

# Immunovia

Q1 update

## Optimised hunting for the hidden killer

During 2019, Immunovia will focus on optimising the IMMray PanCan-d test in preparation for the start of a commercial private testing service for pancreatic cancer (PDAC). The sample optimisation study should end in Q2. In H219, accreditation of the Swedish and US laboratories is required to enable a private PDAC test service by Q120. The 2,000 patient PanFAM-1 prospective clinical trial is still recruiting patients and might report primary data on early-stage PDAC detection in December 2019. Earlier-stage opportunities are: Type II diabetes, early symptoms of PDAC, lung cancer and rheumatoid arthritis. Our valuation remains at SEK3.5bn.

Year end	Revenue (SEKm)	PBT* (SEKm)	EPS* (SEK)	DPS (SEK)	P/E (x)	Yield (%)
12/17	13.31	(45.23)	(2.67)	0.0	N/A	N/A
12/18	26.13	(86.53)	(4.67)	0.0	N/A	N/A
12/19e	23.13	(88.75)	(4.53)	0.0	N/A	N/A
12/20e	13.62	(99.25)	(5.07)	0.0	N/A	N/A

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

### IMMray PanCan-d self-pay sales from Q120

The sample optimisation study might complete in Q219 after successfully sourcing enough fresh samples. The IMMray test itself is unaffected, but the algorithm may be adjusted. It seems unlikely to us that private sales can start before Q120; Immunovia will announce a schedule in Q2 including the three to five months needed for lab accreditation. Tests will be run in-house in Sweden and the US. Management guidance is for 2022 sales of SEK250–300m; c 50,000 privately paid tests at c US\$600 per test. By 2024, guidance is for sales of SEK800–1,000m if insurance coverage is gained, based on PanFAM-1 data; c 164,000 tests.

### Prospective study: PanFAM-1 might be late

The prospective PanFAM-1 clinical trial is essential for reimbursement. It is stated to complete its primary endpoint in December 2019 and end in March 2020 (21 January 2019, [NCT03693378](#)). The primary, 18-month endpoint is: “Demonstrate that the IMMray PanCan-d test is equal or better than standard imaging for early detection of PDAC in asymptomatic high-risk individuals.” As two new centres were added in Q1, making 17, recruitment is ongoing. Accordingly, we question if published dates can be met as the trial cannot end until 18 months after the final individual enrolls unless PDAC incidence rates are much higher than the literature suggests. If recruitment ends by June 2019, the endpoint might be in H220-Q121. The published ([Mellby et al 2018](#)) sensitivity is 93%, specificity 95%, accuracy 96%.

### Valuation: DCF SEK3.5bn or SEK177 per share

Our valuation remains at SEK3.5bn pending the schedule update promised in Q2. We assume the first sales of PanCan-d are in Q120. Edison’s 2028 peak sales forecast is unchanged at SEK2.5bn. There are earlier-stage opportunities in patients with potential PDAC symptoms, in screening Type 2 diabetics for pancreatic cancer (about 0.5% incidence on diagnosis), detecting lung cancer and rheumatoid arthritis. Of these, the potential PDAC study has been extended in a London-based study and the test could be useful if it rapidly rules out PDAC.

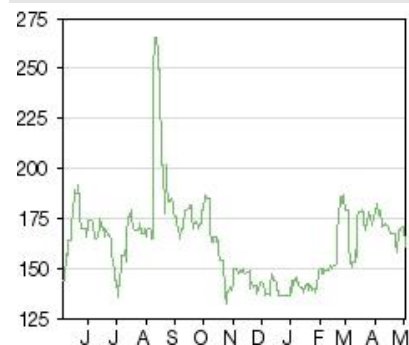
Healthcare equipment &amp; services

3 May 2019

**Price** **SEK160.8**  
**Market cap** **SEK3136m**

Cash (SEKm) at 31 March 2019	360
Shares in issue	19.5m
Free float	70.94%
Code	IMMUNOV
Primary exchange	NASDAQ Stockholm
Secondary exchange	N/A

#### Share price performance



%	1m	3m	12m
Abs	(11.3)	7.5	13.2
Rel (local)	(13.8)	(1.3)	6.9
52-week high/low	SEK265.0	SEK132.0	

#### Business description

Immunovia is a Swedish company specialising in diagnostics for oncology and autoimmune diseases. Its main product is IMMray PanCan-d, an antibody microarray based on its proprietary IMMray platform. A prospective trial in 2,000 people at high risk of familial pancreatic cancer is ongoing. The company expects to make self-pay service-test sales from 2020.

#### Next events

Optimisation study end	Q219
Primary PanFam-1 outcome	December 2019
First IMMray PanCan-d sales	Q120

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**Exhibit 1: Financial summary**

	SEK '000s	2017	2018	2019e	2020e
Year end 31 December		GAAP	GAAP	GAAP	GAAP
<b>PROFIT &amp; LOSS</b>					
Revenue, incl. capitalised work		13,306	26,129	23,128	13,623
Cost of Sales		0	0	105	1,228
Gross Profit		208	1,077	755	3,616
External costs		(39,113)	(65,275)	(65,275)	(40,000)
Personnel + other		(29,392)	(45,785)	(55,078)	(67,078)
EBITDA		(44,256)	(84,931)	(85,783)	(95,182)
Operating Profit (before amort. and except.)		(45,520)	(87,708)	(89,761)	(99,948)
Intangible Amortisation		0	0	0	0
Exceptionals/Other		0	0	0	0
Operating Profit		(45,520)	(87,708)	(89,761)	(99,948)
Net Interest		288	1,177	1,011	696
Exceptionals/Other		0	0	0	0
Profit Before Tax (norm)		(45,232)	(86,531)	(88,750)	(99,252)
Profit Before Tax (IFRS)		(45,232)	(86,531)	(88,750)	(99,252)
Tax		0	(7)	0	0
Discontinued operations		0	0	0	0
Profit After Tax (norm)		(45,232)	(86,538)	(88,750)	(99,252)
Profit After Tax (IFRS)		(45,232)	(86,538)	(88,750)	(99,252)
Average Number of Shares Outstanding (m)		16.93	18.55	19.53	19.53
EPS - normalised (ore)		(267)	(467)	(453)	(507)
EPS - FRS (ore)		(267)	(467)	(453)	(507)
Dividend per share (ore)		0.00	0.00	0.00	0.00
Gross Margin (%)		N/A	N/A	N/A	N/A
EBITDA Margin (%)		N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)		N/A	N/A	N/A	N/A
<b>BALANCE SHEET</b>					
Fixed Assets		46,761	78,813	98,313	105,782
Intangible Assets		36,791	61,786	80,286	86,755
Tangible Assets		7,211	14,019	15,019	16,019
Other		2,759	3,008	3,008	3,008
Current Assets		204,009	398,569	290,787	184,066
Stocks		0	0	0	123
Debtors		11,584	12,433	12,433	12,433
Cash		192,425	386,136	278,354	171,510
Other		0	0	0	0
Current Liabilities		(13,975)	(15,429)	(15,429)	(15,429)
Creditors		0	0	0	0
Short term borrowings		0	0	0	0
Deferred revenues		0	0	0	0
Other short term liabilities		(13,975)	(15,429)	(15,429)	(15,429)
Long Term Liabilities		0	0	(30,154)	(30,154)
Long term borrowings		0	0	0	0
Deferred revenues		0	0	0	0
Other long term liabilities		0	0	(30,154)	(30,154)
Net Assets		236,795	461,953	343,517	244,265
<b>CASH FLOW</b>					
Operating Cash Flow		(46,525)	(84,111)	(84,304)	(94,609)
Net Interest		0	0	0	0
Tax		0	0	0	0
Capex		(31,187)	(37,288)	(23,478)	(12,234)
Acquisitions/disposals		0	0	0	0
Financing		4,923	315,079	0	0
Dividends		0	0	0	0
Other		8,880	0	0	0
Net Cash Flow		(63,909)	193,680	(107,782)	(106,844)
Opening net debt/(cash)		(259,095)	(192,425)	(386,136)	(278,354)
HP finance leases initiated		0	0	0	0
Exchange rate movements		0	0	0	0
Other		(2,761)	31	0	0
Closing net debt/(cash)		(192,425)	(386,136)	(278,354)	(171,510)

Source: Company accounts FY18, Edison Investment Research

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