

Immunicum

Q1 results

Catalysts approaching for DCP-001

Immunicum specialises in the research and development of novel immunotherapies that target hard-to-treat tumours and tumour recurrence. In its pipeline and strategic outlook presented in Q122, management highlighted its focus on developing DCP-001, a novel cancer relapse vaccine. The ongoing Phase II ADVANCE II trial (investigating DCP-001 as a monotherapy in acute myeloid leukaemia, or AML) will release multiple updates in 2022, providing potential catalysts for the shares. Importantly, complete minimal residual disease (MRD) data are expected to be announced in Q222, followed by survival data at the year end. Additionally, DCP-001 is in ongoing Phase I trials for treating ovarian cancer. At end-March 2022, the company had cash of SEK123m, which we expect to provide a runway to H123. In light of the refocused strategy, our estimates are under review.

Year end	Revenue (SEKm)	PBT* (SEKm)	EPS* (SEK)	DPS (SEK)	DPS (%)	Yield (%)
12/20	0.0	(89.2)	(1.17)	0.00	N/A	N/A
12/21	0.0	(133.4)	(0.73)	0.00	N/A	N/A

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

The company's [Q122 earnings report](#) highlights the opportunity for Immunicum's whole cell-based cancer vaccine, DCP-001, in AML maintenance therapy. Initial data from [ADVANCE II](#), presented [at ASH in December 2021](#), demonstrated that DCP-001 can significantly reduce MRD, a factor associated with a high risk of relapse and poor overall survival in AML patients. The complete MRD analysis will be communicated in Q222, representing an important near-term catalyst for Immunicum's shares. Assuming positive clinical results, investors should focus on whether the reduction or eradication of MRD will translate into favourable relapse-free survival and overall survival (data expected year-end 2022). Furthermore, Immunicum's intratumoral immune primer, ilixadencel, is preparing to start Phase II trials for treating gastrointestinal stromal tumours (GIST) in 2022, in combination with kinase inhibitors. The company believes the poor response and survival rates seen in unresectable or metastatic GIST present an attractive opportunity to improve patient outcomes with ilixadencel.

During the quarter, Immunicum reported research and development costs of SEK18.8m, significantly lower than the same period a year ago (Q121: SEK29.4m) primarily due to lower clinical trial and chemistry, manufacturing and controls costs, presumably as ilixadencel is repositioned. The net loss for Q122 was SEK27.6m. Cash and equivalents at end-March was SEK122.9m (FY21: SEK155.3m), which we anticipate will provide funding to H123.

Pharma and biotech

11 May 2022

Price **SEK2.0**
Market cap **SEK399m**

Net cash at 31 March 2022	SEK122.9m
Shares in issue	199.4m
Free float	37%
Code	IMMU
Primary exchange	Stockholm Stock Exchange
Secondary exchange	N/A

Share price performance



Business description

Immunicum is a clinical-stage immunoncology company based in Sweden and the Netherlands. The company specialises in allogeneic dendritic cell biology and has two lead, cell-based, off-the-shelf therapies for haematological and solid tumours.

Analysts

Soo Romanoff	+44 (0)20 3077 5700
Dr Harry Shives	+44 (0)20 3077 5700

healthcare@edisongroup.com

[Edison profile page](#)

Immunicum is a research client of Edison Investment Research Limited.

General disclaimer and copyright

This report has been commissioned by Immunicum and prepared and issued by Edison, in consideration of a fee payable by Immunicum. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2022 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.