EDISON

Scandion Oncology

FY22 update

Expanding SCO-101 into AML

Pharma and biotech

In the recent management conference call to summarise the FY22 results, Scandion Oncology announced plans to expand SCO-101, its lead asset, into acute myeloid leukaemia (AML). The company plans to share certain details on the preclinical data package in H223, which we view as a significant catalyst, provided the data continue to be supportive. SCO-101 is also progressing as planned in the Phase II CORIST trial in metastatic colorectal cancer (mCRC), with readouts expected in Q323, and in the Phase Ib PANTAX trial in pancreatic cancer (PC), with readouts expected in H123.

Year end	Revenue (DKKm)	PBT* (DKKm)	EPS* (DKK)	DPS (DKK)	P/E (x)	Yield (%)
12/21	0.8	(57.2)	(1.61)	0.0	N/A	N/A
12/22	2.1	(82.2)	(1.88)	0.0	N/A	N/A
12/23e	0.6	(65.3)	(1.47)	0.0	N/A	N/A
12/24e	0.6	(69.4)	(1.57)	0.0	N/A	N/A

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

Scandion is optimistic that SCO-101 may be able to address relapse after remission, which represents a significant unmet medical need for AML patients. SCO-101 has been shown to target ABCG2 as a mechanism for tackling cancer resistance, and since ABCG2 expression is present in 35–50% of AML cells, the drug has the potential to reverse resistance to chemotherapy in this indication. Scandion's strategy for targeting AML has three pillars: firstly, to collaborate with leaders in this field to research fresh cancer cells from actual patients; secondly, to work with CROs to investigate ABCG2 expression in cryopreserved cells from AML patients; and thirdly, to conduct internal research to support the proof of concept that SCO-101 may be used synergically with current AML drugs. This preclinical research is already underway, and management expects to share some of the data in H223.

SCO-101 is involved in two ongoing clinical programmes. The CORIST study is evaluating SCO-101 in mCRC patients resistant to treatment with FOLFIRI (folinic acid + fluorouracil + irinotecan). In part 2, the primary endpoint (+30% tumour reduction) was not reached but, due to a favourable safety profile, an additional dose-finding study is being carried out in part 3. Patient enrolment is ongoing and due to be completed in Q323, with plans to share top-line results in the same period. If successful, we expect initiation of part 4 shortly after to assess efficacy at the optimised dose. Also ongoing, the PANTAX study is assessing the safety and tolerability of SCO-101 in PC. This Phase Ib trial is near complete, with top-line results due in H123. Management has communicated that these clinical activities, as well as the preclinical AML research, represent the company's priorities and has chosen to deprioritise SCO-201 as part of a more focused approach for FY23.

Although part 3 of the CORIST study still ongoing, with potential to initiate part 4 in FY23, we anticipate a slight decrease in R&D costs due to conclusion of the PANTAX study in H123. Management expects its end-December 2022 net cash position of DKK77.6m to provide a runway past clinical readouts in FY23 into FY24.

29 March 2023

Price	**SEK2.00**
Market cap	**SEK81m**
	SEK10.4/US$; SEK1.48/DKK
Net cash (DKKm) at end-December 2022	77.6
Shares in issue	40.7m
Free float	86%
Code	SCOL
Primary exchange	Nasdaq First North Growth Market
Secondary exchange	N/A

Share price performance

Business description

Scandion Oncology is a biotechnology company focused on the development of add-on therapies to reverse chemotherapy resistance in oncology. The company's lead asset, SCO-101, is in Phase II trials for mCRC and Phase Ib trials for pancreatic cancer.

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