

# ASIT BIOTECH

## CORPORATE

|                     |                   |
|---------------------|-------------------|
| Fair Value          | EUR5.7            |
| Share price         | EUR3.05           |
| Bloomberg / Reuters | ASIT BB / ASIT.BR |

Healthcare

BioTechnology

## Pioneering allergy vaccines



ASIT Biotech is a Belgium-based biotechnology company positioned in the growing USD12bn respiratory allergy market with two lead products originating from its ASIT+ platform that are due to report phase I/IIa and phase III results in late 2019/early 2020e. Building on its expertise in the allergy space, ASIT Biotech is leveraging its platform to address the significant unmet medical need in the food allergy market with one product candidate to enter clinical trials in early 2019e.

The company's proprietary ASIT+ platform could reshuffle the cards in allergy immunotherapy with a new generation of treatments. Clinical trials have highlighted the benefits of the platform which features high potency and fast onset of action ultimately enabling shorter treatment courses leading to higher acceptance and better compliance.

gp-ASIT+ is about to enter a confirmatory phase III trial in Europe in grass pollen-induced allergic rhinitis while a phase I/IIa trial of a more potent prototype of the hdm-ASIT+ (house dust mite-induced allergic rhinitis) should be initiated shortly. ASIT Biotech is also expanding its footprint to food allergy with a first clinical trial to begin for pnt-ASIT+ in peanut allergy.

We value ASIT Biotech at EUR5.7/share. Our valuation is based on a risk-adjusted SOTP valuation model (WACC 13.9%,  $\beta=1.75$ ). We estimate cumulative peak sales for gp-ASIT+ and hdm-ASIT+ in excess of EUR900m.

# Contents

---

|   |           |
|---|-----------|
| <b>EXECUTIVE SUMMARY</b>  | <b>3</b>  |
| <b>PART 1: VALUATION &amp; NEWSFLOW</b>                                       | <b>5</b>  |
| Fair Value of EUR5.7 per share (BGe)  | 5         |
| Newsflow  | 7         |
| <b>PART 2: FIGHTING AGAINST THE ALLERGIC RHINITIS EPIDEMIC</b>                | <b>8</b>  |
| What is allergic rhinitis?  | 8         |
| A USD12bn market opportunity  | 9         |
| <b>PART 3: A DIFFERENTIATED PLAYER IN THE AIT FIELD</b>                       | <b>11</b> |
| Proprietary ASIT+ platform in SCIT  | 11        |
| Addressing the shortfalls of SCIT... and SLIT                                 | 12        |
| <b>PART 4: ASIT IN A NUTSHELL</b>   | <b>14</b> |
| Pipeline overview   | 14        |
| Cumulative peak sales in excess of EUR900m                                    | 14        |
| <b>PART 5: WARMING UP FOR THE 2<sup>ND</sup> PH III TRIAL IN GRASS POLLEN</b> | <b>15</b> |
| Supportive results from previous trials                                       | 15        |
| Confirmatory EU phase III trial to be initiated shortly                       | 17        |
| <b>PART 6: BROADENING THE USE OF THE ASIT+ PLATFORM</b>                       | <b>18</b> |
| Validating ASIT+ in other respiratory allergies: HDM                          | 18        |
| Leveraging the ASIT+ platform in food allergy: peanut                         | 19        |
| <b>PART 7: EXECUTIVE MANAGEMENT AND CAPITAL STRUCTURE</b>                     | <b>20</b> |
| Executive management and Chairman of the Board                                | 20        |
| Capital structure   | 21        |
| <b>PART 8: APPENDICES</b>   | <b>22</b> |
| Historical milestones and IP  | 22        |
| ASIT Biotech sales estimates (BGe)  | 23        |
| Transactions in the allergy space   | 26        |

---



[To receive the full report please click here](#)

## Bryan Garnier stock rating system

For the purposes of this Report, the Bryan Garnier stock rating system is defined as follows:

### Stock rating

|         |   |
|---------|---|
| BUY     | Positive opinion for a stock where we expect a favourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential upside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.      |
| NEUTRAL | Opinion recommending not to trade in a stock short-term, neither as a BUYER or a SELLER, due to a specific set of factors. This view is intended to be temporary. It may reflect different situations, but in particular those where a fair value shows no significant potential or where an upcoming binary event constitutes a high-risk that is difficult to quantify. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion.                     |
| SELL    | Negative opinion for a stock where we expect an unfavourable performance in absolute terms over a period of 6 months from the publication of a recommendation. This opinion is based not only on the FV (the potential downside based on valuation), but also takes into account a number of elements that could include a SWOT analysis, momentum, technical aspects or the sector backdrop. Every subsequent published update on the stock will feature an introduction outlining the key reasons behind the opinion. |

### Distribution of stock ratings

BUY ratings 53.9%

NEUTRAL ratings 37.1%

SELL ratings 9%

## Research Disclosure Legend

|    |  |  |            |
|----|--|--|------------|
| 1  | <b>Bryan Garnier shareholding in Issuer</b>            | Bryan Garnier & Co Limited or another company in its group (together, the "Bryan Garnier Group") has a shareholding that, individually or combined, exceeds 5% of the paid up and issued share capital of a company that is the subject of this Report (the "Issuer").   | <b>No</b>  |
| 2  | <b>Issuer shareholding in Bryan Garnier</b>            | The Issuer has a shareholding that exceeds 5% of the paid up and issued share capital of one or more members of the Bryan Garnier Group.   | <b>No</b>  |
| 3  | <b>Financial interest</b>                              | A member of the Bryan Garnier Group holds one or more financial interests in relation to the Issuer which are significant in relation to this report   | <b>No</b>  |
| 4  | <b>Market maker or liquidity provider</b>              | A member of the Bryan Garnier Group is a market maker or liquidity provider in the securities of the Issuer or in any related derivatives.   | <b>No</b>  |
| 5  | <b>Lead/co-lead manager</b>                            | In the past twelve months, a member of the Bryan Garnier Group has been lead manager or co-lead manager of one or more publicly disclosed offers of securities of the Issuer or in any related derivatives.  | <b>YES</b> |
| 6  | <b>Investment banking agreement</b>                    | A member of the Bryan Garnier Group is or has in the past twelve months been party to an agreement with the Issuer relating to the provision of investment banking services, or has in that period received payment or been promised payment in respect of such services.  | <b>YES</b> |
| 7  | <b>Research agreement</b>                              | A member of the Bryan Garnier Group is party to an agreement with the Issuer relating to the production of this Report.  | <b>YES</b> |
| 8  | <b>Analyst receipt or purchase of shares in Issuer</b> | The investment analyst or another person involved in the preparation of this Report has received or purchased shares of the Issuer prior to a public offering of those shares.   | <b>No</b>  |
| 9  | <b>Remuneration of analyst</b>                         | The remuneration of the investment analyst or other persons involved in the preparation of this Report is tied to investment banking transactions performed by the Bryan Garnier Group.  | <b>No</b>  |
| 10 | <b>Corporate finance client</b>                        | In the past twelve months a member of the Bryan Garnier Group has been remunerated for providing corporate finance services to the issuer or may expect to receive or intend to seek remuneration for corporate finance services from the Issuer in the next six months.   | <b>YES</b> |
| 11 | <b>Analyst has short position</b>                      | The investment analyst or another person involved in the preparation of this Report has a short position in the securities or derivatives of the Issuer.   | <b>No</b>  |
| 12 | <b>Analyst has long position</b>                       | The investment analyst or another person involved in the preparation of this Report has a long position in the securities or derivatives of the Issuer.  | <b>No</b>  |
| 13 | <b>Bryan Garnier executive is an officer</b>           | A partner, director, officer, employee or agent of the Bryan Garnier Group, or a member of such person's household, is a partner, director, officer or an employee of, or adviser to, the Issuer or one of its parents or subsidiaries. The name of such person or persons is disclosed above.   | <b>No</b>  |
| 14 | <b>Analyst disclosure</b>                              | The analyst hereby certifies that neither the views expressed in the research, nor the timing of the publication of the research has been influenced by any knowledge of clients positions and that the views expressed in the report accurately reflect his/her personal views about the investment and issuer to which the report relates and that no part of his/her remuneration was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report. | <b>Yes</b> |
| 15 | <b>Other disclosures</b>                               | Other specific disclosures: Report sent to Issuer to verify factual accuracy (with the recommendation/rating, price target/spread and summary of conclusions removed).   | <b>Yes</b> |

Summary of Investment Research Conflict Management Policy is available [www.bryangarnier.com](http://www.bryangarnier.com)



|  |   |   |  |   |
|--|---|---|--|---|
| <p>London<br/>Bryan, Garnier &amp; Co Ltd<br/>Beaufort House<br/>15 St. Botolph Street<br/>London EC3A 7BB<br/>United Kingdom<br/>+44 207 332 2500</p> | <p>Paris<br/>Bryan, Garnier &amp; Co Ltd<br/>26 Avenue des Champs-<br/>Elysées<br/>75008 Paris<br/>France<br/>+33 1 56 68 75 20</p> | <p>Munich<br/>Bryan, Garnier &amp; Co. GmbH<br/>Widenmayerstrasse 29<br/>80538 Munich<br/>Germany<br/>+49 89 2422 62 11</p> | <p>Zurich<br/>Bryan, Garnier &amp; Co<br/>Theaterstrasse 4<br/>8001 Zurich<br/>Switzerland<br/>+41 44 991 3300</p> | <p>New York<br/>Bryan Garnier Securities<br/>750 Lexington Avenue<br/>16th floor<br/>New York, NY 10022<br/>United States<br/>+1 212 337 7000</p> |
|--|---|---|--|---|

## IMPORTANT INFORMATION

This document is classified under the FCA Handbook as being investment research (independent research). Bryan, Garnier & Co Limited has in place the measures and arrangements required for investment research as set out in the FCA's Conduct of Business Sourcebook.

This report is prepared by Bryan, Garnier & Co Limited, registered in England Number 03034095 and its MIFID branch registered in France Number 452 605 512. Bryan, Garnier & Co Limited is authorized and regulated by the Financial Conduct Authority (Firm Reference Number 178733) and is a member of the London Stock Exchange. Registered address: Beaufort House 15 St. Botolph Street, London EC3A 7BB, United Kingdom.

This Report is provided for information purposes only and does not constitute an offer, or a solicitation of an offer, to buy or sell relevant securities, including securities mentioned in this Report and options, warrants or rights to or interests in any such securities. This Report is for general circulation to clients of the Firm and as such is not, and should not be construed as, investment advice or a personal recommendation. No account is taken of the investment objectives, financial situation or particular needs of any person.

The information and opinions contained in this Report have been compiled from and are based upon generally available information which the Firm believes to be reliable but the accuracy of which cannot be guaranteed. All components and estimates given are statements of the Firm, or an associated company's, opinion only and no express representation or warranty is given or should be implied from such statements. All opinions expressed in this Report are subject to change without notice. To the fullest extent permitted by law neither the Firm nor any associated company accept any liability whatsoever for any direct or consequential loss arising from the use of this Report. Information may be available to the Firm and/or associated companies which are not reflected in this Report. The Firm or an associated company may have a consulting relationship with a company which is the subject of this Report.

This Report may not be reproduced, distributed or published by you for any purpose except with the Firm's prior written permission. The Firm reserves all rights in relation to this Report.

Past performance information contained in this Report is not an indication of future performance. The information in this report has not been audited or verified by an independent party and should not be seen as an indication of returns which might be received by investors. Similarly, where projections, forecasts, targeted or illustrative returns or related statements or expressions of opinion are given ("Forward Looking Information") they should not be regarded as a guarantee, prediction or definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. A number of factors, in addition to the risk factors stated in this Report, could cause actual results to differ materially from those in any Forward Looking Information.

Disclosures specific to clients in the United Kingdom This Report has not been approved by Bryan, Garnier & Co Limited for the purposes of section 21 of the Financial Services and Markets Act 2000 because it is being distributed in the United Kingdom only to persons who have been classified by Bryan, Garnier & Co Limited as professional clients or eligible counterparties. Any recipient who is not such a person should return the Report to Bryan Garnier & Co Limited immediately and should not rely on it for any purposes whatsoever.

This Report is based on information obtained from sources that Bryan, Garnier & Co Limited believes to be reliable and, to the best of its knowledge, contains no misleading, untrue or false statements but which it has not independently verified. Neither Bryan, Garnier & Co Limited and/or Bryan Garnier Securities LLC make no guarantee, representation or warranty as to its

accuracy or completeness. Expressions of opinion herein are subject to change without notice. This Report is not an offer to buy or sell any security.

Bryan Garnier Securities, LLC and/or its affiliate, Bryan Garnier & Co Limited may own more than 1% of the securities of the company(ies) which is (are) the subject matter of this Report, may act as a market maker in the securities of the company(ies) discussed herein, may manage or co-manage a public offering of securities for the subject company(ies), may sell such securities to or buy them from customers on a principal basis and may also perform or seek to perform investment banking services for the company(ies).

Bryan Garnier Securities, LLC and/or Bryan, Garnier & Co Limited are unaware of any actual, material conflict of interest of the research analyst who prepared this Report and are also not aware that the research analyst knew or had reason to know of any actual, material conflict of interest at the time this Report is distributed or made available.

### Notice to US investors

This research report (the "Report") was prepared by Bryan Garnier & Co Limited for information purposes only. The Report is intended for distribution in the United States to "Major US Institutional Investors" as defined in SEC Rule 15a-6 and may not be furnished to any other person in the United States. Each Major US Institutional Investor which receives a copy of this Report by its acceptance hereof represents and agrees that it shall not distribute or provide this Report to any other person. Any US person that desires to effect transactions in any security discussed in this Report should call or write to our US affiliated broker, Bryan Garnier Securities, LLC, 750 Lexington Avenue, New York NY 10022. Telephone: 1-212-337-7000.