

ASIT biotech

H119 results

Building to a crescendo

Having reported H119 financials, ASIT's main focus remains on the results of the second Phase III study of gp-ASIT+ for the prevention of grass pollen allergy. These are expected towards the end of 2019 and the H119 results reflected an increased cash burn of €6.0m (vs €4.1m in H118) on the back of the ongoing study. The first tranche of the €9.225m convertible bond, which funds ASIT through the trial results, closed in July.

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	(15.7)	(0.81)	0.0	N/A	N/A
12/20e	0.0	(5.7)	(0.21)	0.0	N/A	N/A

Note: *PBT and EPS are both as reported.

H119 financials

ASIT's H119 operating loss increased to €7.8m from €5.4m in H118 due to the costs of the second Phase III (ABT011) study. R&D remained the largest operating expense at €6.9m compared to €4.5m in H118. Consequently, net loss was higher at €7.8m (from €5.4m in H118). Cash at end H119 was €2.5m (vs €13.5m at end H118), although this is now academic after the company received the first €5.0m tranche from the convertible note offering in July. We now estimate ASIT's cash position at c €8m and to last through to the second convertible note tranche after the results of the ABT011 study in December. The second tranche should extend the cash runway until the end of Q320, by which time we expect gp-ASIT+ to have been filed and ex-European partnerships to have been signed. We have revised our financials to account for the higher R&D costs of the Phase III study and its extension to 2020.

€9.225m convertible note placing completed

The purpose of the €9.2m convertible note financing in July was to complete the ABT011 study, including the preparation of the data package for filing with the German regulators, the extension of the ABT011 study through a second pollen season in 2020, building and qualification of manufacturing capacity and finalising the preclinical packages that would enable ASIT's peanut allergy and house dust mite products to be out-licensed. To minimise the risk for investors, the convertible note offering has two tranches. The first was paid-up at issue and covers the cash requirements until the ABT011 study reports the primary endpoints (a statistically significant and at least 0.3 reduction in combined clinical symptoms and medication scores at the peak of the season, equalling a 20% treatment effect between active and placebo arms).

Valuation: Updated for note financing

We have updated our valuation for the first tranche of the convertible note (received in July), the higher cash burn and spot exchange rates. All in all, our valuation remains unchanged at €119m or €6.4 per share. The Phase III study results in December will be the main share price catalyst for ASIT in 2019.

Pharma & biotech

19 September 2019

Price €1.25

Market cap €26m

US\$/€0.89

Estimated net cash (€m) at end July 2019 7.0

Shares in issue 20.7m

Free float 72%

Code ASIT

Primary exchange Euronext Brussels

Secondary exchange Euronext Paris

Share price performance



% 1m 3m 12m

Abs 14.0 6.7 (60.6)

Rel (local) 8.3 1.9 (60.1)

52-week high/low €3.20 €1.04

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

Phase III gp-ASIT+ results Q419

FY19 results March 2020

Analyst

Andy Smith +44 (0)20 3077 5700

healthcare@edisongroup.com
[Edison profile page](#)

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Exhibit 1: Financial summary

	€'000s	2017	2018	2019e	2020e
Year end 31 December		IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Revenue		0	0	0	0
Cost of Sales		0	0	0	0
Gross Profit		0	0	0	0
General and Administrative Expenses		(1,676)	(2,468)	(2,959)	(2,930)
Research and Development Expenses		(10,903)	(10,856)	(13,770)	(3,480)
Other Operating Income		604	557	1,040	1,092
Reported operating profit		(11,975)	(12,767)	(15,690)	(5,318)
Net Interest		(9)	(1,557)	(2)	(412)
Profit before tax (as reported)		(11,984)	(14,324)	(15,692)	(5,730)
Reported tax		(2)	3	2	1,719
Profit after tax (reported)		(11,986)	(14,321)	(15,690)	(4,011)
Minority interests		0	0	0	0
Net income (reported)		(11,986)	(14,321)	(15,690)	(4,011)
Basic average number of shares outstanding (m)		12.8	16.7	19.5	20.2
EPS - basic, as reported (€)		(0.94)	(0.86)	(0.81)	(0.21)
BALANCE SHEET					
Non Current Assets		1,837	2,398	2,737	2,702
Property Plant and equipment, net		691	810	876	801
Other intangible assets		0	0	98	98
Other Non Current Assets		1,146	1,588	1,763	1,803
Current Assets		2,448	9,156	6,736	6,265
Cash and cash equivalents		2,126	8,458	5,341	3,670
Accounts receivable		0	0	0	0
Inventories		0	0	0	0
Other current assets		322	698	1,395	2,595
Current Liabilities		2,654	4,621	4,433	2,126
Accounts payable		1,264	2,980	3,606	1,299
Short term debt and borrowings		34	25	38	38
Other current liabilities		1,356	1,616	789	789
Non Current Liabilities		432	465	9,865	16,865
Loans and borrowings		432	465	9,671	16,671
Other non-current liabilities		0	0	194	194
Equity		1,199	6,468	(4,824)	(8,065)
Common stock / Capital		9,989	14,350	15,976	15,976
Additional paid-in capital / Share premium		21,957	37,034	31,586	28,175
Other reserves and surplus		(28,645)	(42,889)	(50,021)	(49,851)
Other Equity		(2,102)	(2,027)	(2,365)	(2,365)
CASH FLOW					
Cash Flow from Operations					
Net income (loss)		(11,986)	(14,321)	(15,690)	(4,011)
Depreciation and Amortization		205	253	268	230
Interest income/expense		9	1,557	2	412
Stock-based compensation		54	73	170	170
Non Cash Adjustments		(492)	(564)	(1,200)	(1,200)
(Increase) decrease in inventories		0	0	0	0
(Increase) decrease in trade receivables		74	(376)	21	0
(Increase) decrease in other current assets		(112)	360	(600)	(1,200)
Increase (decrease) in trade payables		(586)	0	(1,085)	(2,307)
Net cash used in Operating activities		(12,834)	(13,018)	(15,945)	(7,906)
Cash Flow from Investing					
Purchases of fixed assets		(161)	(371)	(315)	(155)
Other Investing Activities		0	0	10	10
Net cash used in Investing activities		(161)	(371)	(305)	(145)
Cash Flow from Financing					
Change in Debt		0	0	9,225	7,000
Change in Capital Stock		0	19,591	1,982	1,800
Interest paid		(10)	(2)	(13)	(485)
Other Financing Activities		1,743	134	(21)	23
Net cash used in Financing activities		1,733	19,723	11,173	8,338
Net Changes in Cash and Cash Equivalent		(11,262)	6,334	(5,077)	288
Net cash/(debt) at the beginning of the period		12,956	1,660	7,968	(4,368)
Net cash/(debt) at the end of the period		1,660	7,968	(4,368)	(13,039)

Source: ASIT biotech, Edison Investment Research

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Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
1,185 Avenue of the Americas
3rd Floor, New York, NY 10036
United States of America

Sydney +61 (0)2 8249 8342
Level 4, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia