

ASIT biotech

FY18 results release

No surprises in FY18 annual report

ASIT biotech published its preliminary FY18 results in early April, including the cash position at the end of March 2019, and issued its FY18 report in May. The release of the balance of the FY18 financial statements resulted in no surprises, while the completion of the dosing phase of the Phase III study implies a safe and well-tolerated short-course allergy product.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/17	0.0	(12.0)	(0.94)	0.0	N/A	N/A
12/18	0.0	(14.3)	(0.86)	0.0	N/A	N/A
12/19e	0.0	(9.7)	(0.48)	0.0	N/A	N/A
12/20e	0.0	(5.5)	(0.19)	0.0	N/A	N/A

Note: *PBT and EPS are both as reported.

FY18 results and positive safety implication

We have updated our financial model for the 2018 annual report, which resulted in very minor, non-material changes to our numbers and valuation. Much more importantly, together with the announcement of Frank Hazevoets as its new CFO, ASIT has announced that dosing completed earlier than expected in the Phase III ABT-gpASIT011 study in 651 grass pollen allergy patients. Investors will remember that gp-ASIT+ is a short-course subcutaneous product given before the pollen season starts. The fact that the treatment phase has completed in all patients without major incident implies the product is safe and well tolerated.

An eventful 2019 timeline

For most of the northern hemisphere, the grass pollen allergy season is about to start and, while the conduct of the ABT-gpASIT011 Phase III clinical study of gp-ASIT+ for grass pollen allergies is dominating ASIT's operations, there will be plenty of other newsflow from ASIT in 2019. First, confirmation of the amount raised by the €9–12m convertible note offering is expected to be announced by the end of Q219. Second, the H119 financial results release in September is likely to include an update on the progress of the ABT-gpASIT011 study and the out-licensing of ASIT's portfolio. Then, in Q419, ASIT expects to announce the results of the Phase III ABT-gpASIT011 study. Investors will remember that this second Phase III study incorporates nine improvements made to the design of the first Phase III, which met one and missed one of its co-primary endpoints.

Valuation: Only changed for cash and FX

We have updated our valuation for the €5.9m end-March 2019 cash balance, the first tranche of the expected minimum €9m convertible note offering, which we assume will be received in H119, and exchange rates to leave our valuation unchanged at €119m or €6.4 per share.

Pharma & biotech

17 May 2019

Price €1.33

Market cap €27m

US\$/€0.89

Cash (€m) at end March 2019 5.9

Shares in issue at 2 May 2019 20.1m

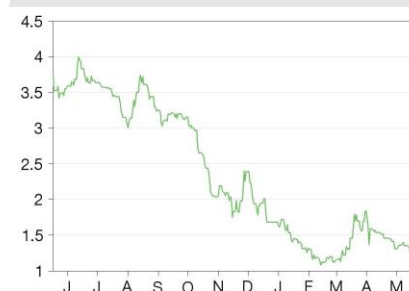
Free float 57%

Code ASIT

Primary exchange Euronext Brussels

Secondary exchange Euronext Paris

Share price performance



% 1m 3m 12m

Abs (12.2) 18.4 (64.0)

Rel (local) (4.4) 19.2 (60.8)

52-week high/low €4.00 €1.08

Business description

ASIT biotech is a clinical-stage company focused on the development of short-course therapies for allergies. ASIT's products are based on the proprietary ASIT+ technology platform, allowing the development of products containing highly purified allergen fragments in an adjuvant-free formulation, selected to be safe while maintaining the capacity to stimulate immune tolerance.

Next events

Pipeline licensing news Ongoing

Shareholders meeting 13 June 2019

H119 results 18 September 2019

Phase III gp-ASIT+ results Q419

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ASIT biotech is a research client of Edison Investment Research Limited

Exhibit 1: Financial summary

	€'000s	2017	2018	2019e	2020e	2021e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue		0	0	0	0	0
Cost of Sales		0	0	0	0	0
Gross Profit		0	0	0	0	0
General and Administrative Expenses		(1,676)	(2,468)	(2,443)	(2,419)	(2,395)
Research and Development Expenses		(10,903)	(10,856)	(8,000)	(3,480)	(2,000)
Other Operating Income		604	557	585	614	645
Reported operating profit		(11,975)	(12,767)	(9,858)	(5,285)	(3,750)
Net Interest		(9)	(1,557)	151	(220)	(516)
Profit before tax (as reported)		(11,984)	(14,324)	(9,707)	(5,505)	(4,266)
Reported tax		(2)	3	2	1,651	1,280
Profit after tax (reported)		(11,986)	(14,321)	(9,705)	(3,853)	(2,986)
Minority interests		0	0	0	0	0
Net income (reported)		(11,986)	(14,321)	(9,705)	(3,853)	(2,986)
Basic average number of shares outstanding (m)		12.8	16.7	20.2	20.2	20.2
EPS - basic, as reported (€)		(0.94)	(0.86)	(0.48)	(0.19)	(0.15)
BALANCE SHEET						
Non-Current Assets		1,837	2,398	2,227	2,054	1,851
Property Plant and equipment, net		691	810	764	716	638
Other intangible assets		0	0	0	0	0
Other Non-Current Assets		1,146	1,588	1,463	1,338	1,213
Current Assets		2,448	9,156	14,720	18,333	14,723
Cash and cash equivalents		2,126	8,458	13,458	16,507	12,333
Accounts receivable		0	0	0	0	0
Inventories		0	0	0	0	0
Other current assets		322	698	1,262	1,826	2,390
Current Liabilities		2,654	4,621	3,956	2,940	2,604
Accounts payable		1,264	2,980	2,315	1,299	963
Short term debt and borrowings		34	25	25	25	25
Other current liabilities		1,356	1,616	1,616	1,616	1,616
Non-Current Liabilities		432	465	9,465	16,465	16,465
Loans and borrowings		432	465	9,465	16,465	16,465
Other non-current liabilities		0	0	0	0	0
Equity		1,199	6,468	3,526	981	(2,496)
Common stock/Capital		9,989	14,350	14,350	14,350	14,350
Additional paid-in capital/Share premium		21,957	37,034	33,965	31,347	27,797
Other reserves and surplus		(28,645)	(42,889)	(42,816)	(42,743)	(42,670)
Other Equity		(2,102)	(2,027)	(1,973)	(1,973)	(1,973)
CASH FLOW						
Cash Flow from Operations						
Net income (loss)		(11,986)	(14,321)	(9,705)	(3,853)	(2,986)
Depreciation and Amortization		205	253	205	202	187
Interest income/expense		9	1,557	(151)	220	516
Stock-based compensation		54	73	73	73	73
Non-cash adjustments		(492)	(564)	(564)	(564)	(564)
(Increase)/decrease in inventories		0	0	0	0	0
(Increase)/decrease in trade receivables		74	(376)	0	0	0
(Increase)/decrease in other current assets		(112)	360	(1,009)	(564)	(564)
Increase/(decrease) in trade payables		(586)	0	(39)	(1,016)	(336)
Net cash used in Operating activities		(12,834)	(13,018)	(11,190)	(5,503)	(3,675)
Cash Flow from Investing						
Purchases of fixed assets		(161)	(371)	(286)	(154)	(109)
Other Investing Activities		0	0	0	0	0
Net cash used in Investing activities		(161)	(371)	(286)	(154)	(109)
Cash Flow from Financing						
Change in Debt		0	0	9,000	7,000	0
Change in Capital Stock		0	19,591	7,200	1,800	0
Interest paid		(10)	(2)	(24)	(475)	(825)
Other Financing Activities		1,743	134	300	379	434
Net cash used in Financing activities		1,733	19,723	16,476	8,705	(391)
Net Changes in Cash and Cash Equivalent		(11,262)	6,334	5,000	3,049	(4,174)
Net cash/(debt) at the beginning of the period		12,968	1,694	7,993	3,993	42
Net cash/(debt) at the end of the period		1,694	7,993	3,993	42	(4,132)

Source: ASIT biotech, Edison Investment Research

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