drug delivery system. Lead product Adasuve is approved in the US and EU.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Pooya Hemami

Alexza Pharmaceuticals (ALXA)

INVESTMENT SUMMARY

Alexza's investment case largely rests on the prospects for Adasuve, a potentially disruptive new product for acute agitation in adult schizophrenia or bipolar disorder patients. Adasuve (Staccato loxapine) was launched in Germany, Austria, and Spain by Ferrer, and we expect a US launch by Teva in Q114. Adasuve offers speed, dosing reliability and ease of administration advantages, and we estimate global sales of over $200m by 2018. Its potential underpins our valuation of $6.05/share, with upside from expansion of the Adasuve label and successful development of further products using Alexza's proprietary Staccato inhaled delivery platform (such as AZ-002, which will enter a Phase II study in Q114 for acute repetitive seizures).

INDUSTRY OUTLOOK

Alexza's valuation is highly geared to Adasuve's prospects, and uptake will be driven by stakeholders' recognition of the benefits from the drug's ease of administration and rapid time to therapeutic effect vs existing non-invasive drugs used for agitation.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	5.7	(33.2)	(36.5)	(538.25)	N/A	N/A
2012	4.1	(24.5)	(34.9)	(279.65)	N/A	N/A
2013e	47.6	5.6	(9.0)	(53.90)	N/A	N/A
2014e	8.9	(23.6)	(27.7)	(157.29)	N/A	N/A

Sector: Pharma & healthcare

Price:	15.0p
Market cap:	£61m
Forecast net cash (£m)	4.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Allergy Therapeutics is a speciality pharmaceutical company focused on preventing and treating allergy. It is revenue generating and currently sells mainly into Germany, but has international aspirations.

Price performance

%	1m	3m	12m
Actual	81.8	103.4	48.2
Relative*	81.2	96.8	33.7

* % Relative to local index

Analyst

Wang Chong

Allergy Therapeutics (AGY)

INVESTMENT SUMMARY

Allergy Therapeutics has continued to grow its market share in Germany and other European markets; H114 revenue rose 12% to £29.9m. Allergy has made progress on its strategy to diversify its portfolio, expand into new geographical markets and identify new in-licensing opportunities and recently received approval to run an efficacy study for Pollinex Quattro (PQ) Grass in Canada. The company has a US licensing campaign, but is also exploring alternative ways of developing the US opportunity for PQ. The US allergy immunotherapy (AIT) market is potentially large, but undeveloped and the US PQ opportunity is not included in our valuation. A licensing deal would transform Allergy's prospects and substantially increase our valuation. Interim results are due to be reported on 24 March.

INDUSTRY OUTLOOK

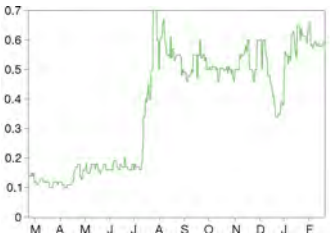
Pollinex Quattro (c 50% of revenue) is an ultra short-course allergy vaccine, given as four shots over three weeks, which has comparable efficacy to existing vaccines (typically requiring 16-50 injections under specialist supervision pre-hayfever season).

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	41.3	3.1	1.2	0.41	36.6	16.8
2013	39.3	2.1	0.8	0.23	65.2	20.6
2014e	40.8	2.4	1.2	0.25	60.0	15.1
2015e	42.5	3.2	1.9	0.39	38.5	22.1

Sector: Pharma & healthcare

Price:	US$0.57
Market cap:	US$160m
Forecast net cash (US$m)	19.5
Forecast gearing ratio (%)	N/A
Market	OTC Pink

Share price graph (US$)



Company description

AmpliPhi develops bacteriophages, viruses that kill bacteria. A Phase I/II study of AmpliPhage-001 for PA infections in CF and a Phase I trial of AmpliPhage-002 in skin/wound infections are expected to start in H214.

Price performance

%	1m	3m	12m
Actual	(5.0)	7.3	307.1
Relative*	(4.6)	5.0	233.1

* % Relative to local index

Analyst

Christian Glennie

AmpliPhi Biosciences (APHB)

INVESTMENT SUMMARY

AmpliPhi raised $16.9m (net) in December from a private placement of 72m shares at $0.25. This provides the funds to advance its portfolio of bacteriophages, naturally occurring viruses that kill bacteria. In H214, AmpliPhi plans to initiate a Phase I/II study of AmpliPhage-001 against P. aeruginosa (PA) lung infection in patients with cystic fibrosis (CF), and a Phase I safety/proof-of-concept study for AmpliPhage-002 for wound and skin infections caused by S. aureus (including MRSA). Collaborations with the US Army, Intrexon and the University of Leicester (to develop phage against C. difficile) provide extra support and expertise.

INDUSTRY OUTLOOK

Resistance to conventional antibiotics is a serious problem and global regulatory authorities are adopting fast-track/market exclusivity incentives to encourage development of new approaches. AmpliPhi is one of only a few companies to have conducted a controlled clinical study with bacteriophage. Sales of branded drugs for PA in CF in FY12 were ~$500m.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	0.1	(3.7)	(4.0)	(8.40)	N/A	N/A
2012	3.8	(0.8)	(1.2)	(1.98)	N/A	N/A
2013e	0.5	(11.9)	(12.0)	(7.09)	N/A	N/A
2014e	0.8	(12.3)	(12.4)	(4.56)	N/A	N/A

Sector: Pharma & healthcare

Price:	154.5p
Market cap:	£32m
Forecast net cash (£m)	4.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Animalcare Group is a leading supplier of veterinary medicines and identification products to the companion animal market in the UK, Europe and other selected markets.

Price performance

%	1m	3m	12m
Actual	(5.5)	(16.5)	9.6
Relative*	(5.8)	(19.2)	(1.1)

* % Relative to local index

Analyst

Franc Gregori

Animalcare Group (ANCR)

INVESTMENT SUMMARY

Animalcare Group's commendable strategy of exiting low-margin, commoditising markets and investing in higher value-adding product development is gaining momentum. It has built a portfolio of companion animal medicines that has achieved sufficient mass to become a creditable player in the UK veterinary market. These new products are also set to drive a phased expansion into selected European markets. Animalcare is midway through investing in its development programme, where the greater differentiation offers distinct competitive advantages and should result in a wave of new veterinary medicines from 2017.

INDUSTRY OUTLOOK

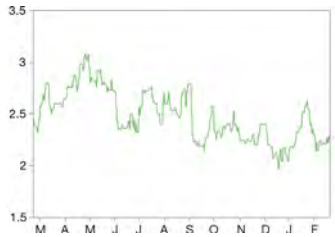
The UK companion animal pharmaceutical market appears to have been surprisingly resilient over the past five years, posting a CAGR of 4.8% from 2007-13 despite the notable tightening of household budgets over the period. The latest NOAH data to September 2013 show a degree of rebound with MAT growth of 11.2% but more recent, albeit anecdotal, evidence suggests the market has remained flat.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	10.9	2.5	2.3	9.3	16.6	12.4
2013	12.1	2.9	2.7	10.5	14.7	10.4
2014e	12.5	2.9	2.7	10.2	15.1	12.3
2015e	12.5	2.6	2.3	8.9	17.4	12.8

Sector: Pharma & healthcare

Price:	US$2.23
Market cap:	US$140m
Forecast net cash (US$m)	94.6
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

ArQule is a US biotech company engaged in developing small molecule drugs for cancer. Its lead product, tivantinib, is entering a pivotal Phase III trial for HCC. Tivantinib is partnered with Daiichi Sankyo and Kyowa Hakko Kirin.

Price performance

%	1m	3m	12m
Actual	(13.9)	0.9	(8.6)
Relative*	(13.5)	(1.3)	(25.2)

* % Relative to local index

Analyst

Jason Zhang

ArQule (ARQL)

INVESTMENT SUMMARY

The Data Monitoring Committee's (DMC) recommendation to continue the pivotal Phase III METIV-HCC trial in hepatocellular carcinoma (HCC) officially put the development of tivantinib back on track and removes a major near-term overhang of ArQule's stock. Initial pharmacokinetic (PK) data also demonstrated comparable plasma exposure level of tivantinib between the reduced (120mg bid, tablet, in Phase III) and the original (240mg bid, capsule, in Phase II) dose, supporting our thesis that the METIV-HCC trial has the same success probability despite the dose medication.

INDUSTRY OUTLOOK

ArQule is a US biotech company focused on the development of cancer therapeutics. Its lead product, tivantinib, is being evaluated as a monotherapy or in combination with other cancer therapy in a variety of solid tumour types. ArQule utilises a proprietary structure-based drug design technology known as the ArQule Kinase Inhibitor Platform (AKIP).

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	47.3	(9.3)	(10.2)	(19.32)	N/A	N/A
2012	36.4	(9.0)	(9.6)	(14.42)	N/A	N/A
2013e	15.5	(24.4)	(24.9)	(35.20)	N/A	N/A
2014e	8.2	(29.8)	(30.5)	(43.00)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$22.45
Market cap:	US$999m
Forecast net cash (US$m)	27.3
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

Arrowhead Research Corporation is a clinical-stage targeted therapeutics company with development programmes in oncology, obesity and hepatitis B. It has acquired various platform technologies for RNAi delivery (Roche) and peptide targeting (Alvos).

Price performance

%	1m	3m	12m
Actual	87.4	205.0	1000.5
Relative*	88.2	198.3	800.4

* % Relative to local index

Analyst

Jason Zhang

Arrowhead Research Corporation (ARWR)

INVESTMENT SUMMARY

Arrowhead is moving closer to its first dosing of patients in its Phase IIa trial of ARC-520 in patients with chronic HBV infection in Hong Kong, with data readout expected in the summer. A Phase IIb multiple-dose international trial should start in H214, with data expected in 2015. The company also announced that it will reveal the identity of a new drug candidate based on its unique DPC technology at its upcoming Analyst Day, which will add value to the company's valuation.

INDUSTRY OUTLOOK

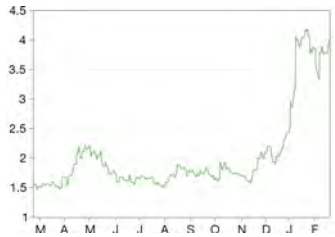
Gene silencing is a potentially exciting area for new product development, with targeted therapies offering better disease control and fewer side effects than current medications. Large and medium-sized pharmaceutical companies are likely to invest in this field via collaborations, of which Arrowhead would be a beneficiary.

Y/E Sep	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	0.3	(8.2)	(7.4)	(29.4)	N/A	N/A
2012	0.1	(18.1)	(20.9)	(179.4)	N/A	N/A
2013e	0.3	(19.4)	(22.4)	(99.5)	N/A	N/A
2014e	0.2	(22.8)	(23.7)	(67.6)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$3.99
Market cap:	US$304m
Forecast net cash (US$m)	32.0
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Athersys is a US biotech company developing MultiStem (allogeneic stem cells). Phase II studies are on-going in ulcerative colitis and ischaemic stroke. A 5HT2c agonist programme (obesity/schizophrenia) is available for partnering.

Price performance

%	1m	3m	12m
Actual	(4.3)	98.5	160.8
Relative*	(3.9)	94.1	113.4

* % Relative to local index

Analyst

Christian Glennie

Athersys (ATHX)

INVESTMENT SUMMARY

Athersys raised $18.7m (net) in January from the sale of 5m shares at $4.10. This followed an $18.5m (net) equity raise in December. We estimate a current cash balance of c $50m, providing Athersys with enhanced financial flexibility as it seeks to fully exploit the potential inherent in MultiStem, its allogeneic stem cell product (bone marrow-derived, multipotent adult progenitor cells - MAPCs). Two Phase II studies are ongoing in ulcerative colitis (enrolment complete; data expected April/May; partnered with Pfizer) and ischaemic stroke (data due H214). A Phase II trial in acute myocardial infarction is expected to start in mid-2014 (supported by a $2.8m NIH grant).

INDUSTRY OUTLOOK

Athersys is well positioned in terms of its stage of development (Phase II), the safety profile and ability to administer very high doses (>1bn cells), as well as the convenient mode of delivery (IV) of its MAPCs. The MAPCs appear to be substantially differentiated from MSCs and deliver enhanced anti-inflammatory effects.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	10.3	(14.9)	(14.6)	(62.64)	N/A	N/A
2012	8.7	(17.5)	(17.1)	(52.64)	N/A	N/A
2013e	2.4	(24.4)	(24.0)	(42.37)	N/A	N/A
2014e	4.9	(21.3)	(20.9)	(27.39)	N/A	N/A

Sector: Pharma & healthcare

Price:	DKK104.00
Market cap:	DKK2714m
Forecast net cash (DKKm)	363.0
Forecast gearing ratio (%)	N/A
Market	NASDAQ OMX Mid Cap

Share price graph (DKK)

Company description

Bavarian Nordic is a Danish biotech focused on developing and manufacturing novel cancer immunotherapies and vaccines for infectious diseases. Its lead products are Prostvac (prostate cancer) and Imvamune (smallpox).

Price performance

%	1m	3m	12m
Actual	(1.9)	40.5	120.3
Relative*	(7.4)	19.3	69.2

* % Relative to local index

Analyst

Lala Gregorek

Bavarian Nordic (BAVA)

INVESTMENT SUMMARY

Bavarian Nordic's long-term investment case rests on key value driver Prostvac, its prostate cancer vaccine. Final data from the pivotal Phase III PROSPECT trial are due in 2016, but with enrolment expected to complete in H114, interim analyses should occur in 2015. PROSPECT data, coupled with readout of two Phase II Xtandi combination studies and an impressive 8.5-month overall survival benefit shown in the Phase II monotherapy trial, should help secure a partner. Smallpox vaccine Imvamune is currently the revenue driver. Further orders are expected and new clinical data from 2016 should strengthen its market position, helping Bavarian Nordic towards sustainable and growing profitability. FY13 results will report on 19 March.

INDUSTRY OUTLOOK

The prostate cancer market is highly dynamic with various newly approved therapies; further Prostvac clinical data will be important in giving further insight into its commercial potential. Imvamune is a non-replicating third-generation smallpox vaccine that does not elicit comparable safety issues to previous generations; future US, European and Canadian orders are expected.

Y/E Dec	Revenue (DKKm)	EBITDA (DKKm)	PBT (DKKm)	EPS (fd) (ore)	P/E (x)	P/CF (x)
2011	524.0	(308.0)	(296.0)	(102.9)	N/A	N/A
2012	1017.0	(32.0)	(49.0)	(92.0)	N/A	87.6
2013e	1130.0	162.0	147.0	53.2	195.5	48.5
2014e	1216.0	260.0	194.0	67.7	153.6	8.9

Sector: Pharma & healthcare

Price:	C$0.45
Market cap:	C$22m
Forecast net cash (C$m)	15.1
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)

Company description

Bellus Health is a Canadian pharmaceutical company developing drugs for rare diseases. Its lead candidate, Kiacta, is in a pivotal Phase III trial for AA amyloidosis.

Price performance

%	1m	3m	12m
Actual	7.1	8.3	26.4
Relative*	5.1	2.8	12.5

* % Relative to local index

Analyst

Pooya Hemami

Bellus Health (BLU)

INVESTMENT SUMMARY

Bellus Health's lead candidate, Kiacta, is in a Phase III trial for amyloid A (AA) amyloidosis, an orphan drug indication affecting up to 50,000 patients worldwide. We estimate the probability of success at 60%, given positive efficacy trends in a previous Phase II/III study and modifications in the pivotal study to increase its statistical power and target more responsive patients. The Kiacta study results are expected in 2016, and we project Bellus' cash runway to last through 2017. In 2013, Bellus acquired Thallion Pharma, a developer of Shigamabs antibodies for Shiga-toxin E.Coli (STEC) infections; Bellus intends to start a Phase II Shigamabs trial before year-end 2015. Bellus entered a cash-neutral collaboration in October 2013 with AmorChem to develop therapeutics for AL amyloidosis. We are reviewing our model for the 2013 results and updating our estimates.

INDUSTRY OUTLOOK

The potential for premium pricing for Kiacta and a seven- to 10-year exclusivity period underscore the primary investment case, although with results in 2016, a longer-term view is required.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2011	3.1	(0.6)	(1.7)	(18.97)	N/A	N/A
2012	2.3	(3.6)	(3.5)	(11.03)	N/A	N/A
2013e	1.7	(3.5)	(3.2)	(6.57)	N/A	N/A
2014e	1.3	(3.8)	(3.5)	(7.25)	N/A	N/A

Sector: Pharma & healthcare

Price: US$10.05
Market cap: US$208m
Forecast net cash (€m) 10.9
Forecast gearing ratio (%) N/A
Market Euronext Paris

Share price graph (US$)

Company description

BioAlliance Pharma is a French drug development company focused on orphan cancer and supportive care treatments. It has two FDA-approved specialty products and three clinical-stage orphan oncology candidates.

Price performance

%	1m	3m	12m
Actual	96.7	155.1	105.2
Relative*	93.8	145.7	68.8

* % Relative to local index

Analyst

Dr Philippa Gardner

BioAlliance Pharma (BIO)

INVESTMENT SUMMARY

2014 will be a critical year for BioAlliance, with key proof-of-concept data from the large ongoing Phase II trial for oral mucositis product Validive by end 2014. Furthermore, additional planned safety assessments will help to further de-risk Livatig, currently in Phase III development for liver cancer with headline data expected in H116. Finally, a potential partnership for Sitavig (cold sores) is targeted this year, which could result in additional cash payments, potentially extending the current cash runway beyond end 2014.

INDUSTRY OUTLOOK

BioAlliance develops drugs for orphan oncology indications and to treat infection. Most of its products are widely used medicines in new formulations for novel indications, which either address significant unmet medical needs or have a clear point of differentiation over current treatments. The former are the more valuable, but the latter still have considerable commercial potential.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	3.2	(15.3)	(14.6)	(83.00)	N/A	N/A
2012	4.0	(12.1)	(11.5)	(65.00)	N/A	N/A
2013e	3.8	(13.1)	(12.8)	(66.42)	N/A	N/A
2014e	6.3	(10.7)	(10.4)	(50.48)	N/A	N/A

Sector: Pharma & healthcare

Price: SEK3.34
Market cap: SEK284m
Forecast net cash (SEKm) 102.8
Forecast gearing ratio (%) N/A
Market NASDAQ OMX Mid Cap

Share price graph (SEK)

Company description

BioInvent is a human therapeutic antibody company based in southern Sweden. It has a lead product, BI-505 in Phase I for multiple myeloma.

Price performance

%	1m	3m	12m
Actual	(7.0)	(18.1)	11.3
Relative*	(7.5)	(22.8)	(4.8)

* % Relative to local index

Analyst

Dr John Savin

BioInvent International (BINV)

INVESTMENT SUMMARY

Revenues for FY13 were SEK 81.7m with a Q4 profit due to a milestone from Bayer. This milestone meant that 62% of revenues, SEK50m, were received in Q4FY13. The loss was SEK18m with December cash of SEK65m. A further cash raising of SEK64m should complete in March. BioInvent now appears well placed to continue rebuilding its portfolio. BI-505 will have clinical data from a small multiple myeloma Phase II study, probably in Q314, which could enable a partnering deal and upfront payment. Two preclinical projects might progress towards Phase I and the pipeline of collaborations based on the n-CoDeR library and F.I.R.S.T technology looks strong.

INDUSTRY OUTLOOK

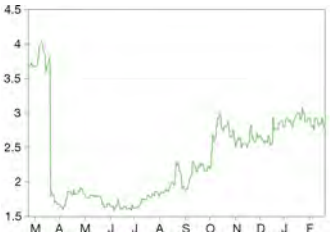
BioInvent has one clinical-stage product, BI-505, a Phase II antibody for multiple myeloma and two preclinical projects, ADC-1013 (with Alligator Bioscience), to stimulate an anti-cancer immune response, and BI-1206, for non-Hodgkin's Lymphoma. These provide the longer-term upside for BioInvent.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2012	43.0	(135.8)	(138.6)	(191.81)	N/A	N/A
2013	81.7	(16.3)	(18.0)	(22.99)	N/A	N/A
2014e	65.0	(27.1)	(28.9)	(28.64)	N/A	N/A
2015e	75.0	(17.1)	(18.9)	(17.79)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$2.81
Market cap:	US$68m
Forecast net cash (NISm)	71.0
Forecast gearing ratio (%)	N/A
Market	NASDAQ, TASE

Share price graph (US$)



Company description

BioLineRx is an Israel-based biotech company focused on the in-licensing and early development of therapeutics. It has a pipeline with five clinical and 13 preclinical candidates for a variety of indications.

Price performance

%	1m	3m	12m
Actual	(3.1)	6.0	(23.8)
Relative*	(2.7)	3.7	(37.7)

* % Relative to local index

Analyst

Robin Davison

BioLineRx (BLRX)

INVESTMENT SUMMARY

BioLineRx plans to start a Phase I study of BL-8040 in stem cell mobilisation, a second indication. This follows the disclosure of promising partial results from its ongoing Phase II study in acute myeloid leukaemia (AML). Meanwhile, the outcome of the sale process involving Ikaria, its commercial partner for BL-1040, is now clear. We maintain our valuation of BioLineRx at $210m, equivalent to $8.9/ADR (basic) or $7.9/ADR (fully diluted).

INDUSTRY OUTLOOK

The largest contributor to the valuation is BL-1040 (53%), with BL-8040 (AML) and BL-7010 (Celiac disease) in joint second place (19% each). BioLineRx currently trades at an unusual discount to our intrinsic value.

Y/E Dec	Revenue (NISm)	EBITDA (NISm)	PBT (NISm)	EPS (a)	P/E (x)	P/CF (x)
2011	0.0	(53.0)	(46.1)	(37.3)	N/A	N/A
2012	0.0	(76.9)	(77.1)	(43.2)	N/A	N/A
2013e	0.0	(59.2)	(63.1)	(27.0)	N/A	N/A
2014e	0.0	(42.0)	(41.5)	(17.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	A$0.70
Market cap:	A$294m
Forecast net cash (A$m)	21.1
Forecast gearing ratio (%)	N/A
Market	ASX, OTC Pink

Share price graph (A$)

Company description

Bionomics is an Australian biotech company focused on developing biopharmaceuticals for cancer and CNS indications. Its lead compound is VDA BNC105 (Phase II); the anxiolytic IW-2143 (Phase I) is partnered with Ironwood.

Price performance

%	1m	3m	12m
Actual	0.7	(4.7)	63.0
Relative*	(1.3)	(7.6)	49.5

* % Relative to local index

Analyst

Robin Davison

Bionomics (BNO)

INVESTMENT SUMMARY

Bionomics has seen an encouraging response rate in the first stage of its Phase I/II trial of its lead drug, the vascular disrupting agent BNC105, in recurrent ovarian cancer. The news comes ahead of the outcome – expected imminently – of its Phase II study of BNC105 in second-line renal cell carcinoma, which represents a major stock price catalyst. Our current risk-adjusted NPV is A$338m, equivalent to A$0.80/share, ahead of the outcome of BNC105 in RCC. A positive outcome in the RCC study, and a move into Phase III, would potentially boost the valuation to c A$413m or A$0.99/share.

INDUSTRY OUTLOOK

Bionomics' lead compound is the small molecule vascular disrupting agent, BNC105, which is in separate Phase I/II trials for renal cell carcinoma and ovarian cancer. An anti-anxiety agent BNC210 (renamed IW-2143) is licensed to Ironwood Pharmaceuticals, which is currently conducting a Phase Ia/Ib study. A cancer stem cell targeting agent, BNC101, is in late-preclinical development.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2011	3.7	(9.3)	(9.5)	(2.7)	N/A	N/A
2012	8.9	(3.3)	(2.5)	(0.7)	N/A	N/A
2013e	10.5	(8.4)	(8.4)	(2.1)	N/A	N/A
2014e	7.8	(11.1)	(11.1)	(2.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	NOK2.63
Market cap:	NOK594m
Forecast net cash (NOKm)	35.1
Forecast gearing ratio (%)	N/A
Market	Oslo

Share price graph (NOK)

Company description

Bionor Pharma is a Norwegian biotechnology company focused on developing peptide vaccines for infectious diseases. The lead product, Vacc-4x, is currently in Phase II development for the treatment of HIV.

Price performance

%	1m	3m	12m
Actual	(6.7)	(7.4)	30.5
Relative*	(4.3)	(9.3)	16.4

* % Relative to local index

Analyst

Dr Philippa Gardner

Bionor Pharma (BIONOR)

INVESTMENT SUMMARY

Bionor Pharma's ambitious aim to develop Vacc-4x as the first functional cure for HIV is supported by previous data and collaborations with leading institutes. A comprehensive 'Kick, Kill and Boost' strategy is in place and recent funding should allow Bionor to take Vacc-4x through the critical steps before partnering. Vacc-4x is one of the furthest advanced HIV therapeutic vaccines in development and the current strategy encompasses all the elements required to achieve a functional cure for HIV. These include releasing dormant HIV reservoirs (Kick), encouraging HIV destruction via an immune response elicited by Vacc-4x (Kill) and strengthening the immune system to maximise its attack on HIV (Boost).

INDUSTRY OUTLOOK

There are approximately 1.1m HIV-infected patients in the US, and around one million in developed Europe. The global antiretroviral treatment (ART) market was worth around $17bn in 2012. In the US only 25% of HIV patients are virally suppressed, despite 33% receiving ART treatment.

Y/E Dec	Revenue (NOKm)	EBITDA (NOKm)	PBT (NOKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2012	4.2	(58.2)	(55.2)	(29.43)	N/A	N/A
2013	4.2	(75.8)	(74.7)	(36.27)	N/A	N/A
2014e	1.7	(76.8)	(76.5)	(33.86)	N/A	N/A
2015e	1.7	(62.1)	(62.6)	(27.71)	N/A	N/A

Sector: Pharma & healthcare

Price:	€0.33
Market cap:	€150m
Forecast net cash (€m)	6.3
Forecast gearing ratio (%)	N/A
Market	OMX

Share price graph (€)

Company description

Biotie Therapies is a Finnish/US biotech company focused on CNS disorders. Selincro (alcohol dependence) is marketed in Europe (partner: Lundbeck); tozadenant (Parkinson's) will start Phase III in H115 (partner: UCB).

Price performance

%	1m	3m	12m
Actual	(5.7)	10.0	(21.4)
Relative*	(6.9)	7.3	(35.1)

* % Relative to local index

Analyst

Christian Glennie

Biotie Therapies (BTH1V)

INVESTMENT SUMMARY

Biotie's strategy is evolving from a search/develop/license model to a more integrated approach, particularly in bringing products to the market. The option to acquire Neurelis (June 2013) for NRL-1 (intranasal diazepam for epilepsy), which could be commercialised by Biotie in the US, reflects the new approach. Partner Lundbeck has launched alcohol dependence drug Selincro in the UK, Italy, Norway, Finland, Poland and the Baltic countries, with further EU launches expected in 2014 - Biotie receives milestones (€2m/key market) and royalties. Phase III studies for tozadenant (A2a antagonist) in Parkinson's disease are planned for H115, with costs reimbursed by partner UCB (>$100m over six years). Biotie held €47m in cash at end Q313.

INDUSTRY OUTLOOK

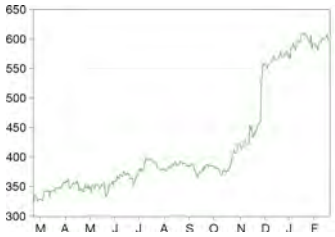
Selincro is a new treatment concept for alcohol dependence, providing an alternative to complete abstinence, often not an attainable goal. The Phase IIb data for tozadenant are robust and competitive against current and pipeline Parkinson's agents.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	1.0	(28.3)	(20.8)	(3.58)	N/A	N/A
2012	4.8	(21.8)	(23.0)	(5.54)	N/A	N/A
2013e	25.3	1.2	0.8	0.17	194.1	27.0
2014e	23.5	(5.2)	(5.6)	(1.24)	N/A	N/A

Sector: Pharma & healthcare

Price:	599.5p
Market cap:	£2168m
Forecast net cash (£m)	30.6
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

BTG is a UK-based biopharmaceutical company with a direct commercial presence in US acute care medicine and interventional oncology. It has a number of internal and partnered R&D programmes.

Price performance

%	1m	3m	12m
Actual	(1.6)	32.6	83.1
Relative*	(1.9)	28.3	65.2

* % Relative to local index

Analyst

Robin Davison

BTG (BTG)

INVESTMENT SUMMARY

BTG confirmed FY14 revenue guidance of £275-285m in its IMS; we forecast FY14 (year-ending March 2014) revenues of £289m, underlying operating profit (pre-acquisition adjustments, reorganisation costs and share-based payments) of £76m, normalised EPS of 19p and cash of £31m. FY14 results will report on 20 May. The next pipeline/product catalyst is the US launch of Varithena (varicose veins) in Q214, which represents another inflection point for BTG's Interventional Medicine (IM) business. Four commercial-stage products, which target the fast-growing interventional oncology and vascular markets, could take IM sales to c £390m by FY20.

INDUSTRY OUTLOOK

BTG presents a defensive growth business whose valuation is underpinned by the DCF value of its marketed assets. The acquisitions of TheraSphere and EKOS have created a leading IM business with critical mass and significant growth potential. Further potential upside would be unlocked by clinical success of various pipeline assets: uridine triacetate, TheraSphere, PARAGON and PRECISION.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	197.0	57.7	57.6	14.9	40.2	40.6
2013	233.7	75.1	70.4	18.9	31.7	32.3
2014e	289.3	79.0	77.9	18.8	31.9	44.4
2015e	354.9	99.6	96.6	21.6	27.8	33.5

Sector: Pharma & healthcare

Price:	US$10.31
Market cap:	US$162m
Forecast net cash (NISm)	24.0
Forecast gearing ratio (%)	N/A
Market	OTC AX

Share price graph (US$)

Company description

Can-Fite is an Israel-based drug development company with a platform technology surrounding A3AR agonists, with two clinical-stage oral drug candidates, CF101 and CF102, being advanced for inflammatory diseases and oncology, respectively.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Pooya Hemami

Can-Fite BioPharma (CANFY)

INVESTMENT SUMMARY

Can-Fite's primary investment case rests on the prospects for its orally bioavailable A3 adenosine receptor (A3AR) agonist, CF101, in evaluation for blockbuster potential inflammatory conditions, including rheumatoid arthritis (RA) and psoriasis. There is unmet medical need in these areas given the high costs and/or safety risks with established systemic therapies. Positive clinical data have been shown for CF101 in psoriasis and for patients with high expression of A3AR, in RA. A Phase II/III psoriasis study is underway (results expected Q414) and the next key milestone for H114 could be a potential partnership transaction for CF101, which could provoke a re-rating in the stock.

INDUSTRY OUTLOOK

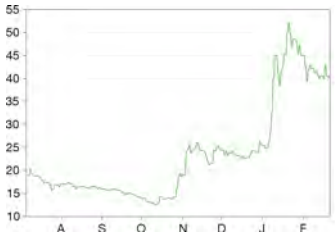
Given the large size of targeted markets, Can-Fite's programmes if successful could provide multi-fold long-term investor returns. RA and psoriasis markets are highly competitive, however, and CF101 may need to show differential advantages vs potential new market entrants to gain a significant market position.

Y/E Dec	Revenue (NISm)	EBITDA (NISm)	PBT (NISm)	EPS (fd) (a)	P/E (x)	P/CF (x)
2011	1.8	(18.0)	(16.8)	(150.7)	N/A	N/A
2012	0.0	(22.3)	(21.9)	(207.6)	N/A	N/A
2013e	0.0	(29.2)	(29.2)	(212.6)	N/A	N/A
2014e	0.0	(32.4)	(32.3)	(199.0)	N/A	N/A

Sector: Pharma & healthcare

Price:	40.7p
Market cap:	£258m
Forecast net cash (€m)	10.7
Forecast gearing ratio (%)	N/A
Market	Euronext Brussels

Share price graph (p)



Company description

Cardio3 is developing a directed autologous stem cell therapy for chronic ischaemic heart disease. Cells are isolated from bone marrow and cultures for six to eight weeks. The product is in Phase III in the EU and on Phase III hold in the US.

Price performance

%	1m	3m	12m
Actual	(22.0)	91.5	N/A
Relative*	(23.5)	80.6	N/A

* % Relative to local index

Analyst

Dr John Savin

Cardio3 BioSciences (CARD)

INVESTMENT SUMMARY

Cardio3's C-Cure heart regenerative product uses a mix of powerful cell-signalling molecules to programme autologous stem cells to develop into heart muscle. This makes C-Cure a potentially powerful novel treatment for patients with weakened, scarred hearts, usually due to previous heart attacks. C-Cure showed positive efficacy endpoints in Phase II and median heart output increased by 25% relative to baseline. The CHART-1 Phase III in chronic ischaemic heart failure is underway using C-Cathez delivery to improve cell retention 3.6 fold. Data are expected in late 2015. Cardio3 had €24.3m of cash at the end of Q313.

INDUSTRY OUTLOOK

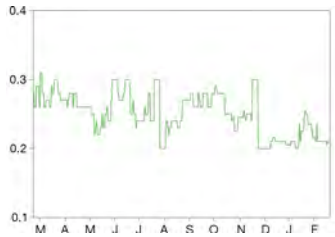
In chronic ischaemic heart disease, Teva's Phase III using Mesoblast's allogeneic cell line has started recruitment with a claimed H218 end date. Capricor/Janssen have started a Phase II with an allogeneic regenerative cell line. Cytori is in a Phase II using its Celution device to concentrate autologous adipose cells. Baxter has curtailed the Phase III of its autologous therapy.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	0.0	(6.4)	(6.8)	(4.22)	N/A	N/A
2012	0.1	(7.9)	(8.8)	(5.45)	N/A	N/A
2013e	0.0	(9.6)	(10.1)	(242.37)	N/A	N/A
2014e	0.0	(8.9)	(8.9)	(131.70)	N/A	N/A

Sector: Pharma & healthcare

Price:	A$0.21
Market cap:	A$10m
Forecast net cash (A$m)	3.8
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Circadian's focus is now on ophthalmology with OPT-302 (formerly VGX-300) as the lead candidate in wet AMD due to enter the clinic in early 2015. Circadian's receptor-blocking antibody (IMC-3C5) is in Phase I trials with ImClone (Lilly).

Price performance

%	1m	3m	12m
Actual	(17.6)	(16.0)	(23.6)
Relative*	(19.3)	(18.5)	(30.0)

* % Relative to local index

Analyst

Dr John Savin

Circadian Technologies (CIR)

INVESTMENT SUMMARY

Dr Baldwin has been appointed CEO. She was formerly CEO of the eye-therapy Opthea subsidiary. Circadian will now focus on development of VGX-300 for wet acute macular degeneration (AMD). The other projects, such as VGX-100, are no longer the main focus of the company. FY13 results to 30 June showed revenues of $1.15m made up of sales and royalty income of A$0.62m, with finance income of A$0.5m. Cash outflow fell 6% to A$5.38m helped by a A$1.32m tax refund. The targeted cash burn for FY14 is A$5-8m. June 2013 cash was A$11m, so the company had over a year's funding available. Management is seeking new funding and partnering. A tax R&D incentive could be worth A$2.5m.

INDUSTRY OUTLOOK

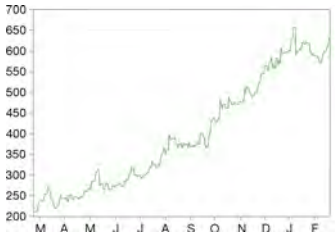
Circadian has three operating companies: Ceres Oncology, Opthea and Precision Diagnostics. The former CEO left in December 2013. Wet AMD is a new area of focus for major pharmaceutical companies and partnering for this indication may be easier and more lucrative.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.5	(8.6)	(7.6)	(10.8)	N/A	N/A
2013	0.6	(7.0)	(6.5)	(9.7)	N/A	N/A
2014e	0.7	(9.3)	(9.1)	(14.7)	N/A	N/A
2015e	0.7	(9.5)	(9.4)	(15.5)	N/A	N/A

Sector: Pharma & healthcare

Price:	632.0p
Market cap:	£522m
Forecast net cash (£m)	17.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Clinigen is a specialty pharmaceuticals and services business with three operating divisions: CTS provides a clinical trial supply service globally; GAP provides patients with difficult to access medicines; and Specialty Products sells niche drugs.

Price performance

%	1m	3m	12m
Actual	2.4	22.7	199.5
Relative*	2.1	18.7	170.4

* % Relative to local index

Analyst

Franc Gregori

Clinigen Group (CLIN)

INVESTMENT SUMMARY

Clinigen's valuation prices in high earnings growth and it is well placed to deliver. CTS, currently the largest division by revenue, is set to become a global leader in sourcing and supplying comparator drugs for customers' clinical trials. GAP and SP share similar supply chains as they distribute specialty pharmaceuticals to 53 countries around the world, with GAP running a variety of patient access programmes for company clients and SP building a portfolio of proprietary hospital-only drugs.

INDUSTRY OUTLOOK

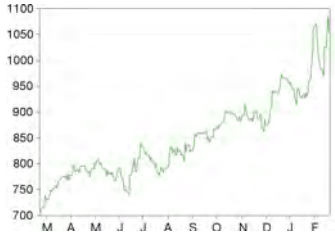
Clinigen operates in highly specialised and defensive niches that are benefiting from the pharmaceutical industry's greater outsourcing of non-core functions. This trend, together with the rising regulatory burden and the increasing need for dedicated auditable supply chains, suggests Clinigen's recent solid organic growth is set to be maintained over the medium term.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	82.1	10.6	15.8	22.0	28.7	63.3
2013	122.6	18.2	20.4	20.4	31.0	24.1
2014e	137.3	19.7	19.6	18.3	34.5	37.5
2015e	157.7	27.5	27.1	25.3	25.0	19.5

Sector: Pharma & healthcare

Price:	1057.0p
Market cap:	£309m
Forecast net cash (£m)	36.1
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Consort Medical is an international medical devices business. Having divested King Systems (for up to $170m in cash), it once more consists of the Bespak operations (inhalation and injection technologies).

Price performance

%	1m	3m	12m
Actual	12.9	19.4	49.8
Relative*	12.5	15.6	35.2

* % Relative to local index

Analyst

Franc Gregori

Consort Medical (CSRT)

INVESTMENT SUMMARY

Consort Medical's interim results highlighted the strength of Bespak's operating performance and management's shrewdness at divesting King Systems last year. The sizeable investment in innovation and development expertise is delivering new products which, coupled with operational improvements over the past three years, is translating into organic revenue and profit growth. The prospects appear very promising, although commercial sensitivity means that the visibility, both in terms of timings and revenue potential, is low. Consort Medical's strong balance sheet is also worthy of mention.

INDUSTRY OUTLOOK

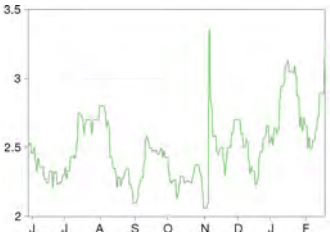
Bespak is a leader in producing medical devices for the pharmaceutical industry, with proven expertise in high-volume, high-quality manufacture of regulated products. Bespak's core drug-delivery franchise is inhalation, although it has diversified into auto-injectors, nasal delivery and point-of-care diagnostics through the Atlas Genetics investment.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2012	93.5	23.8	15.2	48.8	21.7	12.3
2013	95.0	26.0	17.3	53.4	19.8	11.6
2014e	100.5	24.8	17.2	44.4	23.8	12.5
2015e	105.6	26.0	18.2	46.1	22.9	12.7

Sector: Pharma & healthcare

Price: US$3.26
Market cap: US$219m
Forecast net cash (US$m) 0.7
Forecast gearing ratio (%) N/A
Market NASDAQ

Share price graph (US$)



Company description

Cytori sells the Celution device to harvest and concentrate adipose cells at the bedside for autologous therapy. It is CE marked. Two cardiac studies are underway in heart attack recovery and chronic heart disease.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Dr John Savin

Cytori Therapeutics (CYTX)

INVESTMENT SUMMARY

Cytori offers a strong investment case in cell therapy. It uses concentrated adipose (fat) derived regenerative cells (ADRC) from the patient. When injected into damaged tissues, ADRC appears to trigger their healing. Cytori sells Celution, point-of-care disposables and a bedside device to prepare ADRC in 90 minutes or less. This makes the procedure flexible to use with a potentially broad range of indications and an affordable price point. In the US, a Phase II study, ATHENA, aims to boost heart function in patients with ischemic cardiomyopathy. A US government contract (BARDA) could enable development of a burn therapy. The Lorem Vascular deal provided $24m in equity and may open the massive Chinese market.

INDUSTRY OUTLOOK

Cardio3 (autologous) and Teva/Mesoblast(allogenic) both have Phase III studies in chronic ischemic heart disease underway. Baxter has curtailed its pivotal study recruitment. Cytori could have a clear and defensible market position, but is some way form a pivotal trial.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	10.0	(29.5)	(33.1)	(62.4)	N/A	N/A
2012	14.5	(28.7)	(32.9)	(56.5)	N/A	N/A
2013e	15.8	(28.9)	(33.3)	(49.8)	N/A	N/A
2014e	22.4	(30.7)	(34.3)	(46.5)	N/A	N/A

Sector: Pharma & healthcare

Price: CHF3.05
Market cap: CHF93m
Forecast net cash (CHFm) 2.3
Forecast gearing ratio (%) N/A
Market Swiss Stock Exchange

Share price graph (CHF)

Company description

Cytos Biotechnology is a public biopharmaceutical company focused on the development of targeted immunotherapies. Its lead candidate, CYT003, is a first-in-class biologic in Phase II development as a potential new treatment for allergic asthma.

Price performance

%	1m	3m	12m
Actual	(13.6)	(10.6)	(15.9)
Relative*	(13.0)	(12.3)	(25.1)

* % Relative to local index

Analyst

Dr Philippa Gardner

Cytos Biotechnology (CYTN)

INVESTMENT SUMMARY

Cytos's investment case hinges on key asset CYT003, currently in a Phase IIb trial in moderate-to-severe allergic asthma. The study is due to report initial data in Q214, with full results in Q115. A positive outcome could trigger initiation of an additional Phase IIb trial in mild-to-moderate patients, broadening CYT003's potential market; facilitate potential partnering discussions; and alleviate overhang from the outstanding convertible debt (due in February 2015). Following the November rights offering, which raised CHF24.3m, Cytos appears sufficiently capitalised to Q115 when the convertible debt will likely need repaying.

INDUSTRY OUTLOOK

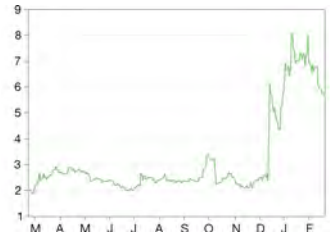
The potential of immunotherapies is increasingly being recognised, especially in respiratory (most notably asthma), cancer and auto-immune indications. CYT003 has already demonstrated a clinically meaningful difference versus placebo as measured by mean ACQ score in a previous Phase IIa trial in patients with persistent asthma.

Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2011	1.6	(19.3)	(20.1)	(382.0)	N/A	N/A
2012	1.1	(15.0)	(11.7)	(66.7)	N/A	N/A
2013e	1.0	(20.1)	(27.4)	(129.5)	N/A	N/A
2014e	1.0	(20.7)	(27.9)	(95.4)	N/A	N/A

Sector: Pharma & healthcare

Price: US$5.63
Market cap: US$237m
Forecast net cash (US$m) 40.2
Forecast gearing ratio (%) N/A
Market NASDAQ

Share price graph (US$)



Company description

CytRx is focused on oncology. Lead programme, aldoxorubicin, is Phase III-ready for second-line STS, in an ongoing Phase IIb study in front-line STS, and has entered Phase II for GBM and Kaposi's sarcoma.

Price performance

%	1m	3m	12m
Actual	(23.3)	165.6	181.5
Relative*	(23.0)	159.7	130.3

* % Relative to local index

Analyst

Jason Zhang

CytRx (CYTR)

INVESTMENT SUMMARY

The FDA's approval of a protocol change to allow aldoxorubicin to be dosed to progression in the drug's pivotal, SPA-sanctioned, Phase III trial in second-line soft tissue sarcoma (STS) not only underscores the drug's superior safety profile observed in various trials so far, but also increases the drug's probability of success in the trial because drug exposure and treatment duration are typically related to chemotherapy efficacy. We are raising our valuation to $471m from $278m previously to reflect this better than expected progress of the aldoxorubicin development programme.

INDUSTRY OUTLOOK

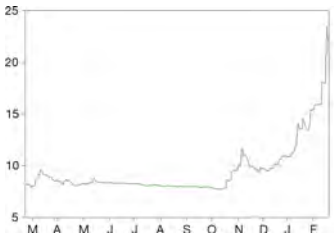
CytRx has a strong rationale for advancing aldoxorubicin, a tumour-targeted doxorubicin conjugate, into a pivotal Phase III study for second-line STS. Initiation of Phase III development is supported by positive Phase I/II data in advanced STS; doxorubicin's efficacy in STS; limited competition; high unmet medical need; and a clear regulatory pathway due to the Special Protocol Assessment received from the FDA.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	0.3	(22.0)	(21.8)	(76.8)	N/A	N/A
2012	0.1	(19.0)	(18.9)	(47.0)	N/A	N/A
2013e	0.1	(22.2)	(22.1)	(50.8)	N/A	N/A
2014e	0.1	(25.3)	(25.2)	(48.7)	N/A	N/A

Sector: Pharma & healthcare

Price: €20.51
Market cap: €309m
Forecast net cash (€m) 41.0
Forecast gearing ratio (%) N/A
Market Euronext Paris

Share price graph (€)



Company description

DBV Technologies is a French allergy company focused on food allergy. DBV has a pipeline of patch-based allergy immunotherapy products, including lead candidate Viaskin Peanut. Other patch products are also in development.

Price performance

%	1m	3m	12m
Actual	43.5	111.4	148.9
Relative*	41.4	103.6	104.8

* % Relative to local index

Analyst

Dr Philippa Gardner

DBV Technologies (DBV)

INVESTMENT SUMMARY

DBV's novel Viaskin patch technology could revolutionise treatment of life-threatening food allergies. Viaskin is based on the established principles of allergy immunotherapy (AIT), which can offer an allergy cure. Traditional AIT (injections or oral) is not appropriate for food allergies owing to potentially fatal consequences. DBV's Viaskin patch uses the skin to transport allergens to the immune system, avoiding passage to the blood and reducing the risk of anaphylaxis. Lead product Viaskin Peanut has demonstrated efficacy in children with nearly 70% able to consume 10x more peanut after 18 months' treatment, and has been well tolerated to date. Further Phase IIb data are expected in H214.

INDUSTRY OUTLOOK

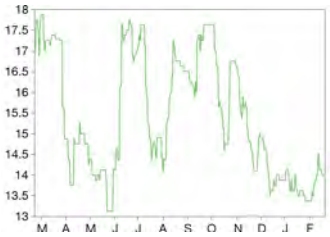
It is estimated that peanut allergy affects around 1.4% of children in the US, which has grown from 0.6% in 1997. There are around 30,000 emergency room visits for food allergy per year in the US, with around 200 deaths. No treatment options exist outside of strict avoidance and carrying an adrenaline pen.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	1.9	(7.4)	(7.2)	(102.81)	N/A	N/A
2012	2.8	(13.8)	(13.5)	(106.21)	N/A	N/A
2013e	3.3	(16.3)	(15.3)	(106.79)	N/A	N/A
2014e	4.1	(16.7)	(15.6)	(101.63)	N/A	N/A

Sector: Pharma & healthcare

Price:	14.0p
Market cap:	£24m
Forecast net debt (£m)	0.5
Forecast gearing ratio (%)	18.0
Market	AIM

Share price graph (p)



Company description

Deltex Medical is a UK medical device company that manufactures and sells the CardioQ-oesophageal Doppler monitor and disposable probes for haemodynamic monitoring to reduce recovery times after high-risk and major surgery.

Price performance

%	1m	3m	12m
Actual	2.8	(0.9)	(17.7)
Relative*	2.4	(4.1)	(25.7)

* % Relative to local index

Analyst

Dr John Savin

Deltex Medical Group (DEMG)

INVESTMENT SUMMARY

With sales of about £7.2m in 2013, Deltex has a solid basis for growth in 2014. Surgical probes accounted for 76% of sales (£5.5m) in 2013, with the UK providing an estimated £3m; H2 UK growth was 37%. Total sales to the NHS are forecast to grow 30% in 2014. In the US, 2013 sales were up 13%, but the 2014 focus will be on supporting the Premier study to obtain mass-market data in 2015; initial data show wide variations in medical practice and outcomes. Year-end cash was £1.5m. Deltex cash use in 2014 will fund investment as the business should be cash positive before Premier costs.

INDUSTRY OUTLOOK

Deltex seems to have the basis market to at least triple UK sales given that many UK hospitals have yet to use the technology in surgery. A formal French recommendation ought to drive sales up from the current 1% of the market. In the US, a third US hospital is now ramping up use with a dedicated trainer in place. Deltex has established a joint venture in Canada. JVs may be established in other countries.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011	6.3	(0.8)	(1.1)	(0.71)	N/A	N/A
2012	6.8	(0.8)	(1.3)	(0.80)	N/A	N/A
2013e	7.2	(1.5)	(1.9)	(1.13)	N/A	N/A
2014e	8.4	(0.6)	(0.9)	(0.49)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$15.21
Market cap:	US$362m
Forecast net cash (US$m)	23.1
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

Derma Sciences is a specialty medical device/pharmaceutical company. It focuses on developing and commercialising traditional and novel advanced wound care products, including MEDIHONEY and TCC-EZ.

Price performance

%	1m	3m	12m
Actual	27.2	31.1	23.9
Relative*	27.7	28.2	1.3

* % Relative to local index

Analyst

Jason Zhang

Derma Sciences (DSCI)

INVESTMENT SUMMARY

Derma Sciences is planning to provide an update on recruitment into its Phase III trials of DSC127 for diabetic foot ulcers in the coming weeks. This should provide an indication of whether it can still meet its “stretch” goal of completing recruitment into the two pivotal studies by the end of this year. There appears to be a heightened investor focus on this target, even though a delay has only a modest impact on valuation. We have updated our valuation and have assumed a more prudent view of DSC127 timelines. This reduces our valuation by around 3% to $343.5m, equivalent to $19.9/per basic share and $17.3/share fully diluted.

INDUSTRY OUTLOOK

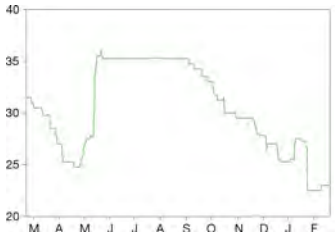
Derma Sciences operates in three segments of the wound care business, TWC, AWC and pharmaceutical wound care. The slow-growing but cash-positive TWC unit provides the company with investment capital for the fast-growing AWC unit, which has seen a five-year (2007-12) CAGR of 53.2% and is expected to continue to grow in the 30-40% range in the next few years.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	62.6	0.4	(2.5)	(31.6)	N/A	N/A
2012	72.5	(8.9)	(12.2)	(78.4)	N/A	N/A
2013e	81.8	(15.6)	(22.1)	(127.0)	N/A	N/A
2014e	94.8	(15.9)	(23.2)	(131.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	23.0p
Market cap:	£61m
Forecast net cash (£m)	41.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

e-Therapeutics is a drug discovery and development company with a proprietary network pharmacology discovery platform and a clinical pipeline (with potential to be out-licensed post-Phase II).

Price performance

%	1m	3m	12m
Actual	(15.6)	(20.0)	(27.0)
Relative*	(15.9)	(22.6)	(34.1)

* % Relative to local index

Analyst

Franc Gregori

e-Therapeutics (ETX)

INVESTMENT SUMMARY

e-Therapeutics is well funded (net cash of £45m) and has the resources to progress both ETS2101 and ETS6103 through to potential valuation inflection points and to develop a broader R&D portfolio. Recruitment into the two Phase I US and UK trials for ETS2101 were suspended in January due to practical issues with the IV formulation. Patient recruitment is expected to resume shortly after the issues are resolved. Meanwhile, a 24-patient Phase I study using an oral formulation of ETS2101 has started in February in the UK, with results due in Q414.

INDUSTRY OUTLOOK

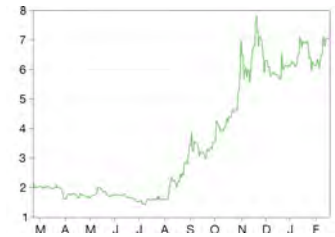
Network pharmacology could potentially revolutionise drug discovery and shorten the path to market by minimising technical risks (failure on safety or efficacy grounds) and drug development costs. e-Therapeutics is well positioned, with limited direct competition and growing industry interest in systems biology-based multi-target approaches to drug discovery.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	0.0	(4.0)	(3.9)	(2.5)	N/A	N/A
2013	0.0	(5.2)	(5.0)	(3.0)	N/A	N/A
2014e	0.0	(8.8)	(8.3)	(2.9)	N/A	N/A
2015e	0.0	(8.9)	(8.5)	(2.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	€6.97
Market cap:	€91m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)



Company description

Epigenomics is a German molecular diagnostics company focused on early detection of cancer. Its main product is Epi proColon, a blood-based DNA test for colorectal cancer that uses a sophisticated PCR assay to detect methylated copies of the septin9 gene.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Emma Ulker

Epigenomics (ECX)

INVESTMENT SUMMARY

Epigenomics' blood-based Epi proColon is now under final review by the FDA and the advisory board panel is due to meet on 26 March. The PMA was based on two large studies that showed sensitivity of 68-72% at a specificity of 80-82%. However, the overall performance data may not be the key determinant of success in the market. The ability to identify early-stage CRC and the presumed patient preference for blood-based vs stool-based tests may prove to be as important in addressing poor current screening compliance. French mutual health insurer MACSF recently granted reimbursement for Septin9 blood-based CRC testing. Epigenomics' Q313 cash position stood at €2.6m and it has since issued up to €500k in convertible notes and completed €4.2m in equity funding, which should fund the company well into FY14, by which time the FDA should have approved Epi proColon.

INDUSTRY OUTLOOK

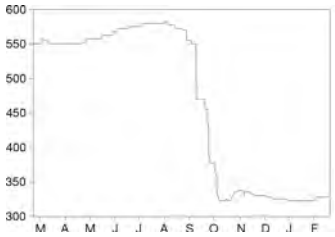
Epi proColon offers patients a simple and convenient alternative to faecal occult blood testing and should increase compliance for colorectal screening by addressing individuals not currently participating in screening programmes. Epi proLung is an aid in the diagnosis of lung cancer from bronchial lavage using the SHOX2 biomarker.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	1.4	(7.9)	(8.3)	(96.9)	N/A	N/A
2012	1.0	(10.8)	(10.9)	(125.3)	N/A	N/A
2013e	N/A	N/A	N/A	N/A	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	327.5p
Market cap:	£32m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Epistem has a profitable contract services business and an emerging clinical biomarker technology with Sanofi as a big client. Epistem is preparing to launch Genedrive, its novel molecular diagnostic device, initially in the TB market.

Price performance

%	1m	3m	12m
Actual	1.6	(0.8)	(40.5)
Relative*	1.2	(4.0)	(46.3)

* % Relative to local index

Analyst

Emma Ulker

Epistem Holdings (EHP)

INVESTMENT SUMMARY

Epistem recognised £5.4m of revenue in FY13, broadly in line with FY12. The year-end cash balance was £6.5m. Epistem signed an agreement with the US Air Force in December to evaluate Genedrive for pathogen detection, securing £0.4m during an initial six-month development phase. If the evaluation is successful, Epistem will receive additional development funding and Genedrive will be rolled out by the US Department of Defence. Final-stage clinical testing in support of Indian regulatory approval in tuberculosis is set to start this year, while clinical trials are being planned in support of approval recommendation by the World Health Organisation. H114 results are due to be reported on 25 March.

INDUSTRY OUTLOOK

Epistem believes GeneDrive (a DNA-based diagnostic point-of-care system) will change the shape of DNA diagnostics. GeneDrive has now been CE marked, but published data are very limited. The TB market seems a good one as other tests are unreliable or expensive.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	5.6	(0.6)	(0.7)	(2.9)	N/A	N/A
2013	5.4	(1.2)	(1.5)	(12.5)	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	€15.00
Market cap:	€83m
Forecast net cash (€m)	13.2
Forecast gearing ratio (%)	N/A
Market	NYSE Euronext

Share price graph (€)

Company description

Erytech Pharma is a French orphan oncology company with a red blood cell encapsulation technology. Its lead product, Graspa, is in a Phase III trial for acute lymphoblastic leukaemia and a Phase IIb for acute myeloid leukaemia.

Price performance

%	1m	3m	12m
Actual	20.0	53.1	N/A
Relative*	18.2	47.4	N/A

* % Relative to local index

Analyst

Dr Philippa Gardner

Erytech Pharma (ERYP)

INVESTMENT SUMMARY

Lead product Graspa could allow Erytech to join the select group of EU biotech companies with a marketed product. Graspa is based on L-asparaginase, a child leukaemia treatment used for over 30 years. However, use in elderly and frail patients is limited owing to serious side effects and allergic reactions. Graspa, based on Erytech's unique technology, has already demonstrated improved safety with equivalent efficacy to L-asp and is being investigated in pivotal trials in both ALL and AML. Phase III ALL data anticipated in Q414 which should allow for first EU launch in early 2016 with partner Recordati.

INDUSTRY OUTLOOK

Erytech's technology allows proteins to be encapsulated within red blood cells. This protects the molecule from the body's natural defences, and limits sudden exposure post conventional drug administration. In addition, the encapsulated molecule's half-life can be extended. This allows lower doses to achieve the same efficacy as standard/regular drug, while reducing side effects.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	0.9	(6.0)	(6.0)	(188.17)	N/A	N/A
2012	5.7	(1.4)	(2.2)	(69.64)	N/A	77.3
2013e	1.6	(6.3)	(7.2)	(166.36)	N/A	N/A
2014e	1.1	(7.5)	(7.0)	(126.05)	N/A	N/A

Sector: Pharma & healthcare

Price: CHF1.42
Market cap: CHF344m
Forecast net cash (CHFm) 21.6
Forecast gearing ratio (%) N/A
Market Swiss Stock Exchange

Share price graph (CHF)

Company description

Evolva is Swiss biosynthesis company. It has a proprietary yeast technology platform, which it uses to create and manufacture high-value speciality molecules for nutritional and consumer products.

Price performance

%	1m	3m	12m
Actual	1.4	52.7	90.2
Relative*	2.1	49.7	69.3

* % Relative to local index

Analyst

Dr Mick Cooper

Evolva (EVE)

INVESTMENT SUMMARY

Evolva has an innovative biosynthesis platform focused on developing new production methods for nutritional and consumer health products. Its key programme is for the sweetener stevia, partnered with Cargill (up to $7.5m in milestones and the right to a 45% participation in the final business), which is progressing ahead of schedule. It could be launched in 2015/16 and will initially be targeted at the $4bn beverage sweetener market. It also has a vanilla project (partnered with IFF, which should be launched in H114), and ones for resveratrol (on market) and saffron. It has just formed a new alliance with L'Oreal to develop a manufacturing process for a cosmetic ingredient. It has nutritional alliances with Ajinomoto and Roquette as well. Its legacy pharmaceutical product, EV-077, is being partnered with Serodus.

INDUSTRY OUTLOOK

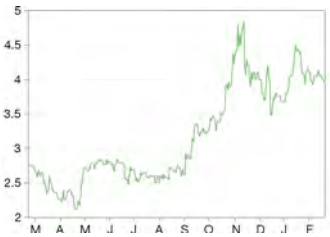
The manufacturers of nutritional and consumer health products are always interested in cheaper production methods, especially if the product is natural and has health benefits. Evolva is primarily targeting this market.

Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2011	11.1	(22.4)	(25.5)	(13.4)	N/A	N/A
2012	7.0	(16.8)	(18.8)	(7.8)	N/A	N/A
2013e	8.9	(14.5)	(16.5)	(6.9)	N/A	N/A
2014e	10.2	(15.1)	(17.0)	(7.1)	N/A	N/A

Sector: Pharma & healthcare

Price: €3.94
Market cap: €518m
Forecast net cash (€m) 75.9
Forecast gearing ratio (%) N/A
Market FRA

Share price graph (€)



Company description

Evotec is a drug discovery business that provides outsourcing solutions to pharmaceutical companies, including Boehringer Ingelheim, Pfizer and Roche. It has operations in Germany, the UK and the US.

Price performance

%	1m	3m	12m
Actual	(10.2)	(1.2)	43.1
Relative*	(9.5)	(5.9)	12.4

* % Relative to local index

Analyst

Dr Mick Cooper

Evotec (EVT)

INVESTMENT SUMMARY

Evotec raised €30m in September 2013 to accelerate its CureXTargetX strategy, which is focused on drug discovery alliances with academia. There are now three CureX and seven TargetX collaborations. Two programmes (CureBeta, TargetAD) have led to major corporate alliances with Janssen and several other similar deals could be signed over the next two years. Data from the second Phase III trial with DiaPep277 in Type I diabetes are due in Q414 and the Phase II study with EVT302 in Alzheimer's disease in mid-2015. Three products could also enter clinical development over the next 18 months. Evotec is well capitalised with an estimated €93m at FY13.

INDUSTRY OUTLOOK

Pharmaceutical companies are outsourcing drug discovery activities to improve their productivity and decrease the fixed costs associated with them. Evotec's growth depends on its ability to provide a high-quality integrated service.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	80.1	12.0	7.5	5.6	70.4	42.9
2012	87.3	9.1	1.3	0.4	985.0	38.0
2013e	84.9	10.0	2.4	1.9	207.4	72.5
2014e	95.5	12.2	5.3	3.4	115.9	38.6

Sector: Pharma & healthcare

Price:	64.8p
Market cap:	£50m
Forecast net cash (£m)	1.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Futura Medical is a UK-based healthcare company developing non-prescription topical products in sexual healthcare and pain relief management, based on its proprietary DermaSys delivery technology.

Price performance

%	1m	3m	12m
Actual	(14.2)	16.7	(4.8)
Relative*	(14.5)	12.9	(14.1)

* % Relative to local index

Analyst

Franc Gregori

Futura Medical (FUM)

INVESTMENT SUMMARY

Futura Medical is approaching a key inflection point as its principal product nears market launch. CSD500, a performance-enhancing condom, is licensed to strong regional players. For instance, Church & Dwight (the US consumer group that owns the market-leading Trojan brand) is the partner for North America and selected European territories, and Ansell for China (where its JissBon brand ranks second). Meanwhile, Ansell has started roll-out of the PET500 ejaculation delay spray in the US. The low-cost business model means that even a modest commercial success could prove transformational for the company's finances.

INDUSTRY OUTLOOK

Futura Medical is a UK-based healthcare group focused on topical pharmaceutical drugs and medical devices that incorporate existing chemical entities and can be sold over the counter. The development portfolio consists of six products that range from PET500, a topical spray to delay premature ejaculation that is being launched by Ansell in the US, to the recently added TIB200 and SPR300, which are superior formulations of existing topical pain-relieving gels.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011	0.2	(2.1)	(2.2)	(2.5)	N/A	N/A
2012	0.1	(2.5)	(2.6)	(2.9)	N/A	N/A
2013e	0.4	(2.0)	(2.1)	(2.3)	N/A	N/A
2014e	1.4	(0.8)	(0.9)	(0.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	279.2p
Market cap:	£602m
Forecast net cash (£m)	82.5
Forecast gearing ratio (%)	N/A
Market	AIM, NASDAQ

Share price graph (p)

Company description

GW Pharmaceuticals is a UK-based speciality pharma company focused on developing cannabinoid medicines. Lead product, Sativex, is marketed in a number of European countries for multiple sclerosis-associated spasticity.

Price performance

%	1m	3m	12m
Actual	9.8	57.8	398.7
Relative*	9.5	52.7	350.1

* % Relative to local index

Analyst

Lala Gregorek

GW Pharmaceuticals (GWP)

INVESTMENT SUMMARY

GW has raised $101.1m gross through a follow-on offering of 2.81m new ADSs at $36.00/ADS. These funds will be used to accelerate Epidiolex development in orphan childhood epilepsies (Dravet and Lennox-Gastaut syndromes), while importantly allowing GW to retain global commercial rights. Phase I epilepsy data and the start of Phase II trials of Epidiolex are expected during 2014. Overall, 2014 remains potentially transformative for GW as its pipeline delivers important clinical milestones. Major inflection points for lead product Sativex include Phase III cancer pain data (Q414) and US Phase III start in MS spasticity (H214).

INDUSTRY OUTLOOK

GW is the leader in the field of cannabinoid medicines, which have the potential to become novel therapies for a broad range of diseases. Cannabinoids are diverse chemical compounds that GW extracts from different cannabis plant varieties (chemotypes) it has bred. Sativex is GW's lead product; we estimate it will achieve 5-10% market share in its approved indications.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	33.1	2.8	2.2	2.6	107.4	270.5
2013	27.3	(8.9)	(9.7)	(2.6)	N/A	N/A
2014e	23.7	(15.2)	(15.3)	(5.5)	N/A	N/A
2015e	24.4	(15.8)	(15.9)	(5.5)	N/A	N/A

Sector: Pharma & healthcare

Price:	742.5p
Market cap:	£386m
Forecast net debt (US$m)	4.3
Forecast gearing ratio (%)	5.0
Market	AIM

Share price graph (p)

Company description

Hutchison China MediTech is the healthcare arm of Hutchison Whampoa (with 30% listed on AIM) that capitalises on the economic and demographic shifts in China with novel high-technology therapies, TCM drugs, organic foods and consumer products.

Price performance

%	1m	3m	12m
Actual	9.6	29.1	68.8
Relative*	9.2	24.9	52.3

* % Relative to local index

Analyst

Franc Gregori

Hutchison China MediTech (HCM)

INVESTMENT SUMMARY

The progress being achieved across a number of pipeline projects means that it is MediPharma, the R&D unit, that should increasingly become the focus of investor attention as it could add significant value over the coming year. Nonetheless, Hutchison China MediTech's investment case remains underpinned by the prospects for the China Healthcare division, as this business taps into one of the fastest-growing healthcare markets in the world. Additionally, the appreciation in land values has benefited China Healthcare's production sites, which are now in prime residential locations. These property windfalls should be more than sufficient to fund the desired expansion of manufacturing capacity.

INDUSTRY OUTLOOK

Favourable demand trends, coupled with the supportive environment for clinical research, mean the prospects for Chinese healthcare companies are compelling. Demographics and government support will continue to drive demand, while the clinical, regulatory and technological environments are highly conducive to novel drug development. Hutchison China MediTech is well placed to benefit from these rich seams of opportunity.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	29.3	7.5	5.2	1.8	682.0	102.8
2012	22.4	3.0	0.9	(14.0)	N/A	N/A
2013e	31.0	4.6	2.0	(7.0)	N/A	206.1
2014e	33.0	3.0	0.4	(8.8)	N/A	N/A

Sector: Pharma & healthcare

Price:	€2.63
Market cap:	€61m
Forecast net cash (€m)	2.5
Forecast gearing ratio (%)	N/A
Market	Alternext Paris

Share price graph (€)

Company description

Hybrigenics is a French biotech company. It provides protein-protein and small molecule analysis services and is conducting anti-cancer studies on lead drug inecalcitol, primarily in CLL and prostate cancer.

Price performance

%	1m	3m	12m
Actual	42.9	331.1	168.4
Relative*	40.8	315.3	120.9

* % Relative to local index

Analyst

Emma Ulker

Hybrigenics (ALHYG)

INVESTMENT SUMMARY

Hybrigenics is delivering on its services growth strategy, strengthening its competitive position through acquisitions and establishing a US subsidiary. As a result, we have raised our FY14 services sales estimate by 34%. FY13 services revenue rose 18%. Meanwhile, enrolment into the Phase II trial of inecalcitol in chronic lymphocytic leukaemia CLL is complete. The trial update showed that 58% of 19 patients treated achieved a delay or a stabilisation of disease progression. Final data are due to be reported in 2014 and a positive outcome could be the catalyst for a partnership deal in oncology. The company is currently funded through to mid-2015.

INDUSTRY OUTLOOK

Inecalcitol is being developed in three major indications and faces competition from existing drugs and those in development. However, its good safety profile could give it an advantage. Hybrigenics is pushing into the innovative field of systems biology and genomics, applying its expertise for protein-gene analysis to better understand diseases and their therapies.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	6.6	(2.0)	(2.5)	(14.2)	N/A	N/A
2012	5.9	(2.3)	(2.4)	(13.2)	N/A	N/A
2013e	6.0	(3.4)	(3.5)	(15.9)	N/A	N/A
2014e	7.4	(2.3)	(2.4)	(8.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$3.50
Market cap:	US$47m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	OMX, OTC QX

Share price graph (US$)

Company description

Immune Pharmaceuticals (formerly EpiCept) is a specialty pharmaceutical company focused on the development and commercialisation of pharmaceutical products for cancer treatment and pain management.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Wang Chong

Immune Pharmaceuticals (EPCT)

INVESTMENT SUMMARY

Immune Pharmaceuticals is an Israel-based biopharma company, which acquired EpiCept in a reverse-merger. It is primarily focused on developing antibodies for inflammatory disease and cancer. Its main product, bertilimumab, is ready to enter Phase II trials for ulcerative colitis (UC) and has potential in Crohn's disease and severe asthma. The other clinical programmes are AmiKet and Crolibulin. Amiket is a topical cream ready for Phase III in chemotherapy induced peripheral neuropathy, but the company hopes to partner the product. Crolibulin is a vascular disruption agent in Phase II for anaplastic thyroid cancer. The company also has the NanomAbs platform technology, similar to that of Bind Therapeutics, which has potential advantages over the current antibody drug conjugate technology.

INDUSTRY OUTLOOK

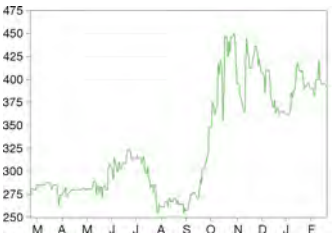
Bertilimumab is one of relatively few biological therapies in development for UC. Aside from two approved biologicals for UC - Remicade and Humira - there are two candidates in registration and seven competing agents currently undergoing Phase II studies.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	1.0	(14.1)	(15.3)	(22.9)	N/A	N/A
2012	7.8	(0.6)	(1.8)	(3.0)	N/A	N/A
2013e	N/A	N/A	N/A	N/A	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	392.5p
Market cap:	£391m
Forecast net cash (£m)	21.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Imperial Innovations is a technology transfer, incubation and venture investment company. It invests in ventures from Imperial College London, Cambridge and Oxford Universities and UCL. The majority of its investments are bio/med tech.

Price performance

%	1m	3m	12m
Actual	(4.3)	(8.7)	42.0
Relative*	(4.6)	(11.7)	28.1

* % Relative to local index

Analyst

Robin Davison

Imperial Innovations (IVO)

INVESTMENT SUMMARY

Imperial Innovations' largest individual portfolio company, Circassia, is in the process of floating on the LSE. The company, whose cat allergy product Cat-SPIRE is in Phase III trials, is seeking to raise £200m to advance various earlier-stage products into late-stage clinical studies. The success of the IPO will be a key test of the UK market's enthusiasm for biotech stocks, as well as a validation of Innovations's long-term investment strategy. The 250-310p indicative pricing range would value Innovations' equity stake in Circassia at c £72-82m vs last reported fair value of £45.1m at end July. Innovations' investment portfolio value stood at £188.2m at 31 July; cash at half-year end was £65.6m, which with the £15m second tranche of a £30m EIB loan available to draw down, means £80m of funds are available for investment. Interims will report in March.

INDUSTRY OUTLOOK

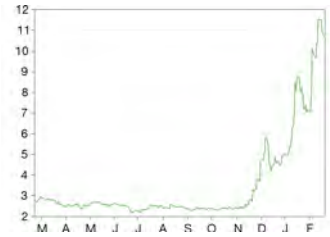
The investment case centres on the real value of the portfolio and the success of the strategy of investing in its portfolio of maturing companies. Portfolio companies are valued per International Private Equity and Venture Capital Valuation guidelines, hence there is potential for significant value creation if exits are achieved at valuations in excess of these.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	4.3	(6.2)	(4.0)	(6.3)	N/A	N/A
2013	3.3	(6.9)	(5.9)	(7.3)	N/A	N/A
2014e	3.6	(6.3)	(6.5)	(8.1)	N/A	N/A
2015e	4.0	(6.5)	(6.7)	(8.3)	N/A	N/A

Sector: Pharma & healthcare

Price:	€10.69
Market cap:	€489m
Forecast net cash (€m)	34.2
Forecast gearing ratio (%)	N/A
Market	NYSE Euronext

Share price graph (€)



Company description

Innate is a French biotech, developing first-in-class immunotherapy drugs for cancer and inflammatory diseases by developing new monoclonal antibodies targeting receptors and pathways controlling the activation of innate immunity.

Price performance

%	1m	3m	12m
Actual	33.5	231.0	287.3
Relative*	31.5	218.8	218.7

* % Relative to local index

Analyst

Wang Chong

Innate Pharma (IPH)

INVESTMENT SUMMARY

Innate Pharma has two promising Phase II immunotherapy oncology antibodies in development. Lirilumab (IPH2102), which is partnered with Bristol-Myers Squibb (BMS), is in Phase II for acute myeloid leukaemia, and BMS is running two large Phase I trials (n=150) in solid tumours (NSCLC, RCC, CRC, ovarian and melanoma) in combination with nivolumab (anti-PD1 antibody) and ipilimumab (Yervoy). Innate has recently acquired the rights to its second antibody, IPH2201, back from Novo Nordisk, and will set out its Phase II plans in Q214 (the antibody was being developed for inflammatory diseases). Innate has two other products in preclinical studies, IPH33 and IPH41, and aims to out-license the former this year for the treatment of chronic respiratory inflammation. The company has raised €20.3m in a private placement in Q413, and had a cash position of €41.3m at FY14.

INDUSTRY OUTLOOK

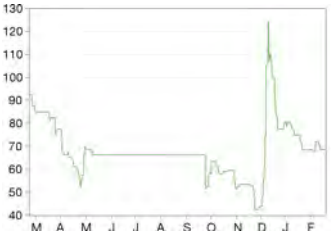
Innate Pharma is a leader in the development of new monoclonal antibodies that modify the activation of innate immunity cells. Oncology immunotherapies are currently causing considerable excitement among clinicians and investors.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	11.7	(6.7)	(7.0)	(18.5)	N/A	32.1
2012	14.3	(2.5)	(3.2)	(8.5)	N/A	N/A
2013e	13.1	(3.7)	(4.5)	(11.6)	N/A	N/A
2014e	11.0	(5.9)	(6.2)	(13.5)	N/A	N/A

Sector: Pharma & healthcare

Price:	68.5p
Market cap:	£10m
Forecast net cash (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Ixico is a UK-based medical technology company, focused on imaging and diagnostic tools for dementia and CNS conditions.

Price performance

%	1m	3m	12m
Actual	(4.2)	38.4	(26.0)
Relative*	(4.5)	33.9	(33.2)

* % Relative to local index

Analyst

Christian Glennie

Ixico (IXI)

INVESTMENT SUMMARY

The recent launch of Assessa, a tool for fast and accurate diagnosis of dementia using MRI scans, in the UK and Ireland through a deal with InHealth, highlights the versatility and potential in Ixico's imaging/diagnostic platform. Ixico's customers are mainly pharma companies to help select patients and assess safety/efficacy of new Alzheimer's drugs in all stages of clinical trials; a fresh contract was recently secured with a top 15 global pharma company. Ixico recorded £3.6m in revenues for the year ended 31 May 2013, and held £4.8m in available cash as of 15 October 2013. Ixico trades on LSE's AIM market following its reverse takeover of Phytopharm (15 October 2013).

INDUSTRY OUTLOOK

Ixico's key technologies, TrialWire and TrialTracker, have been used to collect patient data from more than 400 hospital sites worldwide, in several of the largest clinical trials of Alzheimer's disease treatments. In-market diagnostics, such as Assessa, are also available and being developed.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015e	N/A	N/A	N/A	N/A	N/A	N/A
2016e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	US$8.10
Market cap:	US$125m
Forecast net cash (US$m)	15.5
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

LeMaitre Vascular is a global provider of medical devices and implants for the treatment of peripheral vascular disease. The company develops, manufactures and markets vascular devices to addresses the needs of vascular surgeons.

Price performance

%	1m	3m	12m
Actual	0.6	(1.2)	35.9
Relative*	1.0	(3.4)	11.2

* % Relative to local index

Analyst

Jason Zhang

LeMaitre Vascular (LMAT)

INVESTMENT SUMMARY

LeMaitre Vascular reported its fourth successive quarter of double-digit growth in Q3, with revenues up 12% at $15.3m, in line with our forecasts. XenoSure sales were $2m, up 49%, and are now guided at $7.6m (previously $7.3m) for the year. LeMaitre raised its 2013 revenue guidance to $63.1m, but tempered full-year operating income guidance to $4.6m. Gross margin (70.0%) was lower in Q3, but should return to the historical 72-74% range once the XenoSure manufacturing transition is complete, likely in H214. We have adjusted our valuation to $176.3m or $11.1 per share.

INDUSTRY OUTLOOK

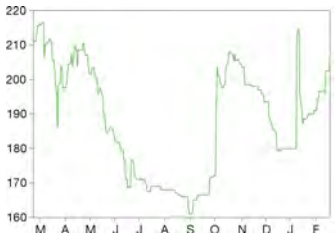
LeMaitre operates in markets with single-digit volume growth and increasing pricing constraints. However, the company is able to beat the secular trend by focusing on niche markets, increasing reach through sales rep growth and geography, and offering multiple complementary lines of products through acquisitions and R&D.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	57.7	8.3	6.9	13.40	60.4	39.6
2012	56.7	7.4	7.4	16.44	49.3	26.1
2013e	63.1	9.0	8.8	20.74	39.1	39.9
2014e	69.7	9.5	9.6	22.68	35.7	14.8

Sector: Pharma & healthcare

Price:	207.0p
Market cap:	£93m
Forecast net cash (£m)	23.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Lombard Medical Technologies is a manufacturer and supplier of cardiovascular implants. The lead product, Aorfix, a flexible endovascular stent graft for the treatment of AAA, is commercialised in Europe and recently received FDA approval.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Emma Ulker

Lombard Medical Technologies (LMT)

INVESTMENT SUMMARY

Lombard Medical's decision to list in the US could provide it with greater exposure to investors in Aorfix's key market (c $700m). The existence of a defined peer group, including direct comparator Endologix, is likely to increase receptiveness to the IPO. Following formal launch of the high-angle stent at the US Veith Symposium, two profile-raising live case demonstrations have been completed, one by the Arizona Heart Institute, broadcast to 500 vascular surgeons at the iCON convention Phoenix, the other by the Leipzig Park-Krankenhaus to over 500 vascular specialists at the LINC conference Leipzig. Aorfix is due to be launched in Japan in 2014, the second-largest global market for endovascular aneurysm repair(EVAR).

INDUSTRY OUTLOOK

Lombard will compete with larger US corporations to achieve further penetration in the $1.4bn global AAA market for Aorfix. The unique 0-90º label and clinical evidence provide a potential competitive edge for Aorfix in the EVAR-receptive US market.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011	4.0	(11.0)	(11.1)	(60.1)	N/A	N/A
2012	3.9	(8.3)	(8.9)	(42.2)	N/A	N/A
2013e	4.6	(14.5)	(14.6)	(40.0)	N/A	N/A
2014e	14.5	(7.4)	(7.6)	(15.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	€5.10
Market cap:	€122m
Forecast net cash (€m)	10.1
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

MagForce is a German medtech firm with a European approved nanotechnology to treat brain cancers. NanoTherm therapy involves injecting NanoTherm particles with a magnetic core into the tumour.

Price performance

%	1m	3m	12m
Actual	12.1	10.9	173.5
Relative*	12.9	5.6	114.7

* % Relative to local index

Analyst

Dr Philippa Gardner

MagForce (MF6)

INVESTMENT SUMMARY

MagForce is well positioned to execute on its strategy to increase uptake of its novel NanoTherm therapy, already approved in Europe for brain cancer. To increase physician acceptance and awareness of the therapy, MagForce has worked with a number of key opinion leaders to design a new glioblastoma study. The trial is due to start imminently and multiple centres have been established at which new NanoActivators will be installed. With three NanoActivators in place, this will bring the installed base to eight in Germany alone. Expansion across Europe is anticipated in the next few years. MagForce also intends to introduce NanoTherm therapy to the US, both in glioblastoma and prostate cancer, which should be facilitated by the CEO's established US network.

INDUSTRY OUTLOOK

MagForce's unique NanoTherm therapy has been designed to directly impact on tumours from within, while sparing surrounding healthy tissue. Nanoparticles are injected into a tumour and heated by an external magnetic field. This can destroy or sensitise the tumour for additional treatment such as chemotherapy or radiotherapy.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	0.0	(6.5)	(7.6)	(212.3)	N/A	N/A
2012	0.0	(4.6)	(5.7)	(116.0)	N/A	N/A
2013e	0.0	(5.9)	(6.7)	(46.0)	N/A	N/A
2014e	1.6	(4.9)	(5.6)	(23.2)	N/A	N/A

Sector: Pharma & healthcare

Price:	€6.72
Market cap:	€67m
Forecast net debt (€m)	3.8
Forecast gearing ratio (%)	24.0
Market	MAB

Share price graph (€)

Company description

Medcom Tech distributes a wide range of innovative orthopaedic products across Spain, Portugal and Italy. Its portfolio includes knee and hip implants, plates and screws to repair bone and spine fractures, and advanced types of bone cement.

Price performance

%	1m	3m	12m
Actual	30.2	46.4	401.5
Relative*	33.9	39.5	299.1

* % Relative to local index

Analyst

Dr Mick Cooper

Medcom Tech (MED)

INVESTMENT SUMMARY

Medcom Tech is maintaining strong growth despite Spain's challenging trading conditions. Underlying sales grew by 10.7% in H113 to €9.7m and EBITDA increased by 5.9% to €1.5m. The company is benefiting from the optimisation of its sales force and strengthening of its balance sheet over the last year. Net debt was €3.3m at H113 compared to €5.5m at FY12, so working capital constraints have been removed. Medcom Tech is also expanding its sales operations beyond Iberia and Italy in Europe and into Latin America. It has also established a new subsidiary, Medcom Flow, which will launch an innovative laryngoscope and intubation device, Totaltrack in the coming months; the product will be sold directly by Medcom Tech where it has a salesforce, and elsewhere by distributors.

INDUSTRY OUTLOOK

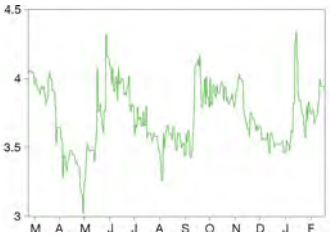
The Spanish orthopaedic market is estimated to be worth €400m. The market was growing at c 5% pa before the implementation of austerity measures, but is now estimated to be declining by c 5%. The ageing population, political pressure and technical innovations partially offset budget constraints.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	14.5	1.5	0.3	2.0	336.0	N/A
2012	16.8	2.3	0.5	4.0	168.0	20.2
2013e	18.6	2.9	1.6	11.6	57.9	18.8
2014e	21.6	4.3	3.0	21.3	31.5	19.8

Sector: Pharma & healthcare

Price:	€3.90
Market cap:	€39m
Forecast net cash (€m)	10.1
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)



Company description

Medigene is a biotech company with a cancer immunotherapy platform after the purchase of Trianta (DC vaccine in Phase I/II studies). Veregen is marketed through multiple global partners. EndoTAG-1 and RhuDex are pipeline assets.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Christian Glennie

Medigene (MDG1)

INVESTMENT SUMMARY

Medigene's recent c €4m all-share purchase of privately held Trianta Immunotherapies is a potentially transformational deal in a biotech hot spot. In gaining access to three types of cancer immunotherapy assets (a dendritic cell vaccine is in Phase I/II studies), and with the total value capped at c €10m, this could prove to be a lucrative move. Medigene is also assessing co-finance options for a Phase IIa study of RhuDex in primary biliary cirrhosis (PBC), and is supporting SynCore Biotechnology for a planned Phase III study (start H214) of EndoTAG-1 in triple negative breast cancer. Revenues are generated from genital warts ointment Veregen (9M13 in-market sales +40% to €12.2m). Estimated end-Q413 cash of €10m is sufficient to H115.

INDUSTRY OUTLOOK

Cancer immunotherapy (inducing an immune response against cancer cells) is attracting a huge biotech investor interest. Trianta's DC vaccine is third-generation, with multiple potential efficacy and manufacturing benefits over the forerunners (Provenge).

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	4.7	(16.6)	(15.5)	(105.88)	N/A	5.4
2012	6.3	(9.3)	(10.3)	(111.99)	N/A	N/A
2013e	8.1	(7.4)	(9.1)	(95.92)	N/A	N/A
2014e	11.0	(7.7)	(9.4)	(86.64)	N/A	N/A

Sector: Pharma & healthcare

Price:	A$5.83
Market cap:	A$1873m
Forecast net cash (A$m)	198.5
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)

Company description

Mesoblast is developing adult stem cell therapies based on its proprietary MPC and culture-expanded MSC platforms. It has six late-stage clinical trials across four areas.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Robin Davison

Mesoblast (MSB)

INVESTMENT SUMMARY

Partner Teva has started enrollment for its 1,730-patient Phase III study of CEP-41750 (MPCs) in congestive heart failure (CHF), whcih is projected to render data in mid-2018. Meanwhile, Mesoblast has reported positive results from a Phase II trial of MPCs in chronic discogenic low back pain and is advancing this, and another spinal programme, towards Phase III trials. We currently value Mesoblast at A$3.0bn (A$9.06/diluted share), which could rise to A$3.2bn or A$10.04/share once the spinal programmes are in Phase III studies.

INDUSTRY OUTLOOK

Mesoblast is the leading mesenchymal stem development company, with two technology platforms (MPCs, MSCs) and nine clinical candidates (four in Phase III, five in Phase II). Its three alliances – with Teva, JCR and Lonza – underpin the key late-stage programmes.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2012	27.8	(48.8)	(38.6)	(21.58)	N/A	N/A
2013	24.2	(58.7)	(48.8)	(17.21)	N/A	N/A
2014e	16.2	(86.5)	(76.9)	(24.13)	N/A	N/A
2015e	16.2	(87.6)	(82.1)	(25.56)	N/A	N/A

Sector: Pharma & healthcare

Price:	€11.48
Market cap:	€195m
Forecast net cash (€m)	15.0
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Mologen's lead products are MGN1703 for metastatic colorectal cancer maintenance and MGN1601, an allogeneic renal cancer cell vaccine. Both use dSLIM and MIDGE.

Price performance

%	1m	3m	12m
Actual	(4.0)	(10.2)	(18.6)
Relative*	(3.3)	(14.5)	(36.1)

* % Relative to local index

Analyst

Dr John Savin

Mologen (MGN)

INVESTMENT SUMMARY

Mologen develops anti-cancer immune maintenance therapies aiming to give long-lasting responses. MGN1703 is the lead Phase III anti-cancer immune-activating maintenance therapy. Mologen has decided to develop MGN1703 itself and has raised €15.7m in new equity to fund the Phase III study; more operational cash may be needed in 2016. Q3FY13 cash was €7.6m with a ytd loss of €6.6m.

INDUSTRY OUTLOOK

A 540-patient MGN1703 Phase III could start in Q314 and take three years to run, implying possible launch in 2018. In the US, a Phase I safety study using 14 volunteers ran in Q413. This will enable further US trials as needed. A 100-patient trial to assess the efficacy of MGN1703 in small cell lung cancer is expected to enrol the first patient soon. MGN1601, an allogeneic renal cancer cell vaccine plus dSLIM had very promising survival data from a subset of patients in its small initial Phase I. Mologen is currently designing a Phase II trial. If MGN1601 is approved, Mologen plans to sell direct, yielding valuable long-term profits. Mologen has started collaborative development of MGN1404 for melanoma. The first patient has been enrolled.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	0.1	(6.8)	(7.0)	(56.5)	N/A	N/A
2012	0.1	(6.9)	(7.2)	(51.6)	N/A	N/A
2013e	0.2	(8.6)	(8.8)	(57.4)	N/A	N/A
2014e	0.2	(12.6)	(12.7)	(75.0)	N/A	N/A

Sector: Pharma & healthcare

Price:	€64.77
Market cap:	€1698m
Forecast net cash (€m)	388.0
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

MorphoSys is a German biotechnology company that uses its proprietary antibody platforms to produce human antibodies for therapeutic use across a range of indications for partners and to develop its own pipeline.

Price performance

%	1m	3m	12m
Actual	(4.0)	18.1	87.7
Relative*	(3.2)	12.5	47.4

* % Relative to local index

Analyst

Dr Mick Cooper

MorphoSys (MOR)

INVESTMENT SUMMARY

MorphoSys has a broad portfolio of 19 antibodies in clinical studies (Novartis recently started a pivotal trial with bimagrumab), including three proprietary products with considerable potential. In June, its lead proprietary product, MOR103, was licensed to GSK in a €450m (c $590m) deal for development in rheumatoid arthritis and multiple sclerosis. A month later, it partnered MOR202 with Celgene in an $818m (c €630m) co-development agreement for multiple myeloma and other haematological cancers. A Phase II study with MOR208 in Non-Hodgkin's lymphoma and acute lymphoblastic leukaemia is ongoing, and another in chronic lymphocytic leukaemia in combination with lenalidomide is due to start shortly. MorphoSys had a cash position of €402m on 30 September, which will be used to support the MOR208 programme, other proprietary programmes and potential acquisitions, as well as fulfil its commitments with MOR202's development.

INDUSTRY OUTLOOK

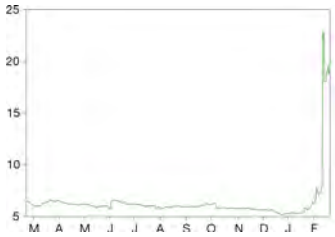
The pharmaceutical industry is out-licensing more drug discovery and developing more biological products, both of which trends should benefit MorphoSys. Also, there is increasing demand for novel therapies, such as those in MorphoSys' proprietary pipeline.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	81.7	17.8	20.9	69.4	93.3	51.9
2012	51.9	8.8	7.1	27.9	232.2	717.2
2013e	77.8	13.0	10.7	33.3	194.5	17.7
2014e	64.5	(18.4)	(16.2)	(38.8)	N/A	N/A

Sector: Pharma & healthcare

Price:	€19.97
Market cap:	€215m
Forecast net cash (€m)	3.6
Forecast gearing ratio (%)	N/A
Market	Euronext Paris

Share price graph (€)



Company description

Nanobiotix is a French nanotechnology company developing radiotherapy enhancers for the treatment of cancer. Lead product NBTXR3 is currently in Phase I clinical development in Europe and is partnered with PharmaEngine in Asia-Pacific.

Price performance

%	1m	3m	12m
Actual	243.7	253.5	208.2
Relative*	238.6	240.4	153.6

* % Relative to local index

Analyst

Dr Philippa Gardner

Nanobiotix (NANO)

INVESTMENT SUMMARY

Nanobiotix's nanotechnology products could enhance radiotherapy and be incorporated into current treatment without any changes to medical practice. Lead product NBTXR3 is in a pilot soft tissue sarcoma trial and a locally advanced head and neck cancer trial in Europe. A €2.8m grant for liver cancer has been awarded. The current development plans should allow for first CE-mark approval in Europe in late 2016. NBTXR3 is partnered with PharmaEngine in Asia Pacific and a US partnership is targeted for 2014. Follow-on products NBTX-IV and TOPO are both in preclinical development. Nanobiotix has sufficient cash to fund operations to mid-2014.

INDUSTRY OUTLOOK

Radiotherapy is a cornerstone cancer treatment used in around 50% of all cancer patients. NanoXray aims to improve the benefits of current radiotherapy without increasing the risks. The purely physical mechanism of action is supported by clinical data that have demonstrated encouraging efficacy with no serious adverse events.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	1.4	(5.0)	(5.2)	(68.16)	N/A	N/A
2012	1.0	(5.0)	(5.2)	(64.74)	N/A	N/A
2013e	1.2	(8.2)	(8.3)	(76.77)	N/A	N/A
2014e	2.2	(9.9)	(10.0)	(90.87)	N/A	N/A

Sector: Pharma & healthcare

Price:	€3.27
Market cap:	€64m
Forecast net cash (€m)	3.0
Forecast gearing ratio (%)	N/A
Market	Alternext Paris

Share price graph (€)

Company description

Neovacs is a biotech company focused on the development of targeted active immunotherapies for the treatment of severe chronic autoimmune and inflammatory diseases.

Price performance

%	1m	3m	12m
Actual	20.7	99.4	45.3
Relative*	18.9	92.0	19.6

* % Relative to local index

Analyst

Wang Chong

Neovacs (ALNEV)

INVESTMENT SUMMARY

Neovacs is recruiting for its 140-patient Phase IIb trial with its lead product TNF-Kinoid in rheumatoid arthritis (RA). Data from the trial are due in Q414. The aim is to maintain momentum of the programme while it seeks a partner. The Kinoid approach has potentially significant commercial advantages versus existing anti-TNF products in this large, but highly competitive therapeutic area. A partnership would also allow further development of the IFN-Kinoid in lupus (Phase I/II completed). Neovacs has also relaunched four preclinical programmes to broaden its pipeline. We estimate that it had cash of c €3m at FY13, and can if necessary draw down up to 2.0m shares from a contingent equity line so it can complete the ongoing Phase IIb RA trial.

INDUSTRY OUTLOOK

Neovacs's kinoids are immunotherapeutic products. Its lead product, TNF-Kinoid, is being targeted at the anti-TNF market for the treatment of rheumatoid arthritis and Crohn's disease, which is worth over $20bn. For lupus, there are limited treatments available; the FDA has just approved the first new treatment for this indication in 50 years.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	0.4	(10.2)	(10.2)	(52.0)	N/A	N/A
2012	0.1	(8.2)	(8.3)	(45.6)	N/A	N/A
2013e	0.0	(9.1)	(9.1)	(40.2)	N/A	N/A
2014e	0.0	(9.2)	(9.2)	(36.6)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$1.35
Market cap:	US$61m
Forecast net cash (US$m)	12.8
Forecast gearing ratio (%)	N/A
Market	NYSE MKT

Share price graph (US$)

Company description

NovaBay Pharmaceuticals is a US company developing a new class of topical anti-infectives. Auriclosene (NVC-422) is the lead candidate, undergoing a Phase IIb study in viral conjunctivitis.

Price performance

%	1m	3m	12m
Actual	16.9	10.7	4.7
Relative*	17.4	8.2	(14.4)

* % Relative to local index

Analyst

Christian Glennie

NovaBay Pharmaceuticals (NBY)

INVESTMENT SUMMARY

NovaBay is facing a pivotal year in 2014. Results from a global 450-patient Phase IIb study of its topical anti-infective agent, auriclosene, in viral conjunctivitis are expected in mid-2014. Positive data could re-rate the stock and offer the potential to secure fresh finance and/or new partnerships. Further clinical studies with auriclosene are also expected to start in H214, for impetigo (a confirmatory Phase IIb) and urinary catheter irrigation (potentially pivotal Phase II/III, after encouraging Phase IIa data). Global partners are being sought for NeutroPhase (pure hypochlorous acid), a wound-cleansing agent with FDA 510(k) clearances. We estimate end-2013 cash of $13m, and a $5m equity facility with Ascendiant Capital provides financial flexibility.

INDUSTRY OUTLOOK

Resistance to conventional antibiotics is a serious problem and the industry is seeking alternative methods of combating microbial infections. NovaBay's Aganocide compounds hold the potential to overcome and avoid resistance issues.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	11.0	(4.8)	(4.4)	(16.88)	N/A	N/A
2012	6.9	(8.8)	(8.5)	(28.74)	N/A	N/A
2013e	3.2	(16.0)	(15.7)	(40.56)	N/A	N/A
2014e	2.1	(16.3)	(16.1)	(33.17)	N/A	N/A

Sector: Pharma & healthcare

Price:	27.1p
Market cap:	£30m
Forecast net cash (£m)	2.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Omega is a UK-based company focused on developing and marketing in-vitro diagnostic products in infectious and autoimmune diseases and for food intolerance. Intolerance tests account for over 40% of revenues.

Price performance

%	1m	3m	12m
Actual	52.8	106.7	97.3
Relative*	52.3	100.0	78.1

* % Relative to local index

Analyst

Dr John Savin

Omega Diagnostics (ODX)

INVESTMENT SUMMARY

Omega has resolved the variability issue in its CD4 Visitect test for monitoring HIV positive individuals. The first trial batches are expected to ship in March for evaluation in Kenya and Mozambique by a non-governmental organisation (NGO). This could enable routine sales from H215. Our FY15 Visitect sales target is £2m. H114 saw sales of £5.59m, up 1% on H113. Food intolerance H1 sales rose 9% to £2.25m. Allergy and Autoimmune sales were £2.07m, up 4%. Infectious disease declined 12% in H1 to £1.28m; H2 recovery is expected.

INDUSTRY OUTLOOK

Omega can produce seven million Visitect CD4 tests per year with a potential sales value of £21m. Omega is planning to run claim-support studies to CE-Mark the test. These should be completed by mid-CY14, after which sales can start. Work on the automated allergy iSYS system has intensified. The launch may now be in FY15; the first seven tests have completed claim support and 11 more are on track. IDS will sell these tests in Germany, France and the UK.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2012	11.1	1.3	1.0	1.2	22.6	27.9
2013	11.3	1.1	0.8	1.3	20.8	23.0
2014e	11.5	1.0	0.7	0.9	30.1	43.1
2015e	14.6	2.6	2.4	2.0	13.6	25.4

Sector: Pharma & healthcare

Price:	C$1.89
Market cap:	C$160m
Forecast net cash (C$m)	16.3
Forecast gearing ratio (%)	N/A
Market	NASDAQ, TSX

Share price graph (C$)

Company description

Oncolytics Biotech is a Canadian company focused on developing Reolysin, a pharmaceutical formulation of the oncolytic reovirus, for the treatment of a wide variety of human cancers (Phase III trial in head and neck cancer).

Price performance

%	1m	3m	12m
Actual	2.2	(5.5)	(52.6)
Relative*	0.3	(10.4)	(57.9)

* % Relative to local index

Analyst

Wang Chong

Oncolytics Biotech (ONC)

INVESTMENT SUMMARY

The eagerly awaited data from the restructured Phase II squamous cell carcinoma of the head and neck (SCCHN) study (REO 018) resulted in investor disappointment, with the stock falling by 33%. Despite showing some positive trends in the loco-regional ± metastases group, a flawed study design and the confounding effects of post-study therapy make the data difficult to interpret. Oncolytics has so far only reported top-line data from one of the two discrete subgroups without p-values, but intends to disclose more data after analysing the study further. Pending further study data, we are maintaining our valuation at C$457m. At Q313 it had cash and equivalents of C$31.5m.

INDUSTRY OUTLOOK

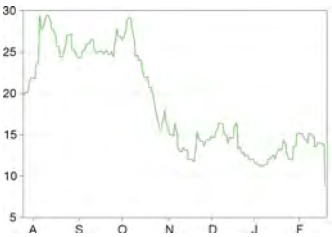
Oncolytics's rivals are the companies developing oncology products in the same therapeutic areas, but there are some interesting viral oncolytic companies, including Jennerex, Genelux and Viralytics, suggesting a new era in cancer treatment. Oncolytics is one of the two leaders in the area, with Amgen the other after its acquisition of BioVex for up to US$1bn.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2011	0.0	(28.7)	(28.3)	(39.9)	N/A	N/A
2012	0.0	(36.6)	(36.3)	(47.3)	N/A	N/A
2013e	0.0	(37.4)	(37.2)	(43.9)	N/A	N/A
2014e	0.0	(36.6)	(36.3)	(42.2)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$8.74
Market cap:	US$187m
Forecast net cash (US$m)	99.0
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Onconova Therapeutics is a clinical-stage bio-pharmaceutical company focused on discovering and developing novel small molecule drug candidates to treat cancer. It has a broad library of anti-cancer agents with a proprietary chemistry platform.

Price performance

%	1m	3m	12m
Actual	(38.8)	(40.0)	N/A
Relative*	(38.6)	(41.3)	N/A

* % Relative to local index

Analyst

Jason Zhang

Onconova Therapeutics (ONTX)

INVESTMENT SUMMARY

Rigosertib did not meet its primary endpoint of overall survival (OS) in the Phase III ONTIME trial in higher-risk MDS, but showed a statistically significant OS improvement in the subgroup of patients who had progressed or failed on hypomethylating agents (HMAs). Oral Rigosertib is in Phase II testing for transfusion-dependent lower risk MDS, for which encouraging data were presented at ASH last year. We have reduced our valuation to $303m or $14.1/basic share by lowering rigosertib sales estimates and the probability of success in higher-risk MDS.

INDUSTRY OUTLOOK

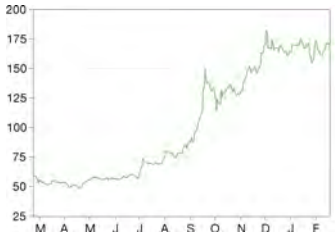
Using a proprietary chemistry platform, Onconova has created an extensive library of targeted anti-cancer agents, with three NCEs in the clinic. Upcoming catalysts include: discussions of the ONTIME results with regulatory authorities in the US and EU; the start of a Phase III trial for oral rigosertib in lower risk MDS; and updates from the Phase I/II trial of oral rigosertib in combination with azacitidine in first-line MDS.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	1.5	(27.9)	(27.6)	(1478.76)	N/A	N/A
2012	46.2	(44.7)	(30.3)	(1551.06)	N/A	12.1
2013e	3.3	(77.8)	(68.5)	(886.20)	N/A	N/A
2014e	0.0	(87.0)	(77.4)	(363.66)	N/A	N/A

Sector: Pharma & healthcare

Price: SEK164.00
Market cap: SEK5398m
Forecast net debt (SEKm) 486.0
Forecast gearing ratio (%) 331.0
Market NASDAQ OMX Mid Cap

Share price graph (SEK)



Company description

Orexo is a Swedish speciality pharma company, with expertise in drug delivery/reformulation technologies (in particular sublingual formulations) and a US commercial infrastructure (for Zubsolv).

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Lala Gregorek

Orexo (ORX)

INVESTMENT SUMMARY

Zubsolv has captured 1.9% market share (by volume) in the first 18 weeks since launch. Orexo is focused on maximising Zubsolv's commercial potential through further improvement in market access and lifecycle management. Securing reimbursement on par with competition (particularly at larger commercial payers) should drive near-term sales growth, and new clinical data could eventually expand the field of use for Zubsolv and take market share from Suboxone film. Management expects to obtain 25-30% market share within three years of launch.

INDUSTRY OUTLOOK

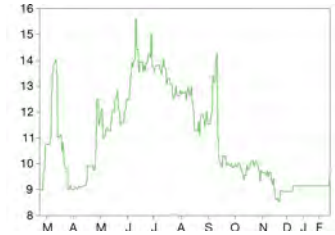
The US buprenorphine/naloxone market was worth $1.9m at end-2013; addressing unmet patient need underpins continued double-digit growth expectations. Opioid dependence diagnosis and treatment rates are low due to a combination of factors: social stigma, limited access to treatment in parts of the US and affordability. Zubsolv competes against Suboxone film (Reckitt Benckiser, >80% market share) and two generic bup/nal tablets (Actavis and Amneal, c 15% share).

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (öre)	P/E (x)	P/CF (x)
2012	326.0	(62.0)	(77.0)	(254.3)	N/A	141.8
2013	429.0	(45.0)	(109.0)	(358.9)	N/A	N/A
2014e	701.0	27.0	(7.0)	(22.5)	N/A	N/A
2015e	1626.0	502.0	464.0	1408.9	11.6	12.9

Sector: Pharma & healthcare

Price: US$9.82
Market cap: US$179m
Forecast net debt (US$m) N/A
Forecast gearing ratio (%) N/A
Market NASDAQ

Share price graph (US$)



Company description

OvaScience is a US-based life sciences company focused on developing and commercialising new treatments for female infertility. Product candidates are based on the discovery of germline stem cells in human ovaries.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Robin Davison

OvaScience (OVAS)

INVESTMENT SUMMARY

OvaScience's near-term investment case rests on the successful development and commercialisation of its lead product, AUGMENT, to improve the success rate of in vitro fertilisation (IVF). OvaScience is to establish a number of AUGMENT Centres of Excellence in markets outside the US this year. It aims to undertake 40-60 AUGMENT cycles this year under an early access programme before moving to a commercial operation from 2015. Our valuation remains under review.

INDUSTRY OUTLOOK

OvaScience's product candidates hold the potential to improve the current IVF process (AUGMENT) and provide a new treatment paradigm for infertility (OvaTure). In particular, we believe AUGMENT could substantially improve the success rate of IVF, where procedure numbers are growing due to delayed childbearing and rising infertility awareness.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	0.0	(12.1)	(12.1)	(209.0)	N/A	N/A
2013e	N/A	N/A	N/A	N/A	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & healthcare

Price:	3.1p
Market cap:	£44m
Forecast net cash (£m)	4.4
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Oxford BioMedica has a leading position in gene-based therapy. The LentiVector technology is wide ranging and underpins much of the development pipeline, notably the ophthalmology projects (in collaboration with Sanofi).

Price performance

%	1m	3m	12m
Actual	(12.4)	30.5	31.9
Relative*	(12.7)	26.3	19.1

* % Relative to local index

Analyst

Franc Gregori

Oxford BioMedica (OXB)

INVESTMENT SUMMARY

Oxford BioMedica is currently funded through to mid-2014. The ocular LentiVector programmes are the company's priority. Progress with the RetinoStat (Phase I), StarGen and UshStat (both Phase I/IIa) trials suggests the critical data from the RetinoStat study are likely to be ready in Q3/Q414. Sanofi has already opted in for the two smaller programmes (StarGen and UshStat), but it is the outcome of the RetinoStat (wet age-related macular degeneration) decision that effectively defines Oxford BioMedica's outlook. The forecast cash burn is around £1m per month, and the recent £5m funding facility implies the board is confident additional revenues should materialise over the coming quarters.

INDUSTRY OUTLOOK

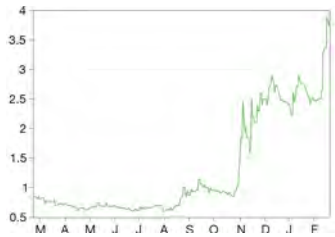
Gene therapy can correct dysfunctional cells and/or create endogenous therapeutic protein factories. The LentiVector platform is a flexible and efficient system that is particularly promising in ophthalmology indications, where a single administration could safely provide a sustained (or even permanent) effect.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011	7.7	(10.1)	(10.3)	(0.9)	N/A	N/A
2012	7.8	(9.1)	(9.5)	(0.7)	N/A	N/A
2013e	5.3	(9.8)	(10.3)	(0.6)	N/A	N/A
2014e	1.9	(11.2)	(11.8)	(0.7)	N/A	N/A

Sector: Pharma & healthcare

Price:	€3.89
Market cap:	€119m
Forecast net cash (€m)	14.0
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)



Company description

Paion is a biopharmaceutical company developing anaesthesia products, with four NCEs in its pipeline. Its lead product, remimazolam, is partnered with Ono Pharma in Japan, Yichang in China, Hana Pharma in South Korea and R-Pharm in CIS and Turkey.

Price performance

%	1m	3m	12m
Actual	44.7	69.8	371.9
Relative*	45.8	61.7	270.5

* % Relative to local index

Analyst

Emma Ulker

Paion (PA8)

INVESTMENT SUMMARY

New licence deals with Hana Pharma and R-Pharm support the potential of Paion's fast-acting sedative remimazolam and provide extra funding for ongoing trials. 2014 is a critical time; the European Phase II general anaesthesia readout is due in H1, potentially leading to a pivotal Phase III trial start. Recruitment into the 90-patient trial was completed in February. In H214, a US Phase III programme start is planned, depending on funding. Paion has raised €5m through a rights issue and a further €6.2m from a private placing, pushing its cash reach beyond Q115. The funds will be used towards Phase III costs. This could be further extended from milestones from new or existing partners or additional funding. FY13 results are due to be reported on 12 March.

INDUSTRY OUTLOOK

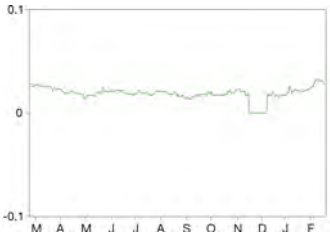
Remimazolam has important advantages over competing products, including fast onset and offset of action with lower risk of cardiopulmonary events than the standard of care propofol and a reversal agent exists if there is over sedation.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	3.2	(6.2)	(6.9)	(25.9)	N/A	N/A
2012	26.8	19.2	18.6	64.2	6.1	6.4
2013e	4.2	(3.4)	(3.2)	(11.1)	N/A	N/A
2014e	1.0	(5.9)	(5.8)	(19.4)	N/A	N/A

Sector: Pharma & healthcare

Price:	A$0.03
Market cap:	A$27m
Forecast net cash (A$m)	2.0
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Phylogica is a drug discovery company with a proprietary technology platform based on naturally derived Phylomer peptides. Its business model centres on drug discovery collaborations with pharma partners, including Roche, MedImmune, Pfizer and Janssen.

Price performance

%	1m	3m	12m
Actual	35.0	41.7	1.2
Relative*	32.3	37.4	(7.2)

* % Relative to local index

Analyst

Franc Gregori

Phylogica (PYC)

INVESTMENT SUMMARY

Phylogica's strategy is to use its Phylomer peptide drug discovery platform to form deals with pharmaceutical companies. The key point of differentiation for Phylogica is that some Phylomers are cell-penetrating peptides, which could enable drugs to be developed that target intracellular proteins with the specificity of antibodies. Deals typically involve technology access fees, FTE-based service fees and milestone payments. Phylogica has recently converted the A$1.6m convertible notes into 140m shares and raised A$6m via an underwritten rights issue (400m shares). The extra funds should enable the company to operate beyond the end of 2015.

INDUSTRY OUTLOOK

Peptides have some advantages of small molecules (stability, formulation flexibility and COGS) and the binding specificity of antibodies, but their key benefit is the ability to address intractable intracellular targets. Phylomer libraries are a source of novel peptide drug leads, which due to their diversity yield better quality and quantity hits vs random peptide libraries.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2011	2.4	(3.5)	(3.5)	(1.2)	N/A	N/A
2012	1.9	(3.9)	(3.9)	(0.9)	N/A	N/A
2013e	4.2	(1.8)	(1.9)	0.0	N/A	N/A
2014e	4.9	(1.3)	(1.3)	0.1	30.0	N/A

Sector: Pharma & healthcare

Price:	29.8p
Market cap:	£58m
Forecast net debt (£m)	6.7
Forecast gearing ratio (%)	254.0
Market	AIM

Share price graph (p)

Company description

Proteome Sciences is a protein biomarker contract research organisation. It has a broad patent portfolio covering isobaric mass-tagging in mass spectrometry and biomarkers for various neurological and oncology indications.

Price performance

%	1m	3m	12m
Actual	(9.9)	(24.2)	(51.6)
Relative*	(10.2)	(26.7)	(56.3)

* % Relative to local index

Analyst

Dr Mick Cooper

Proteome Sciences (PRM)

INVESTMENT SUMMARY

Proteome Sciences has a broad IP portfolio covering mass spectrometry techniques and biomarkers, which is being commercialised. The company earns royalties and manufacturing payments from Thermo Fisher Scientific, which sells Proteome's TMT products. PS Biomarker Services carries out protein assays and biomarker discovery for pharmaceutical companies, including Eisai and J&J. Proteome Sciences out-licenses its proprietary biomarkers non-exclusively to diagnostic companies as well. Its sales in H113 increased by 10% to £0.9m, its sales growth is expected to accelerate significantly in H213 and its latest trading update confirms that it is gaining momentum with new service contracts. Its preclinical CK1d inhibitors for Alzheimer's disease could also be partnered in the coming months.

INDUSTRY OUTLOOK

Pharma companies are expanding their biomarker programmes due to pressure from regulators and to improve productivity. Protein biomarkers promise to be particularly useful as they provide a direct readout of changes occurring in a person.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011	1.0	(4.1)	(4.5)	(2.1)	N/A	N/A
2012	1.2	(4.8)	(5.2)	(2.2)	N/A	N/A
2013e	2.0	(3.5)	(3.9)	(1.6)	N/A	N/A
2014e	5.7	(0.3)	(0.7)	0.1	298.0	N/A

Sector: Pharma & healthcare

Price:	194.0p
Market cap:	£89m
Forecast net debt (£m)	82.5
Forecast gearing ratio (%)	129.0
Market	LSE

Share price graph (p)

Company description

Skyepharma is an expert oral and inhalation drug-delivery company. It combines proven scientific expertise with validated proprietary drug-delivery technologies to develop innovative oral and inhalation pharmaceutical products.

Price performance

%	1m	3m	12m
Actual	71.7	69.4	203.1
Relative*	71.1	63.9	173.6

* % Relative to local index

Analyst

Franc Gregori

Skyepharma (SKP)

INVESTMENT SUMMARY

Skyepharma will report FY13 results on 27 March and has indicated they will be materially ahead of market expectations. It is clearly benefiting from growing revenues from the seven products launched in the last two years, including GSK's inhaled products, but it is flutiform that elicits most interest as it is expected to contribute over half Skyepharma's revenues by 2017. The uptake in Europe continues to suggest its sales trajectory could exceed our conservative forecasts. This augurs well for the refinancing of any remaining debt when the 2017 bond repayment is due. As the debt and interest repayments are now better aligned with the expected cash inflows, Skyepharma's prospects hinge on commercial rather than financial factors.

INDUSTRY OUTLOOK

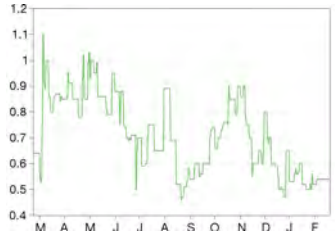
flutiform is an inhaled combination of fluticasone and formoterol for treating asthma. flutiform has been approved in 22 European countries and launched in 14 (including France). Kyorin, the Japanese partner, launched in November 2013. Sanofi, the partner for Latin America, has begun filings with first approvals likely in late 2014 or 2015.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011	55.2	14.7	1.9	5.4	35.9	3.6
2012	49.9	15.3	(14.2)	(27.8)	N/A	3.1
2013e	61.2	10.8	(6.4)	(15.5)	N/A	10.4
2014e	66.8	19.5	1.6	(2.6)	N/A	5.4

Sector: Pharma & healthcare

Price:	C$0.54
Market cap:	C$26m
Forecast net debt (C$m)	2.4
Forecast gearing ratio (%)	316.0
Market	TSX-V

Share price graph (C$)



Company description

SQI Diagnostics is a Canadian diagnostics company, which develops and sells multiplexed research diagnostics to pharmaceutical companies, and in vitro diagnostic tests to centralised diagnostic laboratories.

Price performance

%	1m	3m	12m
Actual	3.9	(10.0)	(15.6)
Relative*	2.0	(14.6)	(24.9)

* % Relative to local index

Analyst

Christian Glennie

SQI Diagnostics (SQD)

INVESTMENT SUMMARY

SQI recently raised C$1.4m (net) from the private placement of 2.965m shares at C$0.50. This is an important step as the company seeks to commercialise its highly efficient and accurate immunological diagnostics platform Ig_PLEX. Research diagnostics (particularly anti-drug antibody tests) can be sold to pharma companies/CROs to analyse clinical trial data, and in vitro diagnostic tests (eg for celiac disease) may be purchased by large centralised diagnostics laboratories. Delivering on existing pharma contracts (four in place, including BMS and Isis) and securing new customers is key to SQI's investment case. We value SQI at C$70m, or C$1.55/share, but a c C$3m near-term funding requirement is an overhang.

INDUSTRY OUTLOOK

Ig_PLEX is a multiplexed (many samples analysed at the same time) immunological diagnostics tool. The diagnostics field is highly competitive, but the speed, accuracy, sensitivity, robustness and cost-effectiveness of SQI's technology may offer a significant commercial advantage.

Y/E Sep	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2012	0.0	(6.7)	(6.2)	(16.54)	N/A	N/A
2013	0.0	(6.7)	(6.1)	(14.55)	N/A	N/A
2014e	1.5	(5.8)	(5.3)	(11.25)	N/A	N/A
2015e	11.4	0.5	0.8	1.71	31.6	13.3

Stratec Biomedical (SBS)

Sector: Pharma & healthcare

Price:	€33.16
Market cap:	€390m
Forecast net cash (€m)	13.5
Forecast gearing ratio (%)	N/A
Market	Deutsche Börse

Share price graph (€)

Company description

Stratec Biomedical designs and manufactures OEM diagnostic instruments. Design and assembly of systems from modules is in central Germany and Switzerland. There is a US subsidiary, a UK middleware company and a Berlin business.

Price performance

%	1m	3m	12m
Actual	(6.2)	4.5	(15.3)
Relative*	(5.5)	(0.5)	(33.5)

* % Relative to local index

Analyst

Dr John Savin

INVESTMENT SUMMARY

Stratec designs and manufactures sophisticated automated instruments, and crucially, software for global companies like DiaSorin and Siemens. Year to date Q313 revenues were €90.4m with EBIT of €13.4m, 14.8%. In Q3, EBIT rose to 16.2%. Stratec has a full Q4 order book and expects to meet or exceed its €127m minimum revenue guidance, revised after a July 2013 contract cancellation. The guided 2013 EBIT is in a range of 14.0-15.5%.

INDUSTRY OUTLOOK

Stratec signed a further major deal in early December 2013. This deal is incorporated into management guidance of 2014-17 8-12% compound revenue growth. The project is already well advanced so the agreement means that Stratec's R&D investment will be offset by cash milestones. The major revenue gains will come from the launch date of 2016 onwards. This product will be manufactured in China as a Chinese origin product. Stratec has ensured that the IP is protected by sub-leasing a separate facility from an established partner and by its standard outsourcing procedures. The aim is to supply a sophisticated and robust product at an affordable price into Chinese, Asian and Western markets.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	116.6	27.1	23.7	154.1	21.5	19.7
2012	122.4	22.2	19.4	137.1	24.2	60.6
2013e	131.1	24.6	21.7	147.8	22.4	19.7
2014e	145.7	30.8	28.0	189.6	17.5	24.3

Sunesis Pharmaceuticals (SNSS)

Sector: Pharma & healthcare

Price:	US$5.04
Market cap:	US$272m
Forecast net cash (US$m)	6.2
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

Sunesis Pharmaceuticals is US biotech company focused on the development of anticancer drugs. Its lead compound, vosaroxin, is in a Phase III study for relapsed/refractory AML.

Price performance

%	1m	3m	12m
Actual	9.3	(3.1)	(4.2)
Relative*	9.8	(5.2)	(21.6)

* % Relative to local index

Analyst

Jason Zhang

INVESTMENT SUMMARY

Sunesis's near-term investment case depends entirely on the outcome – due in Q214 – of the VALOR study of vosaroxin in relapsed/refractory AML. The study has now completed its enrolment of 712 patients. Headline results are due in Q214 after reaching 562 events and locking the final study database. Sunesis recently initiated an investigator-sponsored trial of vosaroxin/azacitidine in myelodysplastic syndrome (MDS) and data from that trial, if positive, could expand the drug's indication. Q313 gross cash of $45.5m is sufficient to H214, well beyond the VALOR study readout. We value Sunesis at $438m.

INDUSTRY OUTLOOK

Vosaroxin is one of eight agents in Phase III studies for various AML settings, but is the lead compound in the relapsed/refractory setting. The recent failure of Clavis's Phase III study of elacytarabine removes a competitive threat to vosaroxin and confirms that cytarabine will remain the backbone of AML therapy. There is more competition in the front-line AML setting.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	5.0	(25.8)	(26.1)	(56.2)	N/A	N/A
2012	3.8	(31.9)	(33.7)	(56.1)	N/A	N/A
2013e	8.0	(30.8)	(34.0)	(66.1)	N/A	N/A
2014e	8.0	(24.2)	(26.1)	(48.4)	N/A	N/A

Sector: Pharma & healthcare

Price:	€7.65
Market cap:	€81m
Forecast net debt (€m)	0.9
Forecast gearing ratio (%)	13.0
Market	FRA

Share price graph (€)

Company description

Sygnis is a Spanish/German company developing tools for molecular biologists. Its main focus is in the field of polymerases for the amplification and sequencing of DNA. Its lead product, QualiPhi, is partnered with Qiagen.

Price performance

%	1m	3m	12m
Actual	(10.8)	183.5	202.5
Relative*	(10.1)	170.0	137.5

* % Relative to local index

Analyst

Dr Mick Cooper

Sygnis Pharma (LIOK)

INVESTMENT SUMMARY

Sygnis develops molecular biology chemistry products for the fast-growing DNA analysis and sequencing markets. The core IP is a range of engineered DNA polymerase enzymes, a specialist area where it has leading scientific expertise. The lead product, QualiPhi, has superior activity to the currently marketed phi29 enzyme (global market size: $50m). It is licensed for amplification of DNA to Qiagen, the global leader in DNA preparation. The first kits with QualiPhi, branded as SensiPhi by Qiagen, have just been launched. A second enzyme for amplification of DNA and RNA and sequencing of damaged DNA, PrimPol, may be partnered in the coming months and may offer more upside in a less-crowded market. A novel analysis platform, DoubleSwitch, is being licensed. In Q413, Sygnis raised €3.1m in equity to fund the continuing operations of the business.

INDUSTRY OUTLOOK

The DNA sequencing market is estimated at over $1.5bn and growing at c 20%.

Y/E Mar	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	0.0	(0.8)	(0.8)	(11.0)	N/A	N/A
2012	0.2	(1.3)	(1.4)	(18.4)	N/A	N/A
2013e	1.4	(1.8)	(1.8)	(18.7)	N/A	N/A
2014e	2.4	(0.9)	(1.1)	(10.2)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$32.28
Market cap:	US$1160m
Forecast net cash (US$m)	130.3
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

TESARO is an oncology focused bio-pharmaceutical company engaged in developing and commercialising innovative drugs worldwide. Its pipeline includes rolapitant, niraparib and TSR-011.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Jason Zhang

TESARO (TSRO)

INVESTMENT SUMMARY

With positive results from two Phase III trials in hand and a third expected, Tesaro should be able to file an NDA for rolapitant in mid-2014 and may gain US approval in H115. The prospects for rolapitant are good, given the management team's past success in the CINV market. In the meantime, Tesaro's smart clinical strategy in developing niraparib has positioned this drug well in a competitive PARP inhibitor landscape. Pivotal Phase III data are due in 2015, leading up to a possible approval in 2016. We value Tesaro at $1,851m, suggesting c 50% upside potential in the share price.

INDUSTRY OUTLOOK

Tesaro is an oncology focused company that has built an impressive and balanced pipeline consisting of one NDA-ready, one Phase III- and one Phase I-stage drug candidate since its inception in 2010. Its lead drug candidate, rolapitant, could reach the $1.5bn US chemotherapy induced nausea and vomiting (CINV) market by 2015, pending a filing in mid-2014 and FDA approval in early 2015. Niraparib, a PARP inhibitor, could be one of the first among seven competitors to finish Phase III trials and reach the market, pending positive Phase III results, in 2016.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2011	0.0	(16.3)	(16.9)	(32.88)	N/A	N/A
2012	0.0	(71.8)	(69.8)	(5.09)	N/A	N/A
2013e	0.0	(102.6)	(94.3)	(2.99)	N/A	N/A
2014e	0.0	(112.1)	(101.7)	(2.80)	N/A	N/A

Sector: Pharma & healthcare

Price:	€0.91
Market cap:	€146m
Forecast net cash (€m)	7.2
Forecast gearing ratio (%)	N/A
Market	Euronext Brussels

Share price graph (€)

Company description

TiGenix produces cell therapeutics. Its lead Phase III development candidate, Cx601, treats perianal fistulas in Crohn's disease. ChondroCelect is approved and sold direct in the EU for knee cartilage repair.

Price performance

%	1m	3m	12m
Actual	4.6	102.2	4.6
Relative*	2.5	90.7	(13.1)

* % Relative to local index

Analyst

Dr John Savin

TiGenix NV (TIGB)

INVESTMENT SUMMARY

TiGenix has rationalised its structure and reduced its cost base by selling its Dutch manufacturing facility for €5.75m cash, of which €4.25m is upfront. In addition, TiGenix benefits by a €1.5m ChondroCelect cost reduction over three years. The Gri-Cel net investment of €11.5m made in November 2013 will enable investment of about €10.3m to complete the Cx601 Crohn's fistula study (including internal costs) plus investment of about €1m in ChondroCelect marketing. In December 2013, TiGenix entered a €10m drawdown loan arrangement with Kreos Capital. Cash should now be sufficient though to Cx601 sales in 2016.

INDUSTRY OUTLOOK

ChondroCelect (knee cartilage repair) sales for 2013 are forecast at €4.2m and may rise in 2014 with Spanish and UK sales. This could move ChondroCelect into cash neutrality by H214. Cx611 produced excellent Phase IIa data in April 2013. Grifols, a blood products business, is a possible, but not certain, commercial partner for TiGenix's allogeneic adipose stem cell products.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	1.1	(14.9)	(14.4)	(20.8)	N/A	N/A
2012	4.1	(13.8)	(14.0)	(15.2)	N/A	N/A
2013e	4.2	(12.8)	(13.1)	(11.2)	N/A	N/A
2014e	7.5	(10.4)	(11.6)	(7.2)	N/A	N/A

Sector: Pharma & healthcare

Price:	DKK3.07
Market cap:	DKK440m
Forecast net cash (DKKm)	87.6
Forecast gearing ratio (%)	N/A
Market	OMX

Share price graph (DKK)

Company description

Topotarget is a Danish drug development company in the field of oncology. It is focused on developing belinostat with its partner, Spectrum Pharmaceuticals.

Price performance

%	1m	3m	12m
Actual	(2.5)	(1.6)	66.9
Relative*	(8.0)	(16.5)	28.1

* % Relative to local index

Analyst

Dr Mick Cooper

Topotarget (TOPO)

INVESTMENT SUMMARY

The FDA has accepted the product filing with priority review of Topotarget's belinostat, which now has the brand name Beleodaq. The PDUFA date, when belinostat might be approved in peripheral T-cell lymphoma (PTCL), is 9 August 2014. We remain optimistic that the product will be approved as the pivotal Phase II trial, BELIEF in PTCL, met its primary endpoint with an overall response rate of 26%, similar to that seen with pralatrexate (Folotyn) and romidepsin (Istodax), approved in the same indication in recent years. Belinostat's safety profile appears to be superior to the latter two drugs. If belinostat is approved, Topotarget's partner Spectrum pharmaceuticals could launch the product in 2014. Topotarget will receive a $10 milestone and 1m Spectrum shares for acceptance of the filing and could receive a further $25m for the approval of belinostat in PTCL. Topotarget has sufficient funds to operate beyond 2015 and is currently finalising its development strategy for belinostat in Europe.

INDUSTRY OUTLOOK

Topotarget's belinostat is a histone deacetylase inhibitor (HDACi). Two drugs have been approved and c 10 others are in clinical development. Belinostat has a favourable safety profile and could be the first HDACi approved for solid tumours in combination therapy.

Y/E Dec	Revenue (DKKm)	EBITDA (DKKm)	PBT (DKKm)	EPS (ore)	P/E (x)	P/CF (x)
2012	2.4	(77.6)	(80.2)	(60.44)	N/A	N/A
2013	8.3	(32.3)	(36.2)	(25.73)	N/A	N/A
2014e	98.9	59.4	59.1	41.26	7.4	7.8
2015e	0.7	(43.6)	(43.7)	(30.51)	N/A	N/A

Sector: Pharma & healthcare

Price:	€12.84
Market cap:	€409m
Forecast net cash (€m)	0.7
Forecast gearing ratio (%)	N/A
Market	Euronext Paris

Share price graph (€)

Company description

Transgene is a French drug discovery and development company focused on the treatment of cancer and infectious diseases with immunotherapies. It has four products in Phase II development.

Price performance

%	1m	3m	12m
Actual	5.8	44.6	48.1
Relative*	4.2	39.3	21.9

* % Relative to local index

Analyst

Dr Mick Cooper

Transgene (TNG)

INVESTMENT SUMMARY

Interim data from the first stage of the Phase II/III TIME trial with TG4010 in non-small cell lung cancer (NSCLC) supports continuation of the trial into Phase III. The results from the study in NSCLC validate the use of the triple-positive activated lymphocytes (TrPAL) biomarker, even though the primary endpoint for TrPAL usage was missed. There was a clinical meaningful improvement in progression-free survival (PFS) in patients with lower TrPAL levels. We now consider it likely that Novartis will exercise its option on TG4010. Unfortunately, its second drug Pexa-Vec (an oncolytic virus) in September failed a Phase IIb trial in hepatocellular carcinoma, although Transgene is expected to report in the coming months how it plans to continue development of the product. Its pipeline also includes TG4040 in Phase II for HCV and TG4001, which should start a Phase IIb study in HPV-related head and neck cancers in Q413. It has sufficient cash to operate to the end of FY14.

INDUSTRY OUTLOOK

There is considerable interest in immunotherapies - both therapeutic vaccines and oncolytic viruses, especially for the treatment of cancers - after the approval of Provenge and Yervoy. They are generally well tolerated and are showing promising levels of efficacy.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	14.4	(42.1)	(42.9)	(137.1)	N/A	N/A
2012	13.1	(39.4)	(42.4)	(136.4)	N/A	N/A
2013e	13.4	(44.9)	(48.2)	(152.4)	N/A	N/A
2014e	11.9	(46.6)	(49.2)	(154.9)	N/A	N/A

Sector: Pharma & healthcare

Price:	US$15.02
Market cap:	US$385m
Forecast net cash (US$m)	125.3
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

Verastem is a biopharmaceutical company focused on discovering and developing novel drugs that selectively target cancer stem cells (CSCs). Its lead drug is VS-6063, a FAK inhibitor, currently in Phase II testing.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Jason Zhang

Verastem (VSTM)

INVESTMENT SUMMARY

Verastem initiated a Phase 1 study of VS-5584, a dual PI3K/mTOR inhibitor, in patients with advanced solid tumours or lymphoma, bringing the third drug into clinics in 2013, and it recently acquired the full rights of VS-4718, a FAK inhibitor, currently in Phase I. However, the company's investment thesis continues to rest on the progress of COMMAND, the pivotal trial of defactinib (VS-6063) in second-line mesothelioma, with an enrolment update expected in 2014. We value the company at $425m or $15.3/diluted share.

INDUSTRY OUTLOOK

Verastem is a leader in the discovery and development of drugs that selectively target CSCs. It established a proprietary screening and assay platform and through it discovered CSC-specific targets and compounds. Its pipeline includes VS-6063 and VS-4718, two FAK inhibitors, and VS-5584, a PI3K/mTOR dual inhibitor.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011	0.0	(13.7)	(13.7)	(10.57)	N/A	N/A
2012	0.0	(32.2)	(32.0)	(0.68)	N/A	N/A
2013e	0.0	(36.7)	(36.6)	(1.38)	N/A	N/A
2014e	0.0	(37.8)	(37.7)	(1.29)	N/A	N/A

Sector: Pharma & healthcare

Price:	35.5p
Market cap:	£157m
Forecast net cash (£m)	70.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Vernalis is a UK development-stage pharma company with a late-stage US cough cold pipeline, and an early to mid-stage R&D pipeline of CNS and cancer projects. Its primary focus now is to build a US-based commercial business for the former.

Price performance

%	1m	3m	12m
Actual	(6.6)	26.8	50.3
Relative*	(6.9)	22.7	35.6

* % Relative to local index

Analyst

Lala Gregorek

Vernalis (VER)

INVESTMENT SUMMARY

Vernalis's investment case hinges on the development of a range of prescription-only cough cold formulations for the US market. The lead product, CCP-01, is progressing well, with the second pivotal bioavailability study completed successfully. The NDA filing is well on track for mid-2014, which suggests approval ahead of the 2015/16 winter cough and cold season. Vernalis's strategy to also realise value from the drug development and research units is bearing fruit, with progress on a number of fronts. Tight cost control, coupled with a healthy cash balance of £85.7m at H113, means Vernalis is funded through to expected profitability.

INDUSTRY OUTLOOK

Vernalis is pursuing a strategy that aims to create value directly from its legacy R&D portfolio and research expertise, as well as through M&A/in-licensing that should enable it to achieve financial self-sustainability over the medium term.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011	12.2	(6.0)	(6.3)	(3.4)	N/A	N/A
2012	14.6	(2.6)	(4.7)	(0.8)	N/A	N/A
2013e	13.0	(7.2)	(7.6)	(1.1)	N/A	N/A
2014e	12.0	(10.4)	(10.7)	(1.8)	N/A	N/A

Sector: Pharma & healthcare

Price:	A$0.30
Market cap:	A$38m
Forecast net cash (A$m)	0.2
Forecast gearing ratio (%)	N/A
Market	ASX, OTC QX

Share price graph (A$)

Company description

Viralytics is an ASX-listed biopharmaceutical developing virus applications using a common cold producing virus to target late-stage melanoma. The Phase II CALM trial is evaluating administration of lead candidate, Cavatak.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Lala Gregorek

Viralytics (VLA)

INVESTMENT SUMMARY

Viralytics has announced the proposed raising of up to A$27.1m. This includes A$23m to healthcare institutional investors, split A$6.1m through a first tranche placement and a further A$16.9m via a second tranche placement subject to shareholder approval. In addition, there will be a one-for-six non-renounceable entitlement issue of up to A$4.1m. Funds raised will enable completion of key Cavatak clinical trials including the ongoing Phase II CALM trial; the Phase I/II STORM trial, due to start imminently; and a randomised intratumoural Phase II trial planned to commence in H214. Potentially positive clinical data, coupled with a stronger balance sheet, raise the prospects of negotiating partnering deals on more commercially attractive terms. Forecasts below do not reflect the proposed fund-raising.

INDUSTRY OUTLOOK

The emergence of targeted and immunotherapy agents in recent years is redefining the treatment paradigm in metastatic melanoma. Recent positive mid- to late-stage clinical data for oncolytic virotherapy (including Viralytics' Cavatak) are raising hopes of regulatory approvals and commercial reality for this class of anti-cancer agents.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2012	0.9	(4.6)	(4.3)	(6.4)	N/A	N/A
2013	2.5	(3.9)	(3.7)	(4.5)	N/A	N/A
2014e	1.7	(5.1)	(4.9)	(5.6)	N/A	N/A
2015e	2.2	0.2	0.1	0.2	150.0	161.7

Sector: Pharma & healthcare

Price:	€0.60
Market cap:	€19m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Wilex develops therapeutic and diagnostic products for cancer. Lead development programmes are Redectane, Rencarex and Mesupron. Its Heidelberg subsidiary has licensed its novel antibody drug conjugate technology to Roche.

Price performance

%	1m	3m	12m
Actual	(57.5)	(62.7)	(61.0)
Relative*	(57.1)	(64.5)	(69.4)

* % Relative to local index

Analyst

Emma Ulker

WILEX (WL6)

INVESTMENT SUMMARY

Wilex is implementing significant cost reductions to extend its cash reach. Its focus has shifted onto its early-stage R&D pipeline, notably the potential of its innovative ADC technology and the preclinical services business. While partnering efforts for the late-stage pipeline have so far not been fruitful, Wilex now has greater flexibility to negotiate for the deals it seeks. As a result of cost savings, the company has extended its cash reach from H214 into H215. Wilex seeks funding or deals for Phase III studies for Mesupron in HER-2 negative breast cancer and pancreatic cancer, for Rencarex in clear cell renal cancer (ccRCC) and for ccRCC diagnostic Redectane. Separately, Wilex is developing WX-554 in Phase Ib/II and WX-037 in Phase I, both for solid tumours and expected to read out in H214. Our financial forecasts are under review pending further guidance from the company.

INDUSTRY OUTLOOK

Services subsidiary Heidelberg Pharma is developing its proprietary toxin-linker technology based on a-Amanitin, which has been shown to enhance the anti-tumour activity of antibodies. It has licensed use of the technology to Roche for upfront and milestone payments and aims to form new alliances.

Y/E Nov	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2011	11.7	(12.9)	(13.9)	(67.3)	N/A	N/A
2012	17.8	(8.2)	(9.4)	(36.2)	N/A	N/A
2013e	N/A	N/A	N/A	N/A	N/A	N/A
2014e	N/A	N/A	N/A	N/A	N/A	N/A

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