EDISON

Scandion Oncology

Clinical trial update

PANTAX dosing schedule expanded

Pharma and biotech

Scandion Oncology has announced the extension of dose-escalation in the Phase Ib PANTAX trial, investigating the company's add-on chemotherapy, SCO-101, in the treatment of metastatic pancreatic cancer (mPC). The observation of better-than-expected tolerability in patients has led Scandion to now pursue higher dosing than previously expected. As a result, top-line data from PANTAX are now expected in H123 (previously Q222). We view this as a positive development for Scandion, as the primary endpoints for the PANTAX trial are safety and tolerability. Additionally, if proof-of-concept data from the Phase II CORIST study in metastatic colorectal cancer (expected Q322) prove positive, this should provide encouragement for the survival and response rate based secondary endpoints of PANTAX, in our view. We value Scandion Oncology at SEK586.5m or SEK18.3 per share.

Year end	Revenue (DKKm)	PBT* (DKKm)	EPS* (DKK)	DPS (DKK)	DPS (%)	Yield (%)
12/20	1.0	(21.5)	(0.53)	0.0	N/A	N/A
12/21	0.8	(57.2)	(1.61)	0.0	N/A	N/A
12/22e	0.8	(60.1)	(1.70)	0.0	N/A	N/A
12/23e	0.8	(114.7)	(3.40)	0.0	N/A	N/A

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

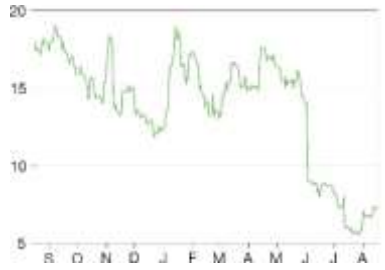
As a reminder, SCO-101 is a first-in-class chemosensitiser, a class of compounds that when used in combination with traditional chemotherapy agents may re-sensitise resistant cancer cells to treatment. The PANTAX study (NCT04652206) is a Phase Ib, open-label, dose-escalation (3+3) study, investigating the use of SCO-101 in the treatment of mPC. The primary aim of the study is to establish the safety/tolerability profile and maximum tolerated dose of SCO-101, in combination with nab-paclitaxel and gemcitabine. Assuming positive results from PANTAX, management intends to initiate randomised Phase II trials in mPC in 2023, however the new dose-escalation extension may delay this schedule, in our view.

There remain significant unmet medical needs in the treatment of mPC. The disease accounts for only 3% of all cancers but 7% of cancer-related deaths, due to the disease's invasive and often incurable nature. The pancreatic cancer treatment market is estimated to reach $5.3bn by 2028 (source: EvaluatePharma) and we note that many standard pancreatic cancer treatments are already off-patent (eg nab-paclitaxel, gemcitabine). If SCO-101 can restore clinical response to these chemotherapies in resistant patients, we see a sizable opportunity for the company in this market. For more information on Scandion Oncology, see our recent initiation report.

17 August 2022

Price	**SEK7.24**
Market cap	**SEK233m**
Net cash (DKKm) at end-Q122	88.0
Shares in issue	40.7m
Free float	82%
Code	SCOL
Primary exchange	NASDAQ First North Growth Market
Secondary exchange	N/A

Share price performance



Business description

Scandion Oncology is focused on the development of add-on therapies to reverse chemotherapy resistance in oncology. Lead asset SCO-101 is in a Phase II trial for mCRC and a Phase Ib trial for pancreatic cancer. Proof-of concept data, expected in Q322, will be crucial in shaping management's future development plans.

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