EDISON

Ultimovacs

Clinical trial update

Positive Phase I survival data in melanoma

Pharma and biotech

Ultimovacs has announced positive two-year overall survival (OS) data from a Phase I study (n=30) of UV1, a potential universal cancer vaccine, in combination with PD-1 immunotherapy (pembrolizumab, Merck) for the treatment of malignant melanoma. In this, the UV1/pembrolizumab combination demonstrated a 73% two-year OS rate, adding to data reported in March 2022 showing a complete response rate of 33% and an objective response rate (ORR) of 57%. Patients will be followed for further long-term survival data and management expect to report three-year OS data for the first cohort (n=20) in Q422. We continue to see the UV1/pembrolizumab combination in malignant melanoma as a potentially significant opportunity for the company. We value Ultimovacs at NOK6.90bn, or NOK202/share.

Year end	Revenue (NOKm)	PBT* (NOKm)	EPS* (NOK)	DPS (NOK)	P/E (x)	Yield (%)
12/20	0.0	(120.6)	(3.98)	0.0	N/A	N/A
12/21	0.0	(164.7)	(5.09)	0.0	N/A	N/A
12/22e	0.0	(243.2)	(7.11)	0.0	N/A	N/A
12.23e	0.0	(206.2)	(6.02)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Melanoma is a common cause of cancer; it is estimated that c 100k new cases will be diagnosed in the United States in 2022. Pembrolizumab (Keytruda, Merck) was approved for the adjuvant treatment of melanoma in 2019 and has estimated global sales in 2028 for this indication of $3.2bn (source: Evaluate Pharma), highlighting the potential opportunity for UV1 in this setting. In naïve advanced malignant melanoma (KEYNOTE-006), pembrolizumab has demonstrated an ORR of 33% (6% CR, 27% PR) and a two-year OS of 55%. In this context, we see the previously reported clinical response data and newly presented survival data as a positive development for UV1 in malignant melanoma.

As a reminder, UV1 is a cancer vaccine that primes the patient's immune system to recognise human telomerase reverse-transcriptase, a protein that is estimated to be overexpressed in 85–90% of human cancers but not in healthy tissues. Ultimovacs is investigating the combination of UV1 and ipilimumab (anti-CTLA-4 antibody) and nivolumab (anti-PD-1 antibody) in metastatic malignant melanoma in the Phase II INITIUM trial (NCT04382664), for which we expect top-line data in H123. We see the recent OS data as supporting the UV1/immune checkpoint inhibitor combination.

21 June 2022

Price	**NOK65.3**
Market cap	**NOK2.34bn**

Net cash (NOKm) at 31 March 2022	523.7
Shares in issue	34.2m
Free float	56%
Code	ULTI
Primary exchange	Oslo Stock Exchange
Secondary exchange	N/A

Share price performance

Business description

Ultimovacs is developing novel immunotherapies against cancer. The lead product candidate, UV1, is a peptide-based vaccine against the universal cancer antigen telomerase (human telomerase reverse-transcriptase), which is expressed in c 85% of all cancer types. UV1 therefore has broad potential in a variety of different settings and combinations.

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