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**Quantum Genomics****Faran : Premier partenariat européen pour Quantum**

Faran et Quantum Genomics ont signé un accord de licence et de collaboration portant sur le firibastat pour la Grèce (\$ 12,1 M + redevances à 2 chiffres). Achat Fort avec un objectif de cours maintenu de 12,77 €.

**Faran: First European partnership for Quantum**

Faran and Quantum have signed of a new license and collaboration agreement for firibastat for Greece (\$ 12.1 M + double-digit royalties). Strong Buy with a maintained TP of € 12.77.

**Recommendation** **1. Strong Buy**  
**Closing Price 12/15/2020** **4,65 €**  
**Target Price** **12,77 € (+174,6 %)**

**Avec Faran, Quantum Genomics signe son premier accord européen de licence et de collaboration exclusif pour développer le firibastat en Grèce.**

Il s'agit certes du 6<sup>ème</sup> accord de partenariat que signe Quantum Genomics, mais il s'agit surtout du premier accord signé avec un pays européen et plus précisément la Grèce. C'est un signal éminemment positif, qui montre l'intérêt que peuvent porter les acteurs de l'industrie pharmaceutique au firibastat, une molécule « first-in-class » dans le traitement de l'hypertension. En signant avec Faran, Quantum poursuit sa stratégie d'accords régionaux en se tournant cette fois vers l'Europe du Sud, où sa présence ne fait que débiter. Pour l'Europe du Nord, Quantum poursuit ses discussions avec un certain nombre de partenaires potentiels intéressés par les top 5 (Allemagne, Grande Bretagne, Espagne, France, Italie).

**Nous maintenons notre opinion Achat Fort sur la valeur et notre TP à 12,77 €.**

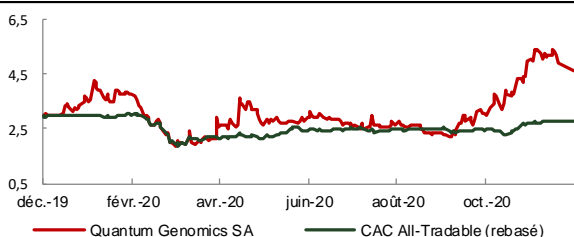
**With Faran, Quantum Genomics signs its first exclusive license and collaboration European agreement to develop firibastat in Greece.**

This is certainly the 6<sup>th</sup> partnership agreement that Quantum Genomics has signed, but it is above all the first agreement signed with a European country and more specifically Greece. This is an eminently positive signal, which shows the interest that players in the pharmaceutical industry can have in firibastat, a "first-in-class" molecule in the treatment of hypertension. By signing with Faran, Quantum is pursuing its strategy of regional agreements, this time focusing on Southern Europe, where its presence is only just beginning. For Northern Europe, Quantum is continuing its discussions with several potential partners interested in the top 5 (Germany, Great Britain, Spain, France, Italy).

**We maintain our Strong Buy opinion on the stock and our TP at € 12.77.**

**Performances**

Absolute perf.	1 month	6 months	12 months
	-6,7 %	+60,3 %	+56,8 %

**Market data**

Reuters / Bloomberg ticker	ALQGC.PA / ALQGC.FP
Market capitalisation (€m)	124,0 M€
Enterprise value (€m)	118,5 M€
Free Float	83,2 M€ (67,1 %)
Number of shares	26 672 855
Daily volume	416 885 €
Capital turnover rate (1 year)	87,7%
High (52 weeks)	5,43 €
Low (52 weeks)	1,88 €

**Current shareholding structure**

Free float : 67.1 % ; Institutional investors 20.9 % ; Management : 5.0 % ; Tethys : 3.7% ; Otium Capital: 3.3%.

**Agenda**

H1 2021 : QUORUM study results

**Key figures**

	2018	2019	2020E	2021E	2022E
Revenues (M€)	0,1	0,4	12,2	16,9	17,6
Change (%)	-	-	-	39,3%	3,9%
EBITDA (M€)	-13,3	-9,9	-5,6	-0,8	-0,1
EBIT (M€)	-13,6	-10,0	-5,7	-0,9	-0,2
EBIT Margin (%)	NS	NS	-46,5%	-5,2%	-1,3%
Net profit gp sh.(%)	-12,0	-8,1	-4,7	-0,8	0,9
Net margin (%)	NS	NS	-38,4%	-5,0%	5,0%
EPS	-1,09	-0,74	-0,17	-0,03	0,03

**Ratios**

	2018	2019	2020E	2021E	2022E
Ev / Revenues	NS	NS	9,7	7,0	6,7
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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### **Avec Faran, Quantum s'intéresse à ses marchés domestiques**

Quantum Genomics a annoncé avoir signé un nouvel accord de licence exclusive et de collaboration avec le groupe pharmaceutique grec Faran. Avec cet accord, Quantum devrait recevoir de la part de la société pharmaceutique grecque jusqu'à 9,95 millions d'euros (\$ 12,1 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.

### **Faran, un acteur qui progresse sur un marché stable**

Fondé en 1950, Faran revendique fièrement ses 70 ans avec un taux de croissance particulièrement impressionnant (+618% entre 2009 et 2019). Par ailleurs, le groupe, dont les hypothèses de chiffres d'affaires pour 2020 s'affichent à 54 millions d'euros, pourrait ainsi prétendre à une croissance de plus de 940% sur la période considérée.

Faran collabore donc avec plusieurs partenaires comme Alvogen, Meiji, Novartis, Sandoz, Synthon... Faran, qui en se concentrant sur la cardiologie, cherche à devenir un leader local. L'accord avec Quantum, qui dans le panier apporte une innovation radicale ainsi qu'une molécule « first-in-class », s'inscrit parfaitement dans cette stratégie déjà initiée, puisque le groupe grec travaille sur cinq autres produits originaux en cardiologie.

### **En Grèce, une prévalence un peu plus faible**

Une étude relativement ancienne de 2006 (the Hypertension Study in General Practice in Hellas, Hypertenshell), un peu sur le modèle des sondages du NHANES, a montré que plus de 31,1% d'un échantillon représentatif (11 950 individus) de la population adulte grecque ayant plus de 30 ans présentait une tension artérielle supérieure à 140/90 mm Hg. Un peu plus de 67% de cette population d'hypertendus était traité, mais pas contrôlé, contre 32,8% qui était à la fois traité et contrôlé. Toutefois, on estime que les hypertendus résistants à leurs traitements seraient de 10 à 15%. Cependant, en 2010, une étude réalisée par l'université du Pirée estimait le nombre de cardiologues à 2 763 sur une population totale de 67 000 médecins, soit 25 cardiologues/100 000 habitants (3x la moyenne européenne).

### **Delpharm assurera la production du Firibastat**

Quantum vient d'annoncer un premier contrat de production du firibastat avec une CDMO (Contract Development & Manufacturing Company) leader sur son marché : Delpharm, qui annonce près de 800 millions d'euros de CA et appartient au top 5 mondial, se trouve aujourd'hui sous les feux de la rampe, puisqu'elle est appelée à produire le vaccin anti-SARS19 de Pfizer-BioNTech.

Mais, Delpharm, qui ne compte pas moins de 17 usines à travers le monde, est aussi un leader dans la fabrication médicaments en sous-traitance et dans le développement des formes galéniques (cf. les formules en combinaisons de Quantum). Voici probablement l'une des premières utilisations des fonds levés lors de la récente augmentation de capital de 20 M€.

**Nous maintenons notre recommandation Achat Fort, avec un objectif de cours de 12,77 €.**

### **With Faran, Quantum focuses on its domestic markets**

Quantum Genomics announced that it has signed a new exclusive license and collaboration agreement with the Greek pharmaceutical group Faran. Under this agreement, Quantum is expected to receive up to € 9.95 million (\$ 12.1 M) in upfront and milestone payments from the Greek 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.

### **Faran, a player making progress in a stable market**

Founded in 1950, Faran proudly claims its 70<sup>th</sup> anniversary with a particularly impressive growth rate (+618% between 2009 and 2019). Moreover, the group, whose turnover assumptions for 2020 amount to € 54 million, could thus claim a growth of more than 940% over the period under consideration.

Faran therefore collaborates with several partners such as Alvogen, Meiji, Novartis, Sandoz, Synthon... Faran, which by focusing on cardiology, seeks to become a local leader. The agreement with Quantum, which brings a radical innovation and a first-in-class molecule to the basket, fits perfectly into this already initiated strategy, since the Greek group is working on five other original products in cardiology.

### **In Greece, a slightly lower prevalence**

A relatively old study from 2006 (the Hypertension Study in General Practice in Hellas, Hypertenshell), modelled somewhat on the NHANES surveys, showed that more than 31.1% of a representative sample (11,950 individuals) of the Greek adult population over 30 years of age had a blood pressure greater than 140/90 mm Hg. Just over 67% of this hypertensive population was treated but not controlled, compared to 32.8% who were both treated and controlled. However, it is estimated that those hypertensive patients resistant to their treatment would be 10-15%. However, in 2010, a study conducted by the University of Piraeus, estimated the number of cardiologists at 2,763 out of a total population of 67,000 physicians, i.e. 25 cardiologists / 100,000 inhabitants (3x the European average).

### **Delpharm will produce the Firibastat**

Quantum has just announced a first production contract for the firibastat with a CDMO (Contract Development & Manufacturing Company) leader in its market: Delpharm, which has announced a turnover of nearly € 800 million and is one of the top 5 companies in the world, is in the spotlight today, as it is called upon to produce the anti-SARS19 vaccine from Pfizer-BioNTech.

But Delpharm, which has no less than 17 plants worldwide, is also a leader in contract manufacturing of drugs and in the development of galenic forms (see Quantum's combination formulas). This is probably one of the first uses of the funds raised during the recent € 20 million capital increase.

**We maintain our Strong Buy recommendation on the stock, with a Target Price of € 12.77.**

## Important Disclosure

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

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### Rating and target price evolution throughout the last 12 months

Date of 1 <sup>st</sup> publication	Rating	Target Price
16 <sup>th</sup> December 2020	Equity Flash <b>Strong Buy</b>	€ 12.77
10 <sup>th</sup> December 2020	Equity Flash <b>Strong Buy</b>	€ 12.77
9 <sup>th</sup> November 2020	Equity Flash <b>Strong Buy</b>	€ 15.24
26 <sup>th</sup> October 2020	Equity Flash <b>Strong Buy</b>	€ 15.08
28 <sup>th</sup> September 2020	Equity Flash <b>Strong Buy</b>	€ 13.70
11 <sup>th</sup> May 2020	Equity Flash <b>Suspended / Covid-19</b>	<b>Suspended / Covid-19</b>
30 <sup>th</sup> January 2020	Equity Flash <b>Strong Buy</b>	€ 15.04

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Distribution of ratings concerning the entire coverage of Genesta



Distribution of ratings concerning companies belonging to the same sector



Distribution of ratings concerning companies which are clients of Genesta



■ Strong Buy ■ Buy □ Neutral ■ Sell ■ Strong Sell

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