

BerGenBio

NOK500m raised to drive bemcentinib progress

5 May 2020

- BerGenBio has raised NOK 500m (gross), equivalent to \$48.7m and €44.6m, through a private placing of 13.325m new shares (c 18% of the outstanding share capital). The offering was oversubscribed. The issue price, established through an accelerated book build, was NOK 37.50, a discount of 15% on the closing mid-price on the 4th May.
- The placing was orchestrated by Arctic Securities AS, Carnegie AS, and DNB Markets. The minimum application size was EUR 100,000 per investor. A placing was selected, rather than a rights issue, in order to maintain market efficiency. The required authorisation to waive pre-emptive rights was granted at the AGM held the 16 March 2020.
- Largest shareholder, Meteva AS, subscribed to a further NOK 64m (1.707m shares) in the placing, resulting in now owning 21.956m shares (representing a 25.3% holding). The number of shares post-placement is 86.725m shares.
- A number of employees took the opportunity to realise some of the value of shares acquired through vested options. The total number of shares sold through this secondary offering was 200,000 existing shares and 102,500 options exercised and sold. These employees are subject to a six month lock up on their remaining share (and option) holdings.
- Net proceeds will be used to progress the clinical development of the pipeline of AXL inhibitors, and ensure the company is well-positioned for early commercialisation opportunities. BerGenBio is spearheading advances in AXL biology and its lead asset, bemcentinib, is the most advanced selective oral AXL inhibitor in development. It also has a clinical-stage monoclonal antibody asset, tilvestamab.
- Bemcentinib is currently being evaluated as monotherapy and part of a combination in multiple oncology indications (Phase II in acute myeloid leukaemia and non-small cell lung cancer). It is also the first drug candidate to be evaluated in the UK's COVID-19 [ACCORD](#) Phase II clinical trial initiative, with dosing of the first patient expected imminently.

Price	NOK 37.00
Market Cap	NOK 2.71bn
Primary exchange	Oslo
Sector	Healthcare
Company Code	BGBIO
Corporate client	Yes

Company description:

BerGenBio is a clinical-stage, drug development company based in Bergen, Norway and Oxford, UK. It is developing innovative anti-cancer therapies that act on the promising AXL signalling pathway. The lead oncology compound, bemcentinib, is in a number of Phase II trials.

Trinity Delta view: The fresh funds allow BerGenBio to accelerate its commercial planning materially. Bemcentinib's selection as the first programme in the UK's flagship COVID-19 programme provides significant validation of BerGenBio's development work and raises its global profile. The potential of the AXL receptor as an oncology target is increasingly recognised and validated. Recent preclinical insights from the University of Iowa also suggest that bemcentinib could be effective in early COVID-19 (SARS-CoV-2 coronavirus) infection. Its potential utility in treating coronavirus infection, especially its mechanism of action and oral administration, suggests that bemcentinib has an ideal profile for use in the community setting (pre-hospitalisation). The fund raise prompts us to suspend our valuation, with the aim of reinstating it as soon as practicable. For context, our prior valuation was NOK3.54bn (\$339m) or NOK48.31/share, excluding any contribution for bemcentinib's potential in treating COVID-19.

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