

Equity Research | NANEXA: Validation from Novo Nordisk positions Nanexa for an eventful year ahead

After a news packed Q4 2022, including an exclusivity and evaluation agreement with Novo Nordisk, start of Phase I with NEX-20 and two additional evaluation agreements, investors have enjoyed a welcome rebound in the share price that has now more than doubled in the past three months. After the directed issue to Novo Nordisk, net cash stands at SEK 81m meaning that Nanexa is fully financed well into 2024. With the initiation of Phase I with NEX-22 in 2023 and initiation of Phase I with NEX-18 drifting into 2024, we see several potential triggers for a continued revaluation. Our rNPV calculation of the portfolio projects support a fair value of SEK 6.6-8.2 per share, with further upside as the company continues to de-risk the portfolio with progress in clinical development.

Welcome combo of capital and validation from Novo Nordisk

Just before Christmas 2022, Nanexa announced the combination of an exclusive evaluation agreement and directed share issue of 10m shares to Novo Nordisk, global leader in diabetes treatment. The deal provided both a significant validation of PharmaShell and a 63 MSEK capital injection that secures runway into 2024. It also eased the pressure on Nanexa's other shareholders to provide the capital needed for continued development.

As the products in questions are not disclosed, a rough assumption of 20% probability for a licensing deal with Novo Nordisk, an application of PharmaShell on 10% of Novo's portfolio long-term and a 5% royalty rate, correspond to a probability adjusted rNPV for a licensing deal with Novo Nordisk of SEK 3 per share, although these estimates are particularly uncertain at this point. For more details see our research report [NANEXA: Novo Nordisk deal offers both scientific validation and investor-friendly financing](#).

Eventful period ahead

Getting a renowned, strategically important and financially strong industry giant such as Novo Nordisk as Nanexa's largest shareholder means a significant validation of Nanexa's scientific thesis and investment case.

After the start of Phase I with NEX-20 (a long-acting injectable of lenalidomide for the treatment of multiple myeloma) in healthy volunteers to test the pharmacokinetic profile, safety and tolerability of the drug, we now look forward to initiation of Phase I with NEX-22 in 2023 and NEX-18 (long-acting injectable azacitidine for myelodysplastic syndrome) most likely in 2024. Also factoring in changes in FX, we now find support for a fair value of SEK 6.6-8.2 (6.3-7.9) per share, with continued positive news flow in the year ahead.



Read the full report here: https://www.emergers.se/nanexa_lv/

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