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immunovia

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Our jaws drop to the floor when we see the market selling Immunovia on the back of a press release that essentially confirmed the technical performance of IMMray PanCan-d, once again corroborating the robustness of the IMMray platform technology. As expected, the verification study demonstrated outstanding diagnostic accuracy in line with the previous commercial test model study.

The negative stock price reaction is both irrational and ill informed. Presumably it's due to additional delay of sales start and an unacceptably inaccurate statement regarding the study design of the verification study circulating in the market.

We begin to explain the verification study. All studies have predefined inclusion criteria. Samples which do not fulfil the criteria are not advanced into the study, i.e. they are screened out. This is standard practice for all studies! These criteria may involve: patients to not undergo treatment, anaesthesia in connection with sampling etc. The specific inclusion criteria are applied to remove the influence of specific confounding variables not related to real life situation, and ensure adequate settings to evaluate the actual performance of the investigational product in the intended patient population.

In the verification study, there were samples that did not meet the inclusion criteria and were therefore not advanced further into the study, precisely in accordance with standard of practice for clinical trials. To compensate for the samples that could not be included in the study and ensure sufficient power, Immunovia added samples initially allocated to the validation study. The samples that did not fulfil inclusion criteria, therefore not advanced, are NOT outliers. Referring these samples as "outliers" is a highly inaccurate statement regarding the verification study design. Outliers are, per definition, samples which after inclusion and testing are excluded afterwards from the analysis and presentation of results. Immunovia has not excluded any data from analyses and has as such no "outliers".

The delay of sales start with 3 months is due to extended timeline for the validation study. Additional samples are needed to compensate for the number that went into the verification study. As COVID-19 infections are on the rise, there is a drop in sampling rate, thus extending the timeline. While disappointing, the 3-month delay does not impact the investment case! With sales start end of Q1 2021, Immunovia will still be first to market with an outstandingly accurate blood-based test for early detection of pancreatic cancer, with competition likely several years behind and serving as a perfect strategic fit for the larger, resourceful US players advanced in genomics-based tech.

The delay's impact on our valuation model is negligible, and we maintain our target price of SEK 300 per share.
Timeline: Validation study Q4 2020-Q1 2021, Sales start end of Q1 2021.

OUTPERFORM

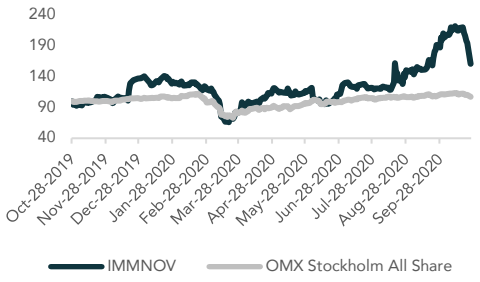
Update Report

Target price: SEK 300
Current price (at publishing): SEK 173
Implied upside potential: 73%

Immunovia at a glance

Immunovia, a diagnostic company, is developing and commercializing highly accurate blood tests for the early detection of cancer and autoimmune diseases based on Immunovia's proprietary test platform called IMMray™. Tests are based on antibody biomarker microarray analysis using advanced machine-learning and bioinformatics to single-out a set of relevant biomarkers that indicate a certain disease. Thus, forming a unique "disease biomarker signature".

Share price development (index= Oct 28, 2019)



Key Data	As per 2020-10-26
Ticker	IMMNOV
Share price (close)	SEK 210
Free float	75.5%
Market cap	SEK 4 746m
Website	immunovia.com
Average daily volume (Sep 15-Oct 26)	SEK 20.2m

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Key personnel

Mats Grahn, CEO. Mats holds a MSc in Engineering Physics from Lund University, Sweden. He brings more than 25 years' experience in senior leading positions within the life science and diagnostics industry. He contributes with an extensive experience in business and strategic development, marketing, product management, product development and market access. Mats has a track record of leading international commercial operational organizations, restructuring of marketing organizations, integration of acquired companies as well as managing new start-ups. Much of his experience comes from leadership in multinational management teams and organizations in Scandinavia, Europe, USA and Asia. Previous positions include CVP Marketing Dako A/S, VP Product Management GE Healthcare, VP Marketing Amersham Biosciences, VP Laboratory Separations Pharmacia Biotech and VP Prevas Bioinformatics.

Rolf Ehrnström, Chief Scientific Officer. Rolf holds a MSc in biochemistry & biotechnology engineering from Royal Institute of Technology, Stockholm, Sweden. Rolf is the owner of Reomics AB and an independent partner at Ventac Partners. He has long experience of leading research and has been a Corporate Vice President R&D and Chief Scientific Officer at Dako/Agilent and Gyros AB. Rolf has also experience as a Science Director at Amersham Pharmacia Biotech.

Hans Liljenborg, Chief Financial Officer. Hans Liljenborg has a degree as subject teacher in Business Administration and Mathematics from Lund University, Sweden. Hans has long experience as Financial Manager for growing, global medical technology companies and has been Finance Director at Physio Control Inc, Jolife AB and Finance Manager at Vivoline Medical AB, listed on Nasdaq First North in March 2015. He also operates an own accounting firm.

Laura Chirica, Chief Commercial Officer. Laura holds a PhD in Biochemistry from Umeå University, Sweden, a MSc in Biochemistry and a BSc in Biotechnology. With more than 15 years' experience in leading commercial positions within the life science and diagnostics industry, Laura contributes with an extensive experience in business, organization and strategic development, sales, strategic and tactical marketing, product management and product support. She has a track record of leading and restructuring international sales and marketing organizations, driving business development, champion integration of acquired companies as well as developing branding and market communication platforms.

Much of her experience comes from leadership in multinational management teams and organisations in Scandinavia, Europe, USA and Asia. Previous positions include VP Sales and Marketing Euro Diagnostica AB, Director Purification Technologies Europe Sartorius Stedim, Global Marketing Director Dako A/S, and Global Marketing Program Manager GE Healthcare.

Michael Pettigrew, Senior VP Sales North America. Michael has a Bachelor of Science in biology at Fairleigh Dickinson University. He brings over 30 years of experience and has focused his extensive global expertise in the management of marketing & sales, business and strategic account development, licensing, mergers & acquisition, and

commercial technology platform development. While he was at Thermo Fisher Scientific, he managed large regional based sales teams (USA, Canada, Latin America, and South America) by providing sales, technical support, and customer support. Prior to Thermo Fisher Scientific, Michael was the Vice President of Corporate Development at Magellan Biosciences, where he was focused on M&A and licensing. Prior to that, Michael held positions at GE Healthcare (Vice President, Sales), Amersham (Vice President, Genomics), and Pharmacia (Director of Marketing, North America).

Hans Christian Pedersen, VP of Strategy & Business Development. Hans Christian holds a MSc in Molecular biology from University of Copenhagen, Denmark. He brings over 18 years of industry experience working with drug development, antibody development, breast cancer research, companion diagnostics development, IVD global marketing, scientific affairs and business development. Hans Christian has an extensive experience in both development and commercialization of diagnostic tests and has been involved in building and launching strategic partnerships with global pharma partners.

Linda Mellby, VP Research & Development. Linda received her PhD in Immunotechnology from Dept. of Immunotechnology within CREATE Health Translational Cancer Center, Lund University, in 2010, and a MSc in Chemistry Engineering in 2004. She has more than 15 years' experience of recombinant antibody microarray technology, the Immunovia platform. She has deep knowledge about platform features, technology development as well as clinical applications within oncoproteomics and autoimmunity. Linda has been one of the key researchers managing the development of the Immunovia antibody microarray platform for disease proteomics, conducting extensive work related to process optimizations, standardizations as well as clinical studies.

Lotta Blomgren, Operations Director. Lotta holds a MSc in Chemical Engineering from Lund University, Sweden. Lotta has more than 30 years' experience within the life science and diagnostics industry, whereof 15 years in leading positions. She contributes with extensive experience from leading manufacturing, quality control and logistics teams, as well as managing transfer of new products from development to commercial scale. Her track record includes strategic reorganizations of international manufacturing networks, managing people and project portfolios, as well as due diligence of potential acquirement of new companies and Contract Manufacturing (CMO).

Annika Andersson, QA/RA Director. Annika is a Biomedical Scientist from Malmö University. She has more than 25 years' experience within the life science and diagnostics industry, with the main focus on regulatory affairs and quality assurance of in vitro diagnostic medical devices. Annika contributes with global experience within regulatory strategies and regulatory submissions of IVDs. Her track record includes leading successful regulatory approval processes of medical devices for IVD CE marking as well as IVD approvals in Canada, China, India, Japan, Korea, Mexico, Russia and 510(k) clearances in USA.

Board of Directors

Carl Borrebaeck, Chairman of the Board. Professor Carl Borrebaeck is a successful serial entrepreneur, having co-founded Immunovia AB, Senzagen AB (SENZA; Nasdaq First North), BioInvent International AB (BINV: Stockholm) and Alligator BioScience AB (ATORX; Nasdaq Stockholm). Prof. Borrebaeck is a 2009 recipient of the AkzoNobel Science Award and was awarded the 2012 Gold Medal from the Royal Academy of Engineering Sciences in recognition of his ground-breaking research regarding biomarkers.

In 2017 he was designated as the Biotech builder of the Year for his entrepreneurship. In addition, Prof. Borrebaeck is previously the Vice-President of Lund University, Sweden (responsible for its Innovation systems); and currently Director of CREATE Health, a Translational Cancer Center; and previously chairman of the Department of Immunotechnology. Carl Borrebaeck is also a founding mentor for NOME (Nordic Mentor Network for Entrepreneurship.

Ann-Christine Sundell, Director of the Board. Ann-Christine Sundell has a MSc in biochemistry and more than 30 years of experience from the medical device industry, she has held various global positions. For 10 years she served as president for Genetic Screening, one of five strategic business areas with over 1,500 employees worldwide within PerkinElmer, one of the world's largest Life Science companies.

Hans Johansson, Director of the Board. Hans Johansson has a MSc in Chemical Engineering and excessive experience and a wide network from his previous positions in Life Science and Diagnostics companies, lately as VP, Head of Companion Diagnostics at ThermoFisher Inc Speciality Diagnostics Group.

Hans Johansson was also a former VP of Global Marketing and Commercial Development within the same company but at the ImmunoDiagnostics division and earlier VP, Head of the Laboratory Business Unit at Pharmacia Biotechnology.

Hans Johansson has also been an active entrepreneur as CEO/Boardmember in the life science sector. Altogether, he has 30 years of experience from global business development and commercialisation of biotechnical and diagnostic innovations.

Christofer Sjögren, Director of the Board Christofer Sjögren has 15 years of experience in the financial industry as equity analysts in companies like Carnegie, Danske Bank (publ) and Deutsche Bank (publ) based in Stockholm. Christofer Sjögren has also been an Investor Relations consultant at Citigate Stockholm (formerly part of Huntsworth plc), and has been Vice President of Trelleborg AB (publ) for seven years as Head of Trelleborg Investor Relations.

Peter Høngaard Andersen, Director of the Board. Dr. Peter Høngaard Andersen has a B.Sc. in Chemistry, a M.Sc. in Biochemistry, is Doctor of Medicine and have excessive experience and a wide network from his previous positions in Life Science and the biotech industry. His extensive drug discovery and development experience from Pharma include; 14 years from Novo Nordisk in CNS, neuroendocrinology, women health, type 2 diabetes and 15 years at Lundbeck in CNS drug discovery and early development. Dr. Høngaard Andersen has been involved in the discovery and

development of several drugs on the market (e.g., Norditropine Simplex, Victoza, Trintellix/Brintellix, Cipralex).

Dr. Høngaard Andersen has founded or co-founded several biotech companies e.g. Acadia Pharmaceuticals, Zealand Pharma, Glycom, Serendex, Epitherapeutics and Prexton Pharmaceuticals.

Dr. Høngaard Andersen was involved in Innovative Medicines Initiative (IMI) from the beginning in 2003 and was chairing the industry side of IMI from 2009 – 2014.

Mimmi Ekberg, Director of the Board. Mimmi Ekberg has almost 30 years of experience of from the pharmaceutical industry and 25 years within the oncology disease area. She has held different national and Nordic positions with experience of successful launches of specialist products. Mimmi has extensive strategic and operational experience within sales & marketing for different indications in the Oncology area. She has experience as Business Unit Manager from E. Merck, Amgen and currently serves as the Business Unit Manager Oncology Nordic at Celgene, with a special focus on pancreatic cancer. Mimmi is educated as an operating room nurse with various additional educations as Medical Oncology from Lund University, Clinical trials in Oncology Karolinska University hospital, and Executive Master of Business Administration from Stockholm University.

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I, Felicia Rittemar, the author of this report, certify that notwithstanding the existence of any such potential conflicts of interests referred to below, the views expressed in this report accurately reflect my personal view about the companies and securities covered in this report.

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