COMPANY NOTE

Target | Estimate Change

Netherlands | Healthcare | Biotechnology

13 April 2018

Jefferies

Kiadis (KDS NA)

4Q Confirms Timelines; Recent Raise Boosts PT +14% to €25

Key Takeaway

Importantly management is "satisfied" with enrollment in the ATIR Phase III, with most of the 50 sites now identified and around 18 open. Narrower 4Q burn for higher YE17 cash, plus c.€23m proceeds from the March private placement, drive our PT +14% to €25/share on less potential dilution to ensure funds to YE2020E. The ATIR EU CHMP opinion by 4Q remains the key upcoming catalyst, plus updates on Phase III recruitment for a possible interim analysis 1H19E.

Funded beyond key catalysts: After raising €23.4m gross proceeds in March, our model suggests cash is now sufficient to fund burn through 3Q19E, excluding any possible out-licensing deals or other income. Importantly this should be beyond the EU approval and launch, plus potential Phase III HATCY interim analysis 1H19E depending on the rate of patient enrolment. However, incremental funds may be necessary for S&M and completing the Phase III required for US filing, in our view.

ATIR addresses an unmet need: Haematopoietic stem cell transplants (HSCT) can offer a cure for some serious disorders but it can be challenging to find matched donors, whereas haploidentical are widely available. Current protocols mitigate the life-threatening risk of graft versus host disease (GvHD), but typically also subdue graft versus leukaemia (GvL) antitumour and anti-infective benefits. ATIR aims to minimize GvHD while retaining the benefits, lowering the risk of relapse and complications. Phase II confirmed this potential, comparing very favourably for GvHD and relapse risks relative to literature reports for current standard-of-care PTCy, in our view.

Nearing green light for ATIR to boost HSCT: We forecast haplo-ID HSCT to more than double by 2026E, driven by protocols such as PTCy and potentially ATIR, for which we expect launch from 2H19E EU and 2022E US. Assuming 20% peak ATIR penetration with €150k/$250k average Revenue/patient we derive $245m/$235m EU/US peak sales for c.€18/€9 per share NPV at 80%/50% probability. "Best" case we believe ATIR peak sales could near-$2bn.

Valuation/Risks

Our €25 Price Target is based on a sum-of-the-parts valuation comprising probability-adjusted NPVs for ATIR in the US and EU, together with Net Cash, less potential dilution to ensure sufficient funds until YE2020E. Risks include: (1) clinical or regulatory setbacks; (2) commercial execution risks; and (3) securing adequate funds to maximise value.

EUR	*Prev.*	2017A	*Prev.*	2018E	*Prev.*	2019E	*Prev.*	2020E
Rev. (MM)	--	0.0	--	0.0	--	3.6	--	16.2
EV/Rev						49.8x		11.1x
EBIT (MM) Adjusted	*(17.5)*	(16.1)	*(23.6)*	(23.4)	*(27.4)*	(27.2)	*(18.0)*	(17.7)
EV/EBIT		NM		NM		NM		NM
Cash Position	*29.5*	29.9	*3.8*	27.9	--	2.5	--	2.8
EPS Adjusted								
FY Dec	*(1.26)*	(1.14)	*(1.52)*	(1.33)	*(2.42)*	(2.00)	*(1.52)*	(1.07)
FY P/E		NM		NM		NM		NM

BUY

Price target €25.00
(from €22.00)
Price €9.25^

EQUITY RESEARCH EUROPE

Financial Summary	
Net Debt (MM):	(€6.5)
Long-Term Debt (MM):	€21.6
Cash & ST Invest. (MM):	€29.9

Market Data	
52 Week Range:	€13.90 - €5.11
Total Entprs. Value (MM):	€179.4
Market Cap. (MM):	€185.9
Shares Out. (MM):	20.1
Float (MM):	20.1
Avg. Daily Vol.:	271,425

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Price Performance

^Prior trading day's closing price unless otherwise noted.

Kiadis

Buy: €25 Price Target

THE LONG VIEW

Scenarios

Base Case

- Novel protocols such as ATIR drive ongoing growth of haploidentical HSCT given "half matched" donors are readily available and GvHD risks can be mitigated
- We forecast $480m peak ATIR sales in US+EU assuming 20% penetration of haplo-ID HSCT procedures, with Kiadis commercialising the product itself in these regions for a highly profitable opportunity
- Price Target €25/share comprising NPVs for ATIR in the US and Europe plus Net Cash, less potential dilution to ensure sufficient funds until YE2020E

Upside Scenario

- EU regulatory approval of ATIR could add c.€5/share
- Positive Phase III HATCY results for ATIR could boost our sum-of-the-parts by at least €5/share
- Higher 30% peak ATIR penetration in both the US and Europe could add €16/share
- These potential catalysts could boost our NPV derived Price Target to €50/share, still including the potential dilution to ensure sufficient funds until YE2020E

Downside Scenario

- EU regulatory rejection or a significantly delayed opinion of ATIR could remove at least €9/share
- If the Phase III HATCY study for ATIR fails this could lower our sum-of-the-parts by at least €10/share
- Lower 10% peak ATIR penetration in both the US and Europe could remove around €15/share
- These potential setbacks could reduce our NPV derived Price Target to a negligible value

Investment Thesis / Where We Differ

- Our financial model suggests the €47.7m cash at 31 March 2018 is sufficient to fund cash burn through 3Q19E. Importantly this is beyond the likely European launch, in addition potentially to the Phase III HATCY interim analysis

Catalysts

- EU CHMP opinion on ATIR for haploidentical HSCT is likely at the September or October meetings
- EU conditional approval of ATIR during 1Q19E
- Updates on patient enrolment in the ATIR Phase III study
- Interim analysis of the Phase III HATCY trial around 1H19E, with final results 1H20E

Long Term Analysis

Long Term Financial Model Drivers

2017-22E Revenue CAGR	**n/m**
2017 Net Cash (€m)	6.5
2018E Net Cash (€m)	5.3
2019E Net Cash (€m)	(34.7)

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Reiterate Buy; Price Target +14% to €25

Kiadis develops innovative cell therapies for safer and more effective bone marrow transplants. Its sole clinical product ATIR improves haploidentical "half-matched" stem cell transplants and may expand their use, providing an important anti-cancer effect and ability to fight infections, while also reducing the life-threatening risk of graft versus host disease (GvHD). We anticipate an EU CHMP opinion by 4Q18E based on Phase II data, for conditional approval during 1Q19E. The recently initiated Phase III HATCY study is likely to have an interim analysis around 1H19E, with final results 1H20E, for potential US launch by 2022E. We forecast $480m peak sales in US+EU assuming 20% penetration, with Kiadis commercialising ATIR itself for a highly profitable opportunity. Current cash should be sufficient through 2019E, in our view, by which time ATIR should be launched in Europe. Reiterate Buy rating with an NPV-based Price Target of €25 per share suggesting substantial potential upside.

Depleting T cells from the graft prior to a haploidentical transplant cuts the risk of GvHD, as T cells from the non-identical donor recognise the recipient tissues (the host) as foreign. However, donor T cells are also beneficial, essential for the "graft versus leukaemia" effect killing residual tumour cells and also enabling the patient to fight infections. ATIR consists of a "safe" subset of T cells to be given to patients after a T cell depleted stem cell transplantation from a haploidentical donor to provide these benefits but still mitigate the risk of GvHD without the need for prophylactic immunosuppressants. The initial indication is adult leukaemias, as blood cancers represent c.89% of transplant procedures.

- **Peak sales:** $245m in Europe, $235m in the US, and potentially a conservative $75m in other markets, which we currently exclude pending visibility on possible commercial strategies
- **NPV:** c.€18 per share for Europe and c.€9 per share for the US assuming 80% and 50% probabilities of success, respectively
- **News flow:** European CHMP opinion by 4Q18E for conditional approval during 1Q19E; updates on enrolment of the Phase III HATCY study with an interim analysis likely around 1H19E

Key considerations when evaluating the ATIR Phase III and future adoption

- **We believe Phase III is adequately powered based on Phase II:** The pivotal trial's primary endpoint is GvHD and relapse free survival at 12 months, known as GRFS, versus the standard-of-care post-transplant cyclophosphamide (PTCy or "Baltimore protocol"). In the ATIR Phase II '007 trial the GRFS was 13/23 patients (57%), whereas based on literature reports we estimate the GRFS using PTCy to be around 37%. The Phase III HATCY study is 80% powered for a 20% difference, hence we are optimistic ATIR can demonstrate a statistically significant benefit over PTCy.
- **Assume survival rates are similar but other benefits significant:** Literature suggests one-year survival using PTCy is broadly in the range of 60%, around the figure reported for ATIR in the Phase II study. We do not believe ATIR needs to demonstrate a survival benefit to be adopted given the important clinical relevance of a significantly lower GRFS. Phase II data suggest ATIR has the potential to substantially reduce the incidence of chronic GvHD, which is associated with high morbidity-mortality, and relapse compared to PTCy, in addition to lower rates of acute GvHD.
- **Risk of higher drop-out rate pre-transplant in ATIR cohort:** Eligible patients and donors enrolled in the Phase III randomised to the ATIR arm receive apheresis 14 days prior to the HSCT conditioning, as during this period Kiadis manufactures the product. In this two-week period there may be a risk patients'

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health deteriorates or they withdraw from the study, amongst other scenarios, thereby failing to receive a transplant. This could confound analysis of ATIR's efficacy compared to that of PTCy.

- **Patient enrolment may be slower than anticipated:** After initiating the Phase III in December 2017, Kiadis must successfully activate the clinical trial sites for physicians to then commence screening patients. We envisage it may take up to two years to fully enrol the study but delays to this timeline could adversely impact our forecasts.

- **Challenges changing the standard-of-care:** It often can be more challenging to drive adoption of a new procedure compared with a novel drug, in our view. ATIR is expected to be an outpatient product infused after hospitalisation for haploidentical HSCT but its use first requires clinicians to perform apheresis of both the patient and donor around 14 days prior to the conditioning regimen. In contrast, haploidentical HSCT using the "Baltimore protocol" can be initiated shortly after a donor is available. Furthermore, physicians using PTCy typically administer steroids as a standard-of-care if there are signs of GvHD, which should be avoided when using the ATIR protocol.

- **New therapies could perhaps drive a decline in HSCT:** Recently launched drugs and potential future generations of treatments, including modalities such as CAR T, could substantially improve response rates and survival. In theory, this could reduce the number of HSCT procedures performed, particularly given the relative convenience of administering a novel drug. We regard this to be a fairly unlikely near-term scenario as transplants are well established, offer patients a possible cure, and new therapies may be used as a bridge to a successful HSCT.

Potential sources of upside to our base case forecasts for ATIR

- **Greater proportion of patients able to undergo HSCT:** We understand up to 35% of patients eligible for HSCT are unable to find a matched donor and fail to receive a transplant. Adoption of PTCy has driven growth of haploidentical procedures, both cannibalising use of matched related and unrelated donor (MRD and MUD) transplants but also expanding the market. Novel treatment protocols could further accelerate use of haploidentical HSCT, as "half-matched" donors are readily available for most patients, thereby boosting the +3.5% market CAGR we forecast based on the recent trend. We assume the current trend of more widespread use of haploidentical donors continues, almost doubling as a proportion of procedures from 2017E to 2030E.

- **Higher penetration of ATIR for haploidentical HSCT:** Our peak penetration is only 20% in both the US and Europe. We believe the most significant challenge to ATIR adoption is likely to be PTCy, given the need to change the current paradigm (as discussed above), rather than emerging competitive threats, such as Zalmoxis and BPX-501.

- **Higher price per ATIR transplant:** Our estimates of average revenue per patient around €150k in Europe and $250k in the US could prove conservative, particularly given possible competitor Zalmoxis recently secured a reimbursement price in Italy of €149k per infusion and in Germany of €163,900 per infusion. As an outpatient drug infused after HSCT hospitalisation, we envisage ATIR to be billed separately to payers, rather than bundled into the total fee for the transplant procedure.

- **Use for indications beyond blood cancers:** If ATIR proves to be a safe and effective product for haploidentical HSCT of patients with blood cancers then we envisage longer-term it would also likely be adopted for transplants treating other disorders, such as β-thalassemia, sickle cell disease, severe aplastic anaemia, and primary immune deficiencies. Around 11% of HSCT procedures are for these indications.

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€25 Price Target using NPV sum-of-the-parts

Similar to other biotech stocks in our coverage universe, we believe the most appropriate valuation methodology for Kiadis is a fundamental NPV sum-of-the-parts. Hence, our Price Target comprises NPVs for ATIR in both the US and Europe, in addition to Net Cash. We then adjust our valuation to reflect the potential dilution from a capital increase to ensure sufficient funds until at least YE2020E. Data and/or potential out-licensing deals could crystallise significant value, and provide upside to our valuation.

Table 1: Kiadis sum-of-the-parts valuation

	Indication	Peak Sales ($mn)	Value (EURmn)	Prob.	Adj. Value (EURmn)	EUR per share
ATIR101	Haploidentical HSCT (Europe)	245	461	80%	369	18.3
	Haploidentical HSCT (US)	235	352	50%	176	8.8
	Haploidentical HSCT (RoW)	75	48	0%	0	0.0
Net Cash/(Debt)			40	100%	40	2.0
Valuation			**901**		**585**	**29.1**
Potential Dilution for Funding	Min. Yrs of Cash	3.0		18%	(30)	(4.4)
Potential Diluted Valuation						**24.7**

Source: Jefferies estimates

Table 2: Sources of upside potential and downside risk

	Upside	EUR per share	Downside	EUR per share
ATIR EU regulatory decision	Approved	4.6	Rejected or delayed	(9.2)
ATIR Phase III HATCY results	Positive	5.3	Fails	(9.8)
ATIR peak penetration (20% base case)	Higher 30% peak in US & EU	16.0	Only 10% peak in US & EU	(15.2)
Potential Upside/(Downside)		**25.8**		**(34.2)**
Potential Valuation		**54.9**		**(5.1)**

Source: Jefferies estimates

Adequate funds to launch ATIR in Europe

Our financial model suggests the €47.7m cash reported at 31 March 2018 is sufficient to fund cash burn through 3Q19E. We do not include possible future out-licensing deals in our base case forecasts. Importantly current cash should be sufficient to fund burn beyond the European launch, in addition to the Phase III HATCY interim analysis dependent on the rate of patient recruitment.

We include within cash flow forecasts the repayments due to Kreos Capital for the €15m debt facility at a 10% annual fixed interest rate. The first tranche of €10m is interest only for the first nine months from August 2017, before then amortising equally in monthly instalments for the remaining 36 months. The second €5m tranche, triggered by raising at least €20m additional funds before 1 July 2018, is interest-only for the first 12 months, before then amortising equally in monthly instalments over the remaining 36 months. Pursuant to the terms of the facility, we assume the debt is repaid during 2018-21E.

Valuation modestly depressed by license fees

The Theralux platform on which ATIR is based utilises intellectual property and know-how that was originally licensed from the University of Montreal, Canada. Pursuant to the terms of the agreement(s), Kiadis owes a 5% royalty on global sales of products using Theralux such as ATIR.

During 2010, Hospira (now part of Pfizer) licensed rights to ATIR in specific geographies, but this agreement was terminated in 2012 and all rights returned. Kiadis has obligations totalling $26m at YE15 increasing 1.5% per annum, repayable via a $3m milestone due on a sublicense or first commercial sale, and 5% royalties on sales. Once repaid Kiadis owes Hospira a 3% royalty on sales outside North America, South America, and China, for a total 8% long-term royalty stack on sales in these territories.

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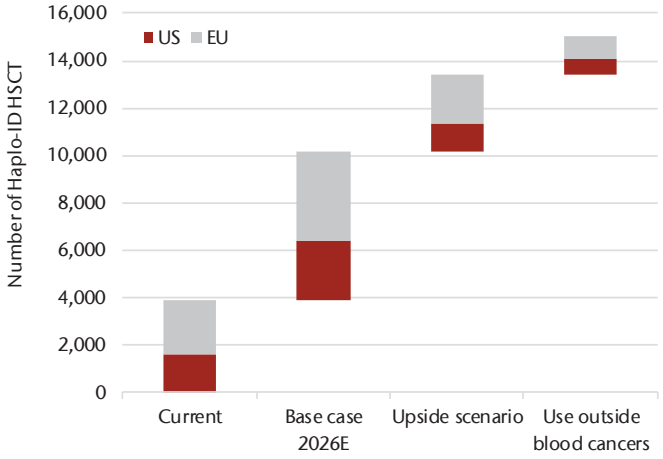
"Best" case scenario suggests ATIR peak sales could near-$2bn

Our "best" case assumes novel protocols drive more rapid growth of haploidentical HSCT, ATIR penetration peaks at 40% not 20%, and average Revenue per patient is a higher $350k/€250k. Furthermore, we also assume if ATIR proves to be safe and provides a significant clinical benefit for patients versus current standard-of-care, then it could also be adopted for haploidentical HSCT of diseases other than blood cancers. Overall under this scenario we envisage around 50% more haploidentical HSCT are performed around the time of ATIR peak penetration, with nearly 6,000 in the US and over 9,000 in Europe. We believe these could represent a realistic upside scenario given the number of HSCT overall, excluding autologous transplants, is expected to surpass 11,000 in the US and 20,000 in Europe.

Chart 1: "Best" case upside scenario suggests ATIR peak sales could near-$2bn in the US and Europe combined



Peak upside scenario

US ($m)	5,950 halpo-ID HSCT at peak Av. Revenue/Patient		
Penetration	$250k	$300k	$350k
20%	295	355	415
30%	445	535	625
40%	595	710	830

EU ($m)	9,100 halpo-ID HSCT at peak Av. Revenue/Patient		
Penetration	EUR150k	EUR200k	EUR250k
20%	335	450	560
30%	505	675	840
40%	675	895	1,120

US+EU ($m)	Av. Revenue/Patient		
Penetration	Base case		
20%	630	805	975
30%	950	1,210	1,465
40%	1,270	1,605	1,950

Source: Jefferies estimates

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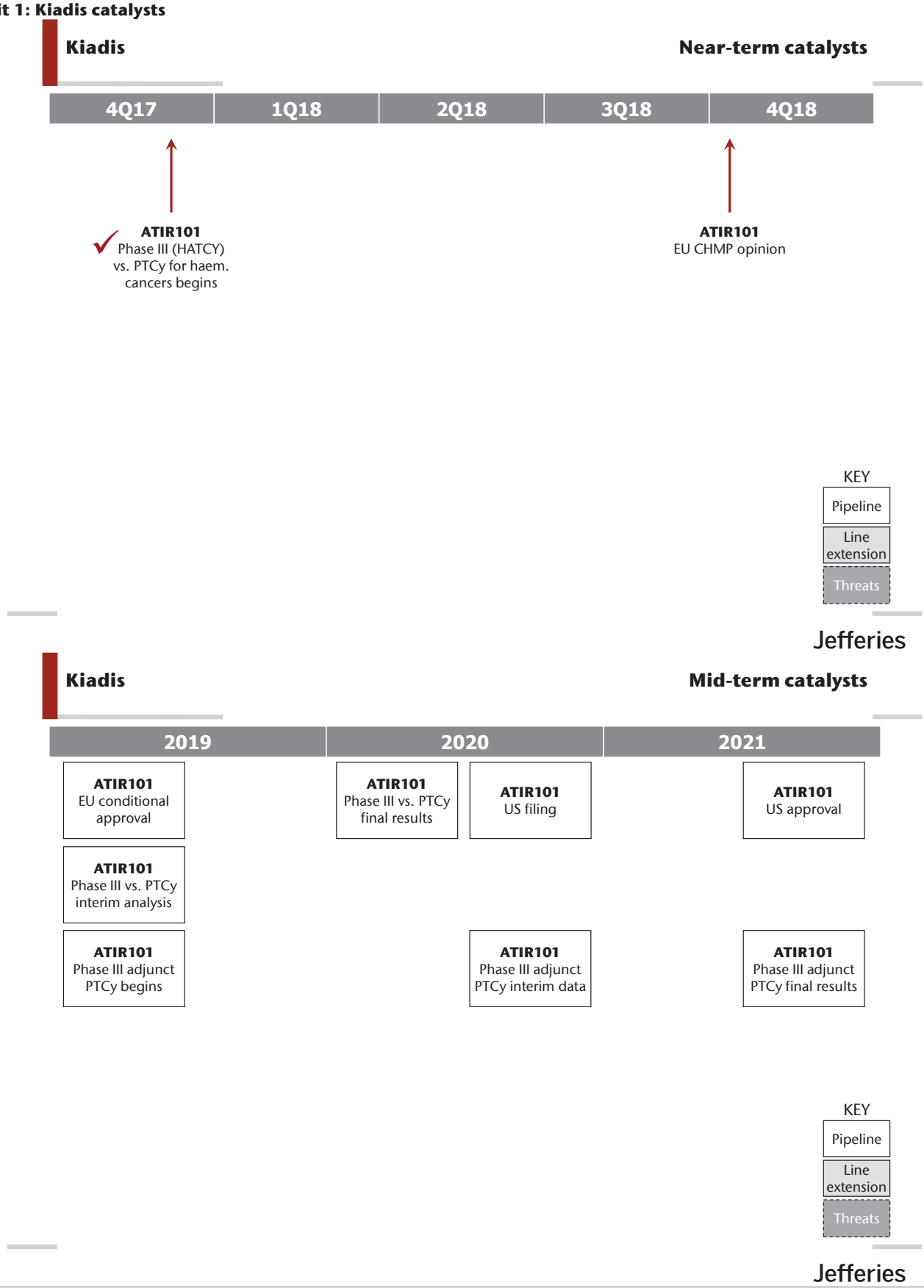
Exhibit 1: Kiadis catalysts



Source: Jefferies research

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Updated Financial Models

Table 3: Kiadis Profit and Loss Model

		2018E						
(EUR millions except EPS Dec YE)	2017A	1H18E	2H18E	2018E	2019E	2020E	2021E	2022E
ATIR EU Sales	0.0	0.0	0.0	0.0	3.6	16.2	36.3	61.7
ATIR US Sales	0.0	0.0	0.0	0.0	0.0	0.0	12.3	34.1
License & Other Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue	0.0	0.0	0.0	0.0	3.6	16.2	48.6	95.8
Cost of Sales	0.0	0.0	0.0	0.0	(4.2)	(7.1)	(18.9)	(33.1)
Gross Profit	**0.0**	**0.0**	**0.0**	**0.0**	**(0.6)**	**9.1**	**29.7**	**62.7**
Total Operating Expenses	(16.1)	(10.9)	(12.5)	(23.4)	(26.5)	(26.8)	(38.0)	(48.1)
R&D Expenses	(11.2)	(7.6)	(8.5)	(16.1)	(15.3)	(10.5)	(9.1)	(10.1)
General & Admin. Expenses	(4.9)	(3.4)	(3.6)	(7.0)	(7.7)	(8.3)	(8.9)	(9.4)
Sales & Marketing Expenses	0.0	0.0	(0.3)	(0.3)	(3.5)	(8.0)	(20.0)	(28.5)
o/w Acquisition-related Amortisation/Write-dow	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	0.0	0.0	0.0	0.0	0.0
Operating Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income	***(16.1)***	***(10.9)***	***(12.5)***	***(23.4)***	***(27.2)***	***(17.7)***	***(8.3)***	***14.6***
Adjusted Operating Income	**(16.1)**	**(10.9)**	**(12.5)**	**(23.4)**	**(27.2)**	**(17.7)**	**(8.3)**	**14.6**
Net Financial Income	(0.9)	(0.9)	(1.9)	(2.7)	(13.5)	(4.3)	(7.3)	(8.8)
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from Associates & JVs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pretax Profit	***(17.0)***	***(11.8)***	***(14.3)***	***(26.1)***	***(40.6)***	***(22.1)***	***(15.7)***	***5.8***
Adjusted Pretax Profit	**(17.0)**	**(11.8)**	**(14.3)**	**(26.1)**	**(40.6)**	**(22.1)**	**(15.7)**	**5.8**
Taxation	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income from Continuing Operations	**(17.0)**	**(11.8)**	**(14.3)**	**(26.1)**	**(40.6)**	**(22.1)**	**(15.7)**	**5.8**
Net Income from Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	***(17.0)***	***(11.8)***	***(14.3)***	***(26.1)***	***(40.6)***	***(22.1)***	***(15.7)***	***5.8***
Adjusted Net Income	**(17.0)**	**(11.8)**	**(14.3)**	**(26.1)**	**(40.6)**	**(22.1)**	**(15.7)**	**5.8**
WA Basic Shares (mn)	15.0	19.6	19.6	19.6	20.4	20.7	21.0	21.3
WA Shares Diluted (mn)	15.0	19.6	19.6	19.6	20.4	20.7	21.0	22.0
EPS (EUR)	***(1.1)***	***(0.6)***	***(0.7)***	***(1.3)***	***(2.0)***	***(1.1)***	***(0.7)***	***0.3***
Adjusted EPS (EUR)	**(1.1)**	**(0.6)**	**(0.7)**	**(1.3)**	**(2.0)**	**(1.1)**	**(0.7)**	**0.3**
Diluted EPS (EUR)	(1.1)	(0.6)	(0.7)	(1.3)	(2.0)	(1.1)	(0.7)	0.3
Diluted Adjusted EPS (EUR)	**(1.1)**	**(0.6)**	**(0.7)**	**(1.3)**	**(2.0)**	**(1.1)**	**(0.7)**	**0.3**
% Change Year over Year								
Revenue	n/a	n/a	n/a	n/a	n/a	350.3%	198.9%	97.2%
Cost of Sales	n/a	n/a	n/a	n/a	n/a	68.7%	164.3%	75.2%
Gross Profit	n/a	n/a	n/a	n/a	n/a	1542.6%	226.2%	111.2%
Total Operating Expenses	41.3%	33.9%	56.7%	45.2%	13.3%	1.2%	41.7%	26.4%
R&D Expenses	36.7%	28.6%	60.0%	43.6%	(4.8%)	(31.3%)	(13.2%)	10.7%
General & Admin. Expenses	53.2%	47.6%	38.5%	42.7%	10.0%	8.0%	7.0%	6.0%
Sales & Marketing Expenses	n/a	n/a	n/a	n/a	1066.7%	128.6%	150.0%	42.7%
Operating Income	(41.3%)	(33.9%)	(56.7%)	(45.2%)	(16.0%)	34.7%	53.0%	275.1%
Adjusted Operating Income	(41.3%)	(33.9%)	(56.7%)	(45.2%)	(16.0%)	34.7%	53.0%	275.1%
Net Financial Income	73.0%	(133.5%)	(240.6%)	(197.9%)	(396.0%)	67.8%	(68.9%)	(20.0%)
Pretax Profit	(15.1%)	(38.2%)	(68.5%)	(53.3%)	(55.6%)	45.7%	29.0%	137.1%
Adjusted Pretax Profit	(15.1%)	(38.2%)	(68.5%)	(53.3%)	(55.6%)	45.7%	29.0%	137.1%
Net Income	(15.2%)	(38.2%)	(68.4%)	(53.3%)	(55.6%)	45.7%	29.0%	137.1%
Adjusted Net Income	(15.2%)	(38.2%)	(68.4%)	(53.3%)	(55.6%)	45.7%	29.0%	137.1%
EPS (EUR)	(6.0%)	1.3%	(36.6%)	(16.9%)	(49.8%)	46.5%	30.0%	136.5%
Adjusted EPS (EUR)	(6.0%)	1.3%	(36.6%)	(16.9%)	(49.8%)	46.5%	30.0%	136.5%

Source: Jefferies estimates; company data

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Table 4: Kiadis Cash Flow Model

(EUR millions Dec YE)	2017A	2018E	2019E	2020E	2021E	2022E
Operating Income	(16.1)	(23.4)	(27.2)	(17.7)	(8.3)	14.6
Depreciation and Amortisation	0.2	0.2	0.3	0.5	0.7	1.0
EBITDA	**(15.9)**	**(23.2)**	**(26.8)**	**(17.3)**	**(7.7)**	**15.6**
Other Adjustments and Exceptionals	1.2	1.4	1.5	1.6	1.7	1.8
Decrease/(Increase) in Inventories	0.0	0.0	(0.3)	(0.2)	(1.0)	(1.2)
Decrease/(Increase) in Receivables	(0.8)	0.0	(0.6)	(2.1)	(5.3)	(7.8)
Increase/(Decrease) in Payables	0.7	0.3	0.7	2.3	7.2	9.7
Increase/(Decrease) in Deferred Income	0.0	0.0	0.0	0.0	0.0	0.0
Change in WC	(0.1)	0.3	(0.2)	0.0	0.9	0.8
Taxation Paid	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Interest Paid	(1.0)	(1.7)	(1.8)	(4.0)	(7.0)	(8.5)
Net Cash Flow from Operating Activities	**(15.9)**	**(23.2)**	**(27.4)**	**(19.6)**	**(12.0)**	**9.8**
Purchase of Tangible Fixed Assets	(0.1)	(0.7)	(1.0)	(1.5)	(2.4)	(3.8)
Proceeds from Sale of PP&E	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of Intangible Assets	0.0	0.0	0.0	0.0	0.0	0.0
(Purchase)/Sale of Investments	0.0	0.0	0.0	0.0	0.0	0.0
(Acquisitions)/Disposals of Subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Dividends Received from Associates	0.0	0.0	0.0	0.0	0.0	0.0
Interest Received	0.0	0.0	0.0	0.0	0.0	0.0
Net Cash Flow from Investing Activities	**(0.1)**	**(0.7)**	**(1.0)**	**(1.5)**	**(2.4)**	**(3.8)**
Management of Liquid Resources	0.0	0.0	0.0	0.0	0.0	0.0
Capital Changes	23.2	23.7	0.0	0.0	(0.0)	0.0
Debt Changes	8.1	(1.8)	2.9	21.4	16.3	(4.0)
Equity Dividends Paid	0.0	0.0	0.0	0.0	0.0	0.0
Other Financing Cash Flows	0.0	0.0	0.0	0.0	0.0	0.0
Net Cash Flow from Financing Activities	**31.3**	**21.9**	**2.9**	**21.4**	**16.3**	**(4.0)**
Effect of FX on Cash and Cash Equivalents	(0.0)	0.0	0.0	0.0	0.0	0.0
Increase in Cash	**15.3**	**(2.0)**	**(25.4)**	**0.3**	**1.9**	**2.0**
Change in Net Debt	**(7.2)**	**0.2**	**28.4**	**21.1**	**14.5**	**(5.9)**
(Cash Burn)	**(15.9)**	**(23.9)**	**(28.4)**	**(21.1)**	**(14.5)**	**5.9**

Source: Jefferies estimates; company data

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Table 5: Kiadis Balance Sheet Model

(EUR millions Dec YE)	2017A	2018E	2019E	2020E	2021E	2022E
Non-current Assets	**13.4**	**13.9**	**14.6**	**15.6**	**17.3**	**20.1**
Intangible Assets	12.8	12.8	12.8	12.8	12.8	12.8
Property, Plant and Equipment	0.6	1.1	1.7	2.8	4.5	7.3
Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other Long-term Assets	0.0	0.0	0.0	0.0	0.0	0.0
Current Assets	**31.3**	**29.3**	**4.8**	**7.4**	**15.5**	**26.4**
Inventories	0.0	0.0	0.3	0.6	1.6	2.7
Trade Accounts Receivable	0.0	0.0	0.6	2.7	8.0	15.7
Other Current Assets	1.3	1.3	1.3	1.3	1.3	1.3
Cash and Cash Equivalents	29.9	27.9	2.5	2.8	4.6	6.6
Total Assets	**44.7**	**43.1**	**19.4**	**23.0**	**32.8**	**46.5**
Current Liabilities	**5.2**	**3.7**	**12.2**	**41.5**	**70.5**	**81.5**
Trade Accounts Payable	1.4	1.6	2.5	2.8	4.6	6.6
Other Current Liabilities	1.3	1.3	1.3	1.3	1.3	1.3
Accrued Expenses	0.8	0.8	0.6	2.7	8.0	15.7
Deferred Income	0.0	0.0	0.0	0.0	0.0	0.0
Short-term Debt	1.8	0.0	7.8	34.7	56.6	57.9
Leasing Obligations	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Non-current Liabilities	**23.6**	**24.6**	**31.4**	**26.2**	**21.1**	**16.1**
Long-term Debt	21.6	22.6	29.4	24.2	19.1	14.1
Leasing Obligations	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Tax Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Income	0.0	0.0	0.0	0.0	0.0	0.0
Long-term Provisions	2.0	2.0	2.0	2.0	2.0	2.0
Total Shareholders' Equity	**15.9**	**14.8**	**(24.3)**	**(44.7)**	**(58.7)**	**(51.1)**
Share Capital	1.7	1.7	1.7	1.7	1.7	1.7
Share Premium Account	124.4	147.1	135.4	135.1	134.7	134.4
Other Reserves and Adjustments	1.6	1.6	1.6	1.6	1.6	1.6
Retained Earnings	(111.9)	(135.6)	(163.0)	(183.1)	(196.7)	(188.8)
Minority Interests	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities and Shareholders' Equity	**44.7**	**43.1**	**19.4**	**23.0**	**32.8**	**46.5**

Source: Jefferies estimates; company data

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Key changes to forecasts

Table 6: Summary estimates changes for Kiadis

Forecasts (EURm)	2018E New	2018E Old	% Chg	2019E New	2019E Old	% Chg
Sales	0.0	0.0	n/a	3.6	3.6	+0%
Adj. EBIT	(23.4)	(23.6)	-1%	(27.2)	(27.4)	-1%
Adj. EPS	(1.33)	(1.52)	-12%	(2.00)	(2.42)	-17%
Net Cash/(Debt)	5.3	(21.8)	-124%	(34.7)	(63.1)	-45%
Drivers of Change	Minor changes to underlying estimates with EPS and Net Cash revised to reflect the private placement in March raising EUR23m gross proceeds.					

Source: Jefferies estimates

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Company Description

Kiadis develops innovative cell therapies for safer and more effective bone marrow transplants. Its Allodepleted T-cell ImmunotheRapeutics (ATIR) are based on the Theralux platform. Lead programme ATIR101 is filed in Europe for haploidentical haematopoietic stem cell transplants (HSCT) in patients with blood cancers. Kiadis is based in The Netherlands and listed on the Euronext Amsterdam in July 2015.

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(Article 3(1)e and Article 7 of MAR)

Recommendation Published	, 09:40 ET. April 13, 2018
Recommendation Distributed	, 09:40 ET. April 13, 2018

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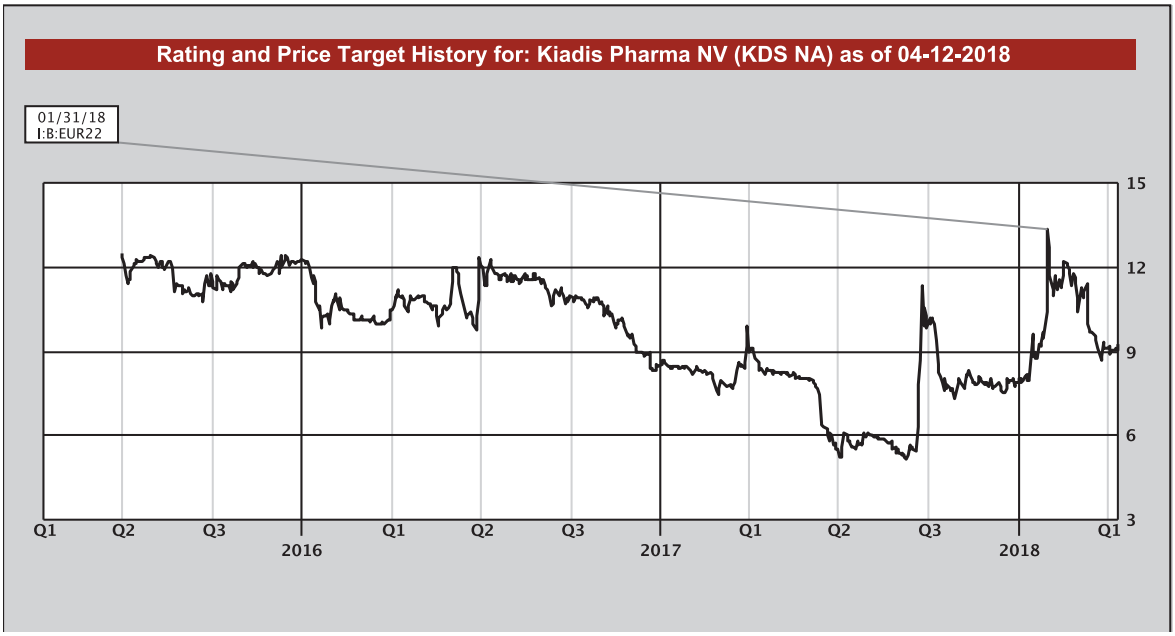

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