Idogen

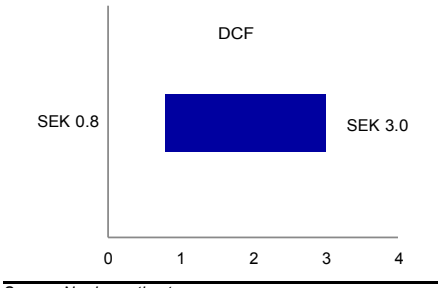
Healthcare
Sweden

KEY DATA

Stock country	Sweden
Bloomberg	IDOGEN SS
Reuters	IDOGEN.TE
Share price (close)	SEK 0.79
Free Float	
Market cap. (bn)	EUR 0.00/SEK 0.04
Website	idogen.com
Next report date	11 Feb 2020

PERFORMANCE

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2019E	2020E	2021E
Sales	0%	0%	-100%
EBIT (adj)	-9%	4%	-170%

Source: Nordea estimates

Nordea Markets - Analysts
Klas Pyk
Analyst

Production agreement in place

Idogen recently signed a collaboration agreement for production with the Radboud University Medical Center in the Netherlands, a global leader in the field with 20 years of experience in manufacturing cell therapy. The agreement is a step forward in Idogen's journey in bringing its pipeline projects, IDO 8 and IDO T, towards clinical trials (expected to commence in Q1 2021). During the third quarter, the cost development remained healthy and Idogen reiterated its expectation that its end-of-quarter cash position of SEK 33.8m is sufficient to finance operations until Q3 2020.

Taking steps towards clinical trials

On 13 November, Idogen announced that the company has signed a collaboration agreement for production with the Radboud University Medical Center in the Netherlands. According to Idogen, the university is a global leader in the field and has 20 years' experience of dendritic cell therapy manufacturing. Under the terms of the agreement, Radboud will facilitate the necessary production for the upcoming clinical trials. In our view, the agreement decreases the risk of the preclinical development project, and we therefore regard the partnership as a positive step towards bringing IDO 8 and IDO T towards clinical trials. The first trial is expected to commence in Q1 2021 and run for around 12-18 months.

A healthy cost development

Idogen's underlying costs continue to develop well. Operating expenditure totalled SEK 7.7m in Q3 2019, compared to SEK 7.3m in Q3 last year. The operating result in Q3 was positively impacted by booked income of SEK ~1m related to the previously received funding from Horizon 2020, taking the operating loss to SEK 6.8m. The current cash balance of SEK 33.8m is sufficient to finance operations until Q3 2020. However, we foresee that additional funding from Horizon 2020 is likely, which could strengthen the balance sheet enough to finance operations until early 2021. In our view, Idogen need to seek additional financing before the clinical trials begin.

Launch anticipated by 2026-27

Preclinical development is associated with high risk, not only due to the likelihood of success in the clinical programme but also due to the difficulty to secure sufficient financing throughout the development process. Provided that the clinical trials are successful, however, we foresee that Idogen will sign a partnership agreement that would enable product launch by 2026E-27E.

SUMMARY TABLE - KEY FIGURES

SEKm	2015	2016	2017	2018	2019E	2020E	2021E
Total revenue	0	0	0	0	0	0	0
EBITDA (adj)	-10	-13	-21	-27	-26	-27	-19
EBIT (adj)	-10	-13	-21	-28	-31	-30	-22
EBIT (adj) margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EPS (adj)	-1.32	-1.03	-0.88	-0.48	-0.64	-0.37	-0.18
EPS (adj) growth	89.1%	21.8%	14.7%	45.1%	-32.3%	41.7%	51.9%
DPS (ord)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBIT (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/E (adj)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/BV	3.6	7.5	2.7	1.5	1.9	1.6	2.7
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	-22.4%	-8.7%	-22.1%	-18.0%	-83.5%	-37.6%	-34.2%
Net debt	-12	-19	-37	-62	-30	-61	-30
Net debt/EBITDA	1.2	1.5	1.7	2.3	1.2	2.2	1.6
ROIC after tax	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Source: Company data and Nordea estimates

Q3 2019 quarterly review

The operating loss for Idogen amounted to SEK 6.8m in the third quarter, compared to SEK 7.3m in the same period last year. The quarterly result was bolstered by SEK ~1m in other operating income related to the funding from Horizon 2020. In November, Idogen announced that it had signed a collaboration agreement for production with the Radboud University Medical Center in the Netherlands, which we view as a clear positive sign that the company is taking the necessary steps towards bringing its pipeline assets, IDO 8 and IDO T, towards clinical trials (expected to commence in Q1 2021).

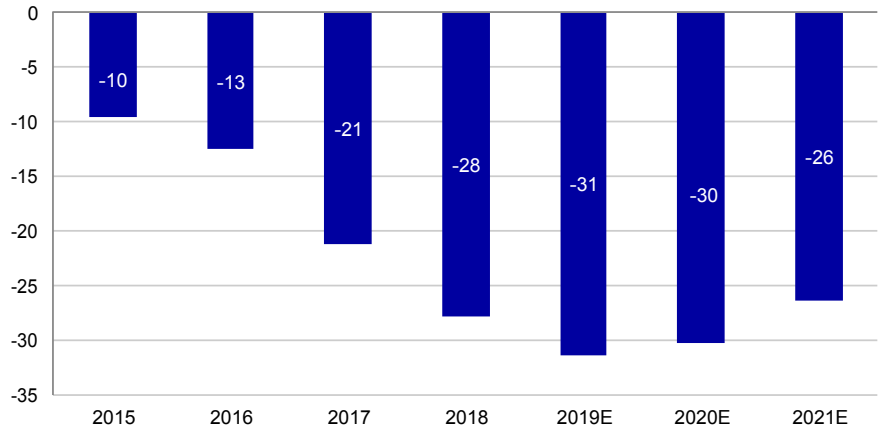
Healthy cost development

The cost development remains healthy for Idogen. During the quarter, operating expenditure totalled SEK 7.7m (compared to SEK 7.3m in the same quarter last year). The result was positively impacted by booked other operating income related to the previously received funding from Horizon 2020, taking the operating loss to SEK 6.8m for the quarter (SEK 7.3m).

Given its end-of-quarter cash position of SEK 33.8m, Idogen is, in our view, well on track to meet its target of having operations financed until Q3 2020.

The end-of-quarter cash balance of SEK 33.8m is sufficient to finance operations until Q3 2020E

IDOGEN: OPERATING LOSS



Source: Company data and Nordea estimates

Production agreement brings Idogen one step forward

On 13 November, Idogen announced that the company has signed a collaboration agreement for production with the Radboud University Medical Center in the Netherlands. According to Idogen, the university is a global leader in the field and has 20 years experience in dendritic cell therapy manufacturing.

Under the terms of the agreement, Radboud will facilitate the necessary production for the upcoming clinical trials. An important part of the agreement is that Idogen will benefit from Radboud's processes and GMP experience which, in our view, decrease the risk of the preclinical development project. Idogen will also own the rights to the processes. As such, we view the partnership as a clear positive and a step closer to bringing both IDO 8 and IDO T to phase I/IIa.

RADBOUD UNIVERSITY MEDICAL CENTER, NETHERLANDS

Source: Radboud University Medical Center

Factors to consider when investing in Idogen

An investment in Idogen offers exposure to an early-stage project portfolio in immunology. The company is primarily focused on the treatment of antibodies against factor VIII in haemophilia A (IDO 8) and the prevention of organ rejection in kidney transplants (IDO T), which are two patient groups with a significant unmet medical need. Idogen believes that its patentable technology could be expanded to a range of other indications, namely a broad group of autoimmune diseases (IDO AID). The company's projects are in very early stages of development and outcomes in the upcoming clinical trials are uncertain.

We consider the following to be key factors when evaluating an investment in Idogen:

Idogen's technology can, with minor adjustments, be extended to a broader group of indications

- There is a significant unmet medical need for some haemophilia A (antibodies against factor VIII) and kidney transplant (rejection) patients. Accordingly, we see substantial value-added potential in Idogen's technology.
- Idogen believes that its patentable technology can, with minor adjustments, be extended to a broader group of indications, especially in autoimmune diseases.
- The currently available treatment methods for the indications targeted by its three pipeline projects (IDO 8, IDO T and IDO AID) are expensive and not extensive enough. A cheaper and better alternative is needed.
- Idogen has been recognised by US and European authorities, as IDO 8 received orphan drug status and the company received funding from the EU's Horizon 2020 programme.

In our view, key risk factors include:

Operations are financed until Q3 2020

- IDO 8, IDO T and IDO AID are dependent on passing clinical trials. Failure to achieve positive results could affect the prospects of commercialisation and limit earnings potential. Given that the technology is a platform for treatment, if it fails in preclinical trials for one project, eg IDO 8, then there is a risk of that failure eliminating the prospects for all of Idogen's other projects.
- Idogen is in a resource-intensive stage of development; according to the company, its operations are financed until around Q3 2020. Failure to attract additional external financing would jeopardise the development plan of the product portfolio.
- Idogen competes against companies with extensive experience and resources. Apart from established treatments, Idogen could also face competition from novel treatments that are currently under development.
- The company is highly dependent on a few key employees.

A full description of the main risk factors that we consider relevant is provided in the "Risk factors" chapter of this report.

Idogen's treatment is based on dendritic cells, a vital part of the immune system

Scalable technology

Idogen's treatment is based on dendritic cells, which are a type of white blood cells that play a vital role in the immune system. These cells control the immune system's recognition of what belongs to the body and what is foreign. Unfortunately, dendritic cells sometimes wrongly identify something that is meant to help the body as a threat. One example is when the immune system rejects an organ transplant. Another example is when the immune system neutralises the activity of a biological drug, eg the treatment of haemophilia A with factor VIII.

Idogen's discovery is a technology that is aimed at solving this problem by reprogramming the immune system so that it stops attacking what is meant to help the body. The company's primary focus lies within the treatment of antibodies against factor VIII in haemophilia A and the prevention of organ rejection in kidney transplantation. According to the company, its technology can, with minor adjustments, be extended to a range of other indications, namely a broad group of autoimmune diseases. Accordingly, we believe that positive results in IDO 8's clinical trials would improve the overall prospects for IDO T and IDO AID.

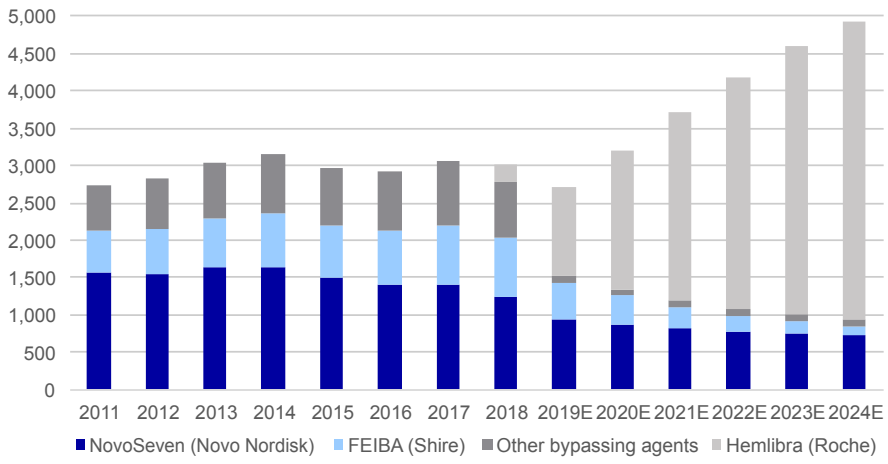
Targeting patient groups with unmet medical needs

Idogen's initial target groups are haemophilia A patients who have developed antibodies against factor VIII (IDO 8) and patients who will have a kidney transplant (IDO T).

Haemophilia A is a genetic disease that causes a person's blood to not clot properly. According to the World Federation of Hemophilia (WFH), around 174,000 persons have been identified as having haemophilia A (2018). To date, there is no cure for haemophilia A and patients must instead rely on lifelong treatments. The main treatment is a concentrate factor VIII, called the clotting factor**.** However, the WFH estimates that around 7,000 patients in 2018 had clinically-identified inhibitors, meaning that the body's immune system neutralises the activity of the treatment. Idogen's technology is aimed to treat this condition.

Currently, people with factor VIII inhibitors must typically rely on bypassing agents to treat acute bleeds. NovoSeven and FEIBA from Novo Nordisk and Shire, respectively, are two dominant treatments in this space. According to statistics from Evaluate Pharma, NovoSeven and FEIBA reached combined sales of USD ~2.0bn in 2018. The anticipated decline in bypassing agent sales can mostly be attributed to the launch of Roche's Hemlibra, a more comprehensive haemophilia A treatment with which Idogen's IDO 8 will partly compete too.

BYPASSING AGENTS AND HEMLIBRA, SALES ESTIMATES, USDm

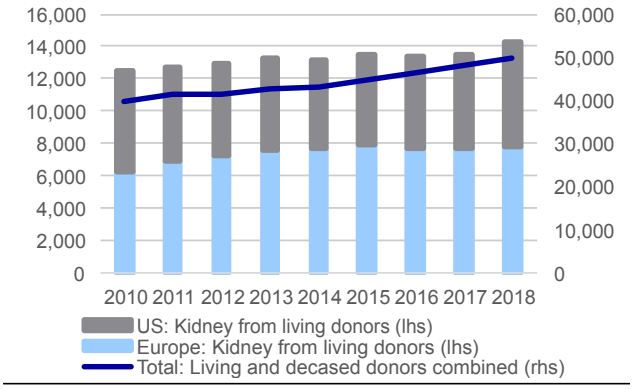


Source: Evaluate Pharma and Nordea

Kidney transplants are the most common type of organ transplant. According to statistics from the Global Observatory on Donation and Transplantation (GODT), ~28,000 and ~22,000 kidney transplants were performed in Europe and the US, respectively, in 2017. The total global number of kidney transplants is estimated to be ~90,000 globally. Donations from living donors, which is Idogen's main target group, represent roughly 30% of the transplants, according to the same source.

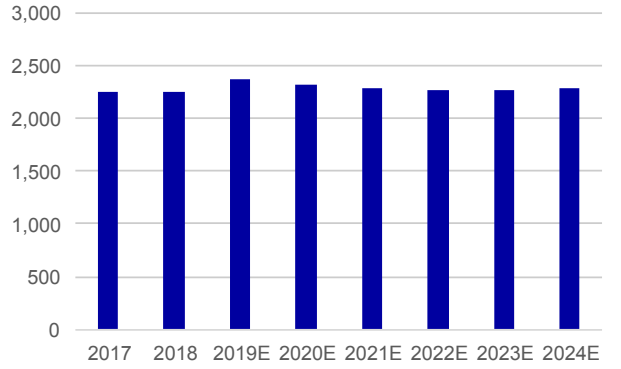
The National Kidney Foundation has stated that transplant patients need to take immunosuppressant medications daily to avoid organ rejection. Even missing a single dose could increase the risk of the body rejecting the kidney. Idogen's treatment is aimed at reducing the need for immunosuppressants and increasing the quality of life of the patients. Evaluate Pharma states that the top ten immunosuppressant products reached USD ~2.2bn in sales in 2017, with flat sales growth expectations until 2024.

KIDNEY TRANSPLANTS IN EUROPE AND THE US



Source: Global Observatory on Donation and Transplantation and Nordea

KIDNEY TRANSPLANTS - IMMUNOSUPPRESSIVES, USDm

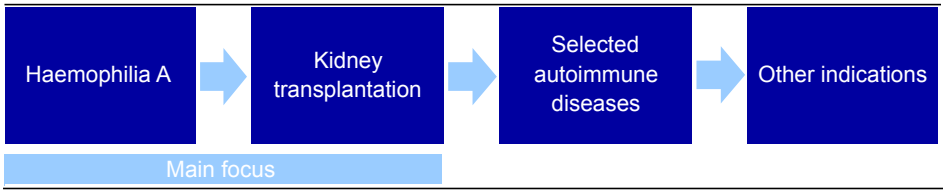


Source: Evaluate Pharma and Nordea

Opportunity in autoimmune diseases

With minor adjustments, Idogen believes that its technology could be expanded to a range of other indications. The company is currently evaluating the opportunity of going into a selected number of autoimmune diseases (IDO AID). For example, in November 2018, Idogen announced that the company has demonstrated proof-of principle in a model of autoimmune uveitis, a serious disease which can lead to blindness.

POTENTIAL INDICATIONS FOR IDOGEN'S TECHNOLOGY



Source: Company data and Nordea

According to data from Evaluate, total global sales related to autoimmune disorders reached USD 24bn in 2017 and are expected to grow at a CAGR of ~3.3% until 2024. It should be noted, however, that even if Idogen's treatment for autoimmune diseases (IDO AID) proves effective, we do not expect Idogen to penetrate the market for all such indications. Thus, we expect the addressable market for IDO AID to be substantially lower than what is implied by the total market estimate.

First clinical study expected to start in Q1 2021

Idogen aims to start clinical trial (phase I/IIa) for IDO 8 in early 2021. The first trial is expected to include 9-12 patients and run for around 12-18 months. Assuming a cost per patient of SEK 0.7m, we model total direct costs of SEK 6-9m. The road to market beyond the initial trial is yet to be decided. Given a successful outcome in phase I/IIa, however, we nevertheless foresee that IDO 8 could enter further clinical trials by 2023E. Even though the number of patients included as well as the focus of the future clinical trials is uncertain, we anticipate that it at a minimum would require 20-30 patients, implying around SEK 30m in direct costs. Provided that the clinical programme is successful, we foresee that IDO 8 could reach market by 2026E.

IDO 8: DEVELOPMENT TIMELINE

Time	2020	Early 2021-2022E	2023-2026E	2026E-
Activity	Preclinical development	Phase I/IIa study	Phase IIb- / Pivotal study	Commercial phase
Direct costs		SEK 6-9m	SEK 30m+	

Source: Company data and Nordea estimates

The first clinical trial for IDO T is yet to be planned, partly because it is contingent on the interim results from the IDO 8 phase I/IIa study. Given initially successful results, however, we foresee that IDO T could enter clinical trials by the end of 2021E. We anticipate that the cost per patient will be similar to the phase I/IIa for IDO 8 (ie at around SEK 0.7m per patient) but expect that the number of patients will be greater. Assuming an inclusion of around 30 patients, we calculate total direct costs of around SEK 20m for phase I/IIa. Like for IDO 8, the number of patients included as well as the focus of the future clinical trials is uncertain. At a minimum, however, we foresee that it would require around 100 patients, implying around SEK 70m in direct costs.

IDO T: DEVELOPMENT TIMELINE

Time	2020-2021E	Late 2021-2023E	2024-2027E	2027E-
Activity	Preclinical development	Phase I/IIa study	Phase IIb- / Pivotal study	Commercial phase
Direct costs		SEK 20m	SEK 70m+	

Source: Company data and Nordea estimates

As of end of Q3 2019 Idogen reported a cash balance of SEK 33.8m. Cash flow from operations amounted to SEK -8.3m in the quarter and SEK -27.1m YTD. Idogen foresees that the current cash balance will finance operations until Q3 2020. Additional funding from Horizon2020 could, however, strengthen the balance sheet. Provided that additional funding from Horizon2020 is received, operations are financed until early 2021, according to Idogen. As such, we foresee that Idogen will seek external financing before the first clinical trials are initiated.

Scientific concept

A malfunctioning immune system can cause transplant rejections or may neutralise a biological drug (such as in the treatment of haemophilia A with factor VIII). Idogen's tolerogenic cell therapy aims to reprogramme the immune system so that it stops attacking friendly cells or biological drugs. Idogen currently targets three therapeutic areas with its pipeline projects: haemophilia A patients who have developed antibodies against factor VIII (IDO 8), patients who will have a kidney transplant (IDO T), and patients with certain autoimmune diseases (IDO AID).

A malfunctioning immune system may attack healthy cells or destroy drugs designed to help

Idogen's focus is on immunology. Our immune system can be harmful if, for example, it causes transplant rejection or when it neutralises a biological drug (eg in the treatment of haemophilia A with factor VIII). Another example is autoimmune diseases – such as rheumatoid arthritis, inflammatory bowel diseases, type 1 diabetes and multiple sclerosis (MS) – where the immune system attacks the body's own proteins or self antigens.

Idogen's technology aims to reprogramme the immune system so that it stops attacking helpful cells. The treatment is based on so-called dendritic cells: a type of white blood cells that play a vital role in the immune system. These cells control the immune system's recognition of what belongs to the body (self) and what is foreign (non-self). As such, it is the dendritic cells that wrongly identify a transplanted organ or a haemophilia treatment, for example, as a threat, which in turn causes other parts of the immune system to attack it. Idogen's technology aims to develop tolerogenic dendritic cells that are programmed for defined molecules or antigens.

ILLUSTRATION: TOLEROGENIC DENDRITIC CELL CONCEPT

Tolerogenic dendritic cells prevent the immune system from attacking our own healthy cells

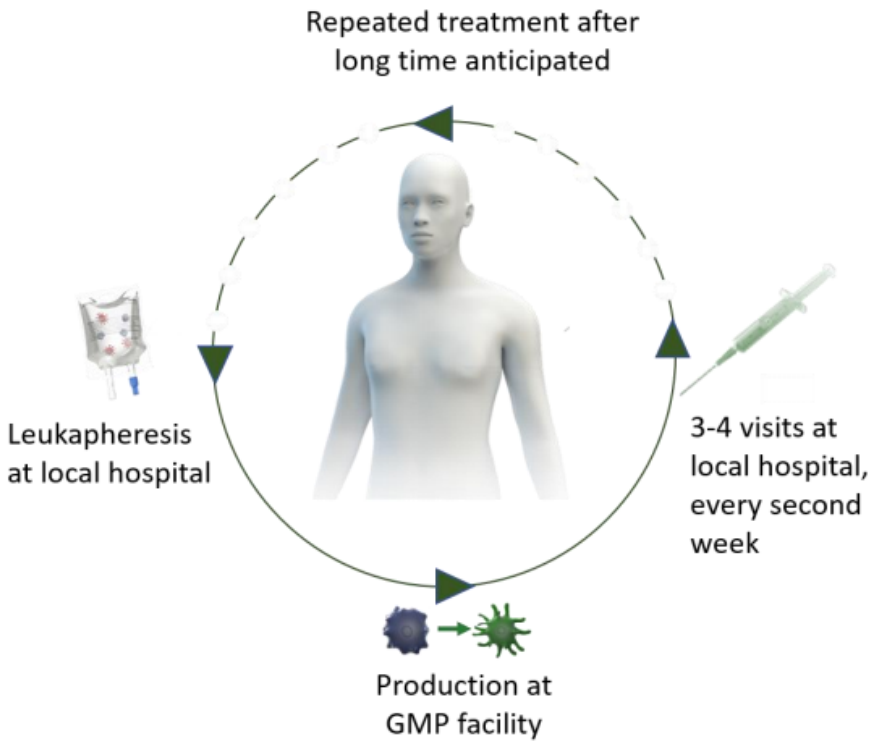
Source: Idogen

Idogen's treatment reprogrammes dendritic cells to regard helpful antigens as "self"

Idogen's technology is aimed to make dendritic cells tolerogenic, which means that for a certain antigen, the body's immune system will regard it as "self". This creates an opportunity to destroy or improve a disease course caused by the body's own defences by creating a specific and lasting immunological tolerance.

In Idogen's treatment method, cells from the patient's blood are differentiated in test tubes to dendritic cells that can specifically counteract the harmful immune response and induce tolerance without affecting the normal functions of immune system. These programmed dendritic cells are then returned to the patient to reset or "re-educate" the immune system.

ILLUSTRATION: TREATMENT CYCLE



Source: Idogen

IDO 8 is developed for patients with haemophilia A with factor VIII

Idogen received orphan drug designation in Europe and the US for IDO 8

IDO 8 – treatment of antibodies against factor VIII in haemophilia A

IDO 8 is Idogen's most advanced project, aimed at developing a tolerogenic cell therapy for patients with severe haemophilia A who have developed inhibitory antibodies against their standard treatment. Haemophilia A was chosen as Idogen's first indication due to a major unmet medical need and because the disease has a well-defined antigen, presenting an opportunity to develop an effective treatment for this patient group. As haemophilia A is a rare disease, IDO 8 received orphan drug designation in Europe and the US.

Current treatments for patients with haemophilia A and inhibitory antibodies are expensive and do not last long

Patients with haemophilia A are typically treated with a factor VIII replacement therapy. According to the Haemophilia Society, about 30% of patients with severe haemophilia A and 9% of patients with mild or moderate haemophilia A develop inhibitory antibodies, rendering the treatment ineffective. This can often be managed with regimens to induce immune tolerance, involving frequent injections of higher doses of factor VIII.

The treatment is costly and may last for one or two years. Still, the antibodies remain in about 30% of these "inhibitor patients", leaving them unable to prevent bleeding. Inhibitor patients are being treated with agents with only a short duration of effect, at a cost of SEK 3-8m per patient a year, to stop acute bleeds.

IDO 8 is designed to be an alternative to existing treatments for haemophilia A patients with factor VIII inhibitors. It aims to reprogramme the immune system so that it stops attacking the original treatment and restores its efficacy.

IDO T – prevention of organ rejection in kidney transplantation

Idogen develops IDO T for kidney transplant patients in tandem with IDO 8

In addition to IDO 8, Idogen is currently developing a drug candidate for kidney transplantation patients, IDO T, which is based on "teaching" the patient's immune system to recognise and accept the transplanted organ and to avoid transplant rejection.

Kidney transplant patients currently need lifelong treatment to prevent transplant rejection

A common complication for kidney transplant patients is that the body rejects the organ. Despite the use of immunosuppressant drugs, organ rejection occurs in one in three people with a donated kidney. More powerful immunosuppressants often help to prevent organ rejection.

Current treatment has a high risk of serious infections and cancer

Almost every kidney transplant receiver must take immunosuppressants every day, according to the US National Kidney Foundation. Even missing a single dose increases the risk of transplant rejection. Moreover, immunosuppressive therapy carries the risk of serious side effects such as severe infections and an increased risk of cancer. This leaves a major unmet medical need in this indication.

IDO T could potentially improve the transplant survival rate and reduce the need for often lifelong immunosuppressive therapy that inhibits the immune system at the risk of severe side effects.

IDO AID – autoimmune diseases

Idogen's treatment can – with minor adjustments – be extended to other diseases

According to the company, Idogen's technology can, with minor adjustments, be extended to other indications. The main focus is on diseases with a large medical need and that are likely to receive orphan drug status. One example is the treatment of rheumatoid arthritis for which Idogen showed, in close collaboration with researchers from Oxford University, proof-of-principle in an animal model. In addition, in November 2018, Idogen demonstrated proof-of-principle in a model of autoimmune uveitis, a serious disease that can lead to blindness.

Estimates and valuation

Provided that the clinical trials are successful, we estimate that IDO 8 will be launched in 2026 and IDO T in 2027 at the earliest. We assume that the company will enter a partnership agreement after the first phase I/IIa trial is completed (expected in 2022-23E), including an upfront payment, continuous milestone payments and royalties on net sales. Applying a probability weight of 7-8%, we estimate risk-adjusted peak royalties of around SEK 60m. The phase I/IIa clinical trials for IDO 8 and IDO T, which are expected to start in the beginning and end of 2021 respectively, are assumed to be associated direct costs totalling SEK ~30m. At the end of Q3 2019, Idogen had a cash position of SEK 33.8m and we therefore expect the company will need to seek additional external financing before the first clinical trials begin.

Revenue model

If the phase I/IIb trials are successful, we assume that Idogen will enter a partnership agreement. While the terms of a potential agreement are highly uncertain, we assume that it would include an upfront payment of SEK 450m for IDO 8 and IDO T.

IDO 8 – set for launch in 2026E

Provided that the clinical trials for IDO 8 are successful, we estimate that the product will start generating sales revenue in 2026 at the earliest. We assume that IDO 8 will only address patients that have developed inhibitors against their standard treatment and that this group will grow at a constant annual growth rate of 0.5-1.0%. As such, the number of addressable patients reaches ~880 in the US and 5,600 in RoW by 2026E. We expect IDO 8 to command a market share of 8-10% by 2028.

Assuming a cost per treatment of around SEK 4-5m in the US and SEK 2-3m in the rest of the world, and that each treatment lasts for about two years, we estimate an annual cost per treatment of SEK 1-2.5m, depending on region. We assume that IDO 8 will be commercialised by a partner (distribution agreement) and that Idogen will receive a royalty rate of 15% on net sales. Provided that our assumptions are correct, this would generate peak revenue of SEK 125m in 2030E. We apply a risk weight of 8% to net sales, meaning that risk-adjusted peak sales amount to SEK ~10m. In addition, we assume that as part of the distribution agreement, the partner will pay milestones totalling SEK ~100m during the course of commercialisation.

IDO 8: REVENUE MODEL

US	**2016**	**2017**	**2018**	**2019E**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
No.addressable patients	811	839	843	847	852	856	860	864	869	873	878	882	886	891	895
Market share, %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%	9%	10%	10%	10%
No.patients treated with IDO 8	0	0	0	0	0	0	0	0	0	0	44	79	89	89	90
Price per year, SEKm	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	2.4	2.4	2.5	2.5	2.6
Net sales, SEKm	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**105**	**194**	**220**	**226**	**232**

RoW	**2016**	**2017**	**2018**	**2019E**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
No. addressable patients	3,900	5,109	5,160	5,212	5,264	5,316	5,370	5,423	5,478	5,532	5,588	5,644	5,700	5,757	5,815
Market share, %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	5%	8%	8%	8%
No. patients treated with IDO 8	0	0	0	0	0	0	0	0	0	0	140	282	456	461	465
Price per year, SEKm	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	1.2	1.2	1.2	1.3	1.3
Net sales, SEKm	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**167**	**344**	**567**	**584**	**602**

Total, SEKm	**2016**	**2017**	**2018**	**2019E**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Royalties, non-risk adj.	0	0	0	0	0	0	0	0	0	0	41	81	118	122	125
- Royalty rate, %	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	15%	15%	15%	15%	15%
Milestones, non-risk adj.	0	0	0	0	0	0	120	0	70	0	34	0	0	0	0
Total income, non-risk adj.	**0**	**0**	**0**	**0**	**0**	**0**	**120**	**0**	**70**	**0**	**75**	**81**	**118**	**122**	**125**
Royalties, risk adj.	0	0	0	0	0	0	0	0	0	0	3	6	9	10	10
- Risk adjustment, %	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	8%	8%	8%	8%	8%
Milestones, risk adj.	0	0	0	0	0	0	58	0	6	0	3	0	0	0	0
Risk adjustment, %	nm.	nm.	nm.	nm.	nm.	nm.	48%	nm.	8%	nm.	8%	8%	8%	8%	8%
Total income, risk adj.	**0**	**0**	**0**	**0**	**0**	**0**	**58**	**0**	**6**	**0**	**6**	**6**	**9**	**10**	**10**

Source: Company data and Nordea estimates

IDO T – set for launch in 2027E

As with IDO 8, the commercial success of IDO T is highly dependent on positive results in the upcoming clinical trials. In our view, however, the commercial potential of IDO T is greater than IDO 8 due to the larger number of addressable patients. Provided that the clinical programme is successful, we foresee that IDO T will be ready for launch in 2027 at the earliest.

We estimate that the number of kidney transplantations will grow by a CAGR of ~2%, resulting in around 25,000 patients in the US and 90,000 patients in RoW by 2027. We assume that IDO T will only address patients receiving a kidney from a living donor, corresponding to around 30-40% of all patients. We model that IDO T could reach a peak market share of 12-20% in 2028.

Assuming a cost per treatment of around SEK 3m in the US and SEK 1.5m in the rest of the world, and that each treatment lasts for about two years, we estimate an annual cost per treatment of SEK 0.7-1.5m, depending on region. As with IDO 8, we assume that IDO T will be commercialised by a partner and that Idogen will receive a royalty of 15% of net sales. If our assumptions are correct, this would generate peak revenue of SEK 700m in 2030E. We apply a risk weight of 7% on peak sales, meaning that risk-adjusted peak sales amount to SEK ~50m. As part of the partnership agreement, we assume that Idogen will receive milestone payments totalling SEK ~280m.

IDO T: REVENUE MODEL

US	**2016**	**2017**	**2018E**	**2019E**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
No.addressable patients	5,957	6,077	6,198	6,322	6,448	6,577	6,709	6,843	6,980	7,120	7,262	7,407	7,555	7,707	7,861
Market share, %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	20%	20%	20%
No.patients treated with IDO T	0	0	0	0	0	0	0	0	0	0	0	741	1,511	1,541	1,572
Price per year, SEKm	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	1.5	1.5	1.5	1.5
Net sales, SEKm	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,111**	**2,267**	**2,312**	**2,358**

RoW	**2016**	**2017**	**2018E**	**2019E**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
No. addressable patients	20,930	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,013	25,513	26,023	26,544	27,075	27,616
Market share, %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%	10%	12%	12%
No. patients treated with IDO 8	0	0	0	0	0	0	0	0	0	0	0	1,301	2,654	3,249	3,314
Price per year, SEKm	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	0.70	0.70	0.70	0.70
Net sales, SEKm	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**911**	**1,858**	**2,274**	**2,320**

Total, SEKm	**2016**	**2017**	**2018E**	**2019E**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Royalties, non-risk adj.	0	0	0	0	0	0	0	0	0	0	0	303	619	688	702
- Royalty rate, %	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	15%	15%	15%	15%
Milestones, non-risk adj.	0	0	0	0	0	0	330	0	0	187	0	0	94	0	0
Total income, non-risk adj.	**0**	**0**	**0**	**0**	**0**	**0**	**330**	**0**	**0**	**187**	**0**	**303**	**712**	**688**	**702**
Royalties, risk adj.	0	0	0	0	0	0	0	0	0	0	0	21	43	48	49
- Risk adjustment, %	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	nm.	7%	7%	7%	7%
Milestones, risk adj.	0	0	0	0	0	0	127	0	0	13	0	0	7	0	0
Risk adjustment, %	nm.	nm.	nm.	nm.	nm.	48%	nm.	nm.	nm.	7%	nm.	7%	7%	7%	7%
Total income, risk adj.	**0**	**0**	**0**	**0**	**0**	**0**	**127**	**0**	**0**	**13**	**0**	**21**	**50**	**48**	**49**

Source: Company data and Nordea estimates

Clinical development costs

As described in the 'Factors to consider' section of this report, we estimate that the direct costs associated with the phase I/IIa clinical for IDO 8 and IDO T will total around SEK 30m and run during 2021E-23E. Subsequent trials are contingent on a successful outcome in phase I/IIa, as well as regulatory requirements. At a minimum, however, we foresee that the following trials will be associated with direct combined costs of more than SEK 100m.

IDO 8: ESTIMATED CLINICAL DEVELOPMENT COSTS

Time	**2020**	**Early 2021-2022E**	**2023-2026E**
Activity	Preclinical development	Phase I/IIa study	Phase IIb- / Pivotal study
Direct costs		SEK 6-9m	SEK 30m+

Source: Nordea estimates

IDO T: ESTIMATED CLINICAL DEVELOPMENT COSTS

Time	2020-2021E	Late 2021-2023E	2024-2027E
Activity	Preclinical development	Phase I/IIa study	Phase IIb- / Pivotal study
Direct costs		SEK 20m	SEK 70m+

Source: Nordea estimates

Estimates for 2019-21E

We anticipate that Idogen will deliver Q4 results fairly in line with the previous quarters in 2019. We estimate an operating loss for the full-year 2019 of SEK 31.4m (SEK 6.6m of which in Q4).

In 2020, we foresee that operational intensity will accelerate leading up to the start of the clinical trial for IDO 8 (expected to commence in early 2021E), estimating operating expenditures to increase towards SEK 37.3m, up from SEK 35.6m in 2019E (SEK 31.0m if adjusting for the writedown of Zebularine in Q2 2019). We anticipate that Idogen will book around SEK 7.0m in other operating income from Horizon 2020 in 2020E (compared to SEK 4.2m in 2019E), resulting in an operating loss of around SEK 30m for the full year.

For 2021, we anticipate that the underlying operating expenditure will be flat compared to the previous year. Clinical costs of around SEK 5.0m will likely burden the results, however, offset by further booked income from Horizon 2020 of SEK ~14m.

In Q3 2019, Idogen reported a cash balance of SEK 33.8m. Provided that our estimates are correct, we foresee that operations are financed until Q3 2020. If additional funding from Horizon 2020 (estimated to SEK ~14m) is received, we expect that operations are financed until early 2021. As such, Idogen will, in our view, need to seek additional external financing before the first clinical trial commences.

IDOGEN: GROUP ESTIMATES

	2018				2019							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E	2018	2019E	2020E	2021E
Net sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0
Other operating income	0.0	0.0	0.0	3.8	0.8	1.1	1.0	1.3	3.8	4.2	7.0	14.0
Operating expenses	-7.1	-8.7	-7.3	-8.6	-7.6	-12.4	-7.7	-7.9	-31.6	-35.6	-37.3	-40.4
EBIT	**-7.1**	**-8.7**	**-7.3**	**-4.8**	**-6.8**	**-11.3**	**-6.7**	**-6.6**	**-27.9**	**-31.4**	**-30.2**	**-26.3**
Profit/loss for the period	-6.8	-8.7	-7.3	-4.8	-6.6	-11.2	-6.6	-6.6	-27.6	-31.0	-30.2	-26.3

Source: Company data and Nordea estimates

High risk motivates a broad valuation range

As with all preclinical development companies, the commercial potential in Idogen's pipeline is highly contingent on the outcome of the clinical trials. It is also dependent on Idogen being able to secure sufficient funds to finance both the overhead- and direct costs associated with the upcoming trials. Given the high risk, we find a broad valuation range motivated and arrive at a fair value of SEK 0.8-3.0 per share.

Risk factors

We identify a range of risk factors that we find relevant for Idogen. We do not intend to provide a comprehensive picture of all the risks that the company may face, but rather to highlight those that we find the most relevant. In our view, the main risks applicable to Idogen relate to its high dependence on the results of preclinical and clinical trials and its financing needs.

Idogen is dependent on a successful trial for at least one of its projects

Preclinical and clinical trials
Idogen currently has three projects, IDO 8, IDO T and IDO AID, in preclinical trials, for which the outcomes are uncertain. Idogen's greatest risk, in our view, is that the projects do not yield positive clinical trial results. Negative results may imply a need for additional trial studies, thereby causing higher expenses and/or delayed revenue compared with company expectations. If IDO 8 is not considered safe, the company might not start clinical trials for the other products, as all of its products are based on the same concept. Currently, Idogen has not advanced its projects to the market either on its own or externally through a partner.

The company will need additional funding before entering clinical trials in 2020E

Financing and liquidity needs
Idogen is still in development phase and is currently not generating any positive operational cash flow. The company is investigating the possibility of entering partnerships and licensing deals after the ph I/IIa results are available, which we expect to be in 2022 at the earliest. If no partnerships are attractive, Idogen will consider bringing the products to market on its own, although this will require additional funding from elsewhere. Considering Idogen's cash position, the Horizon 2020 funds, its burn rate and expected expenses, the company estimates that it will require additional funding by Q3 2020. If new funding is delayed or insufficient, Idogen may be forced to slow its R&D operations or accept less attractive licensing agreements, and it would be difficult for Idogen to continue as a going concern.

Due to its limited operational history, it is difficult to assess Idogen's long-term viability

Limited operations history
Idogen has been an active company since 2008, but operations have so far been limited to early-stage development activities such as developing the product, raising capital and conducting preclinical studies. It is difficult to evaluate the long-term financial viability of the business. There is a risk that revenue, in full or in part, will not materialise.

A sudden loss of key staff may slow operations

Retention and attraction of qualified staff
Idogen is a relatively small entity with few staff running key operating areas. It needs to attract and retain qualified personnel. Sudden losses may force Idogen to slow its operations temporarily, which could result in anticipated R&D targets not being met.

More experienced and better financed competitors may launch products targeted at the same indication

Competition
Even though Idogen's focus area of tolerogenic therapy is relatively narrow and new, there is extensive research focus from various institutions on the company's therapeutic areas (haemophilia, organ transplant rejection and autoimmune diseases). There is a risk of competing drugs that are yet to pass clinical trials and regulatory approval acting as substitutes for the treatments that Idogen aims to develop. Furthermore, prices may come under pressure if alternative treatment methods turn out to be significantly less expensive than Idogen's treatments. Idogen-targeted indications (ie haemophilia A, kidney transplantations and autoimmune diseases) attract other novel treatment methods, not only immunological tolerance. If successfully developed, they could have a negative impact on the company's market potential.

Protecting Idogen's intellectual property is key to the company's success

Intellectual property (IP)
Idogen's IP will submit the patent application for the replacement compound to zebularine shortly. An unsuccessful patent process, or a loss or an infringement of these would put the company at increased competitive risk. If a competitor were to infringe upon one of Idogen's patents, it could cost the company significant resources to defend its IP. Furthermore, Idogen may be at risk of infringing upon other patents or of being constrained by them. Negative outcomes from IP disputes may cause significant legal expenses, the loss of patent protection or an obligation to pay damage compensation.

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Total revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Revenue growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	900.0%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	0	0	-2	-10	-13	-21	-27	-26	-27	-19
Depreciation and impairments PPE	0	0	0	0	0	0	0	-1	-6	-3	-3
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	0	-2	-10	-13	-21	-28	-31	-30	-22
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	0	0	-2	-10	-13	-21	-28	-31	-30	-22
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	0	0	0	0	0	0
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**0**	**0**	**0**	**-2**	**-10**	**-13**	**-21**	**-28**	**-31**	**-30**	**-22**
Reported taxes	0	0	0	0	0	0	0	0	0	0	0
Net profit from continued operations	0	0	0	-2	-10	-13	-21	-28	-31	-30	-22
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	0	0	0	-2	-10	-13	-21	-28	-31	-30	-22
EPS	**n.a.**	**n.a.**	**n.a.**	**-12.08**	**-1.32**	**-1.03**	**-0.88**	**-0.48**	**-0.64**	**-0.37**	**-0.18**
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITA	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adjusted earnings											
EBITDA (adj)	0	0	0	-2	-10	-13	-21	-27	-26	-27	-19
EBITA (adj)	0	0	0	-2	-10	-13	-21	-28	-31	-30	-22
EBIT (adj)	0	0	0	-2	-10	-13	-21	-28	-31	-30	-22
EPS (adj)	n.a.	n.a.	n.a.	-12.08	-1.32	-1.03	-0.88	-0.48	-0.64	-0.37	-0.18
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITA (adj)	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT (adj)	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	-22.4%	-8.7%	-22.1%	-18.0%	-83.5%	-37.6%	-34.2%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	-22.4%	-8.7%	-22.1%	-18.0%	-83.5%	-37.6%	-34.2%
Payout ratio	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	0	0	0	1	1	2	3	4	5	6	7
of which R&D	0	0	0	1	1	2	3	4	5	6	7
of which other intangibles	0	0	0	0	0	0	0	0	0	0	0
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	0	0	0	0	0	3	5	4	6	9
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	0	0	0	1	1	2	6	9	9	12	16
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	1	0	1	1	0	0	0
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	0	0	0	3	12	19	37	62	30	61	30
Total current assets	0	0	0	3	12	19	38	63	30	61	30
Assets held for sale	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**0**	**0**	**0**	**4**	**13**	**21**	**44**	**72**	**38**	**73**	**46**
Shareholders equity	0	0	0	3	12	19	40	51	20	55	33
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	0	0	3	12	19	40	51	20	55	33
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	0	0	0	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	0	0	0	0	0	0	0	0	0
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	1	3	7	7	7	2
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	1	1	1	13	12	12	12
Short term interest bearing debt	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	0	0	0	1	1	2	4	21	19	19	14
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**0**	**0**	**0**	**4**	**13**	**21**	**44**	**72**	**38**	**73**	**46**
Balance sheet and debt metrics											
Net debt	0	0	0	-3	-12	-19	-37	-62	-30	-61	-30
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	0	0	0	0	-1	-2	-3	-19	-19	-19	-13
Invested capital	0	0	0	0	1	0	3	-11	-10	-6	2
Capital employed	0	0	0	3	12	19	40	51	20	55	33
ROE	n.m.	-18.9%	-9.8%	n.m.	n.m.	-81.9%	-72.9%	-60.8%	-87.6%	-81.2%	-50.3%
ROIC	n.m.	-30.8%	-10.8%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
ROCE	n.m.	-18.9%	-9.8%	n.m.	n.m.	-81.8%	-72.8%	-60.1%	-87.5%	-81.2%	-50.3%
Net debt/EBITDA	n.m.	5.4	0.9	1.6	1.2	1.5	1.7	2.3	1.2	2.2	1.6
Interest coverage	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	93.8%	87.8%	87.0%	91.6%	90.0%	90.3%	71.2%	51.9%	74.7%	70.8%
Net gearing	n.m.	-51.1%	-7.8%	-87.9%	-94.9%	-99.5%	-92.6%	-120.7%	-148.5%	-111.4%	-92.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
EBITDA (adj) for associates	**0**	**0**	**0**	**-2**	**-10**	**-13**	**-21**	**-27**	**-26**	**-27**	**-19**
Paid taxes	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	0	0	0	0	0	0
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	0	0	0	0	0	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	0	0	0	0	0	0	0	0	0	0
Funds from operations (FFO)	**0**	**0**	**0**	**-2**	**-10**	**-13**	**-21**	**-27**	**-25**	**-27**	**-19**
Change in NWC	0	0	0	0	0	1	1	16	-1	0	-5
Cash flow from operations (CFO)	**0**	**0**	**0**	**-2**	**-9**	**-11**	**-20**	**-10**	**-26**	**-27**	**-24**
Capital expenditure	0	0	0	0	0	-1	-4	-4	-6	-6	-7
Free cash flow before A&D	**0**	**0**	**0**	**-2**	**-10**	**-12**	**-24**	**-14**	**-32**	**-34**	**-31**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	0	0	0	-2	-10	-12	-24	-14	-32	-34	-31
Free cash flow bef A&D, lease adj	0	0	0	-2	-10	-12	-24	-14	-32	-34	-31
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Equity issues / buybacks	0	0	0	5	18	19	43	39	0	65	0
Net change in debt	0	0	0	0	0	0	0	0	0	0	0
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0	0
Change in cash	0	0	0	3	9	7	18	25	-32	31	-31
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	6	11	5	1	1	1	1
Market cap.	n.a.	n.a.	n.a.	n.a.	44	139	109	78	38	90	90
Enterprise value	n.a.	n.a.	n.a.	n.a.	32	120	72	17	9	29	59
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	0.2	7.3	12.2	24.2	57.0	48.5	113.5	113.5

Source: Company data and Nordea estimates

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This report has not been reviewed by the Issuer prior to publication.

Completion Date

06 Dec 2019, 22:08 CET

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