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**Quantum Genomics****Quantum découvre le Canada avec Xediton Pharmaceuticals**

Quantum annonce la signature d'un nouvel accord de licence et de collaboration avec la firme canadienne Xediton Pharmaceuticals : jusqu'à \$ 11,35 M + redevances à 2 chiffres. Achat Fort avec un TP de 15,24 €.

Quantum discovers Canada with Xediton Pharmaceuticals

Quantum announces the signing of a new license and collaboration agreement with the Canadian firm Xediton Pharmaceuticals: up to \$ 11.35 M + double-digit royalties. Strong Buy with a TP of € 15.24.

Recommendation **1. Strong Buy**
Closing Price 11/06/2020 **4,36 €**
Target Price **15,24 € (+249,6 %)**

Avec Xediton Pharmaceuticals, Quantum Genomics conclut un accord de licence et de collaboration exclusif pour développer le firibastat au Canada.

Quantum Genomics signe son premier accord exclusif de licence et de collaboration sur le firibastat pour l'Amérique du Nord. L'accord porte sur le développement et la commercialisation de la molécule au Canada. Quantum, qui poursuit donc sa stratégie d'accords régionaux, en profite pour s'implanter sur le continent Nord-Américain. De plus, Quantum Genomics annonce le non-renouvellement de son accord de financement avec Negma Group. Avec quatre partenariats signés sur trois continents, Quantum Genomics affiche aujourd'hui une bien meilleure visibilité et devrait pouvoir renforcer la structure de son capital avec une vision plus long terme.

Nous maintenons notre opinion Achat Fort sur la valeur et notre TP monte à 15,24 €.

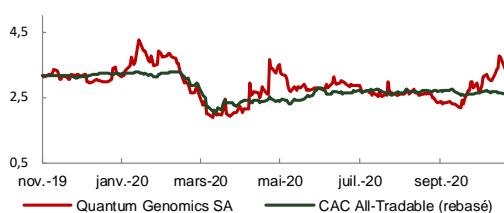
With Xediton Pharmaceuticals, Quantum Genomics enters into an exclusive license and collaboration agreement to develop firibastat in Canada.

Quantum Genomics signs its first exclusive license and collaboration agreement on firibastat for North America. The agreement covers the development and commercialization of the molecule in Canada. Quantum, which is therefore pursuing its strategy of regional agreements, is taking advantage of this opportunity to establish itself on the North American continent. In addition, Quantum Genomics announces the non-renewal of its financing agreement with Negma Group. With four partnerships signed on three continents, Quantum Genomics now has much better visibility and should be able to strengthen its capital structure with a longer-term vision.

We maintain our Strong Buy opinion on the stock and our TP rises to € 15.24.

Performances

Absolute perf. 1 month 6 months 12 months
+ 58,3 % + 24,6 % + 38 %

**Market data**

Reuters / Bloomberg ticker	ALQGC.PA / ALQGC.FP
Market capitalisation (€m)	92,3 M€
Enterprise value (€m)	92,3 M€
Free Float	69,1 M€ (74,9 %)
Number of shares	21 671 044
Daily volume	295 910 €
Capital turnover rate (1 year)	29,8%
High (52 weeks)	4,24 €
Low (52 weeks)	1,88 €

Current shareholding structure

Free float : 74.9 % ; Institutional investors 11.2 % ; Management : 7.8 % ;
Tethys: 6.1%

Agenda

Q4 2020 : QGC001/2QG4 interim results
H1 2021 : QUORUM study results

Key figures

	2018	2019	2020E	2021E	2022E
Revenues (M€)	0,1	0,4	12,2	17,0	17,5
Change (%)	-	-	-	39,9%	2,9%
EBITDA (M€)	-13,3	-9,9	-5,6	-0,7	-0,2
EBIT (M€)	-13,6	-10,0	-5,7	-0,8	-0,3
EBIT Margin (%)	NS	NS	-46,5%	-4,7%	-1,7%
Net profit gp sh.(%)	-12,0	-8,1	-4,7	-0,8	0,8
Net margin (%)	NS	NS	-38,4%	-4,6%	4,7%
EPS	-1,09	-0,74	-0,22	-0,04	0,04

Ratios

	2018	2019	2020E	2021E	2022E
Ev / Revenues	NS	NS	7,6	5,4	5,3
EV / EBITDA	NS	NS	NS	NS	NS
EV / EBIT	NS	NS	NS	NS	NS
P / E	NS	NS	NS	NS	NS
Gearing (%)	NS	NS	NS	NS	NS
Net debt / EBITDA	1,8	1,1	1,1	0,6	2,1
RCE (%)	NS	NS	NS	NS	NS

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Xediton Pharmaceuticals : 4^{ème} partenariat de Quantum

Quantum Genomics a annoncé avoir signé un nouvel accord de licence exclusive et de collaboration avec le groupe pharmaceutique canadien Xediton Pharmaceuticals. Dans cet accord, Quantum devrait recevoir de la part de la société pharmaceutique canadienne jusqu'à 9,56 millions d'euros (\$ 11,35 M) en paiements initiaux et d'étapes. Par ailleurs, lors de la commercialisation du firibastat dans son indication première, l'hypertension artérielle (HTA) difficile-à-traiter/résistante, Quantum percevra des redevances à deux chiffres sur les ventes.

Xediton Pharmaceuticals, un premier partenariat en Amérique du Nord

Fondé en 2007, Xediton Pharmaceuticals, située en Ontario dans la région du Grand Toronto, est une société privée de spécialités pharmaceutiques. Elle commercialise plusieurs produits touchant des aires thérapeutiques diverses comme l'oncologie, les anti-infectieux, la douleur, l'appareil digestif et l'ophtalmologie. Par ailleurs, elle commercialise dans le cadre de sa franchise de médecine régénérative des préparations plaquettaires utilisables dans plusieurs types d'indications. Xediton est fortement implantée au Canada et devrait pouvoir avec Quantum aborder le marché de la cardiologie, par le biais de l'hypertension artérielle difficile-à-traiter/résistante.

Canada et HTAr : une prise de conscience récente

Une récente étude épidémiologique publiée dans the Canadian Journal of Cardiology en mai 2020 intitulé « Hypertension Canada's 2020 Evidence Review and Guidelines for the management of Resistant Hypertension » a établi les premières lignes de conduites (Guidelines) à observer face à une HTAr. Par ailleurs, cette étude a permis d'estimer le taux de l'HTA au sein de la population canadienne qui serait de 21 % à 22,8 % avec un pourcentage de contrôle de la maladie de 68,1 %. Cependant, la prévalence de l'HTA résistante au sein de cette population d'hypertendus serait estimée entre 10 % et 30 %.

Par ailleurs, les auteurs ont utilisé les données d'une autre étude majeure du Journal Heart « Global prevalence of resistant hypertension : a meta-analysis of data from 3.2 millions patients », une révision systématique et rétrospective de 91 études montrant qu'il y aurait près de 14,7 % de patients avec une HTN apparemment résistante aux traitements et 10,3 % présentant « une vraie rHTN » et une prévalence qui s'accroît au sein de la population âgée pour atteindre 12,3 %. Pour les patients atteints de pathologies rénales comme l'insuffisance rénale chronique, la prévalence atteint 22,9 % et pour les patients en attente de transplantation rénale elle est alors de 56,0 %.

A la recherche de financements plus long terme

Quantum a décidé de ne pas reconduire le financement avec Negma Group Ltd. Jusqu'à aujourd'hui, Quantum avait reçu 8 millions d'euros et aura créée 3 243 213 nouvelles actions.

Quantum dispose de suffisamment de cash pour aller jusqu'au T3 2021, grâce notamment aux différents partenariats noués qui apportent eux aussi des paiements initiaux conséquents. Toutefois, l'accroissement de la visibilité de la société (partenariats) devrait lui permettre d'attirer des investisseurs en capital plus traditionnels et plus long terme.

Nous maintenons notre recommandation Achat Fort, avec un Target Price de 15,24 €.

Xediton Pharmaceuticals: Quantum's 4th partnership

Quantum Genomics announced that it has signed a new exclusive license and collaboration agreement with the Canadian pharmaceutical group Xediton Pharmaceuticals. Under this agreement, Quantum is expected to receive up to 9.56 million Euros (\$ 11.35 M) in upfront and milestone payments from the Canadian pharmaceutical company. In addition, upon commercialization of firibastat, in its primary indication, difficult-to-treat/resistant hypertension (HTA), Quantum will receive double-digit royalties on sales.

Xediton Pharmaceuticals, a first partnership in North America

Founded in 2007, Xediton Pharmaceuticals, located in Ontario in the Greater Toronto Area, is a privately held specialty pharmaceutical company. It markets several products in various therapeutic areas such as oncology, anti-infectives, pain, digestive tract, and ophthalmology. In addition, it markets, as part of its regenerative medicine franchise, platelet preparations that can be used in several types of indications. Xediton has a strong presence in Canada and should be able with Quantum to address the cardiology market through difficult-to-treat/resistant hypertension.

Canada and rHTN: a recent realization

A recent epidemiological study published in the Canadian Journal of Cardiology in May 2020 entitled "Hypertension Canada's 2020 Evidence Review and Guidelines for the management of Resistant Hypertension" established the first guidelines for dealing with rHTN. This study estimated that the rate of hypertension in the Canadian population would be 21 % to 22.8 % with a disease control rate of 68.1 %. However, the prevalence of resistant hypertension in this hypertensive population would be estimated between 10 % and 30 %.

In addition, the authors used data from another major study in the Journal Heart "Global prevalence of resistant hypertension: a meta-analysis of data from 3.2 million patients", a systematic and retrospective review of 91 studies showing that there would be nearly 14.7 % of patients with apparently treatment-resistant HTN and 10.3 % with "true rHTN" and a prevalence that is increasing in the elderly population to reach 12.3 %. For patients with kidney pathologies such as chronic kidney disease, the prevalence reaches 22.9 % and for patients awaiting a kidney transplant it is 56.0 %.

Looking for longer-term financing

Quantum has therefore decided not to renew the financing with Negma Group Ltd. To date Quantum has received € 8 M and will have created 3,243,213 new shares.

Quantum has sufficient cash to go through to Q3 2021, thanks partially to the various partnerships formed, which also bring substantial upfront payments. However, the company's increased visibility (partnerships) should enable it to attract more traditional and longer-term capital investors.

We maintain our Strong Buy recommendation on the stock, with a Target Price of € 15.24.

Important Disclosure

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Genesta Equity Research stock market recommendations reflect the absolute change expected in the share price from a six to twelve-month perspective (in local currencies).

1. Strong buy	The absolute share price performance is expected to be at least +25 %
2. Buy	The absolute share price performance is expected to be comprised between +10 % and +25 %
3. Neutral	The absolute share price performance is expected to be comprised between +10 % et -10 %
4. Sell	The absolute share price underperformance is expected to be comprised between -10 % et -25 %
5. Strong Sell	The absolute share price underperformance is expected to be at least -25 %

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Detection of potential conflicts of interest

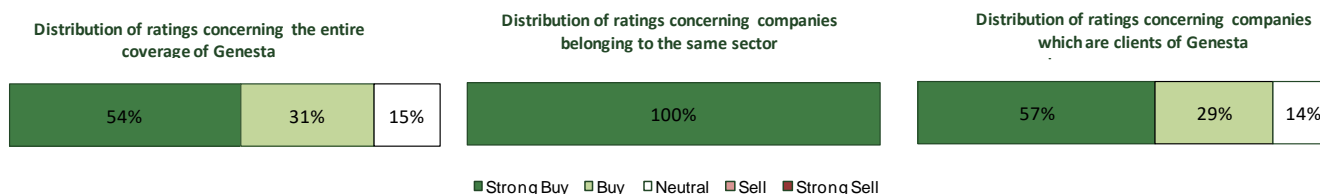
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No	No	No	No	Yes	No	No

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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
9 th November 2020	Equity Flash Strong Buy	€ 15.24
26 th October 2020	Equity Flash Strong Buy	€ 15.08
28 th September 2020	Equity Flash Strong Buy	€ 13.70
11 th May 2020	Equity Flash Suspended / Covid-19	Suspended / Covid-19
30 th January 2020	Equity Flash Strong Buy	€ 15.04
26 th November 2019	Equity Flash Strong Buy	€ 15.04

Ratings distribution



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