

12 December 2018

Price **US\$2.45***
Market cap **US\$191m**

*underlying ¥ price converted at ¥113/US\$
ADR/Ord conversion ratio 1:1

Net cash (US\$m) at end June 2018 27

ADRs in issue 77.9m

ADR code SYMQY

ADR exchange OTC

Underlying exchange Tokyo

Depository BNY

Business description

SymBio Pharmaceuticals is a Japanese specialty pharma company with a focus on oncology and hematology. The Treakisym powder formulation was in-licensed from Astellas in 2005; liquid Treakisym was in-licensed from Eagle Pharmaceuticals in 2017. Rigosertib was in-licensed from Onconova.

Next events

Treakisym sales update Q119

DLBCL top-line data 2019

iv rigosertib top-line data 2019

Analysts

Dr Dennis Hulme +61 (0)2 8249 8345

Maxim Jacobs +1 646 653 7027

healthcare@edisongroup.com
[Edison profile page](#)

**SymBio Pharmaceuticals is a
research client of Edison
Investment Research Limited**

SymBio Pharmaceuticals

Preparing to establish own sales organization

SymBio announced in October that it has begun preparations to establish its own sales organization to market Treakisym and other anticancer drugs in Japan after the marketing agreement with Eisai expires in December 2020. The announcement validates our decision earlier this year to adopt self-commercialization in Japan in our base-case valuation model. Self-commercialization will improve operating margins and allow it to establish a team of in-house experts to communicate the benefits of Treakisym (and rigosertib if approved) to healthcare providers. Our valuation increases to \$225m as we roll forward the DCF model; our earnings forecasts and valuation assumptions are unchanged.

Year end	Revenue (US\$m)	PTP (US\$m)	EPADR (\$)	DPADR (\$)	P/E (x)	Gross yield (%)
12/16	21.0	(20.5)	(0.52)	0.0	N/A	N/A
12/17	30.5	(35.2)	(0.71)	0.0	N/A	N/A
12/18e	37.2	(26.8)	(0.41)	0.0	N/A	N/A
12/19e	38.3	(32.0)	(0.41)	0.0	N/A	N/A

Note: Converted at ¥113 to US\$1.

Liquid formulations and DLBCL justify own sales

The extension of Treakisym's lifecycle through the in-license of liquid formulations from Eagle Pharmaceuticals plus the potential for the r/r diffuse large B-cell lymphoma (DLBCL) Phase III to drive further sales growth from 2021 (if successful) support the rationale for SymBio to establish its own salesforce to market Treakisym and other drugs. Treakisym in-market sales grew by ~61% to \$67m in 2017 (on an NHI price basis), supported by two new indications approved in 2016. We model Treakisym sales of \$95m in FY21, allowing SymBio to attain profitability in the first year of self-commercialization.

New Treakisym indications, rigosertib to drive growth

Treakisym (bendamustine hydrochloride) plus rituximab is already established as standard-of-care for malignant lymphoma in a number of settings. SymBio initiated a Phase III study in r/r DLBCL in August 2017, with top-line data expected in 2019. We estimate the r/r DLBCL indication could double the peak sales potential for Treakisym, if approved. In July SymBio filed for approval of Treakisym as part of a pre-treatment regimen prior to CAR-T therapy with Kymriah. In addition, SymBio aims to recruit 40 Japanese patients, as part of partner Onconova's 360-patient global Phase III trial of intravenous (iv) rigosertib in r/r higher-risk myelodysplastic syndromes (MDS) and plans to file for approval in Japan in 2021.

Valuation: \$225m (¥25.5bn) or \$2.9/ADR

We roll forward our DCF model and increase our risk-adjusted valuation to \$225m (¥25,469m) (vs \$211m). The extra 20m shares issued under the 45th stock acquisition rights (raising \$22.9m) sees value per share decline to \$2.9/ADR (vs \$3.6/ADR). Our valuation assumptions and earnings forecasts are unchanged, as we already adopted self-commercialization in Japan as the base-case valuation scenario in in [our April report](#). SymBio has reaffirmed its guidance, which already allowed for expenses related to establishing its own salesforce.

Establishing own salesforce for revitalized Treakisym

SymBio acquired the rights to develop and commercialize Treakisym from Astellas in Japan (2005) and subsequently in China/Hong Kong, Korea, Taiwan and Singapore (April 2007). Treakisym is approved in Japan for the treatment of the hematological cancers chronic lymphocytic leukemia (CLL) and low-grade non-Hodgkin's lymphoma and mantle cell lymphoma (Ig NHL/MCL). Orphan exclusivity on the currently-marketed freeze dried powder (FD) Treakisym product expires in October 2020.

Treakisym is marketed by Eisai in Japan, Singapore and South Korea under a business partnership agreement that expires in December 2020.

In September 2017, SymBio in-licensed two liquid formulations of bendamustine HCl (Treakisym) from Eagle Pharmaceuticals (Eagle). The new formulations are protected by patents that extend to 2031, which will add around 10 years to the Treakisym product lifecycle compared to the company's marketed FD powder Treakisym product. The new formulations are more convenient for healthcare workers and for patients, which will be important advantages as SymBio seeks to switch users away from the FD formulation.

The extended period of patent protection for the liquid formulations has made investment in a Phase III study of Treakisym in the DLBCL indication an attractive proposition for SymBio. DLBCL comprises around 45% of NHL cases in Japan, and we estimate that approval in this indication could double the sales potential of Treakisym.

Taken together, the patented liquid formulations and the DLBCL Phase III justify SymBio investing in establishing its own sales organization to market Treakisym and other drugs such as rigosertib (if approved), in our view. We estimate that SymBio could earn an operating profit margin of 50% of net sales of Treakisym under a self-commercialization model, compared to an estimated margin of 10–12% of in-market top-line sales under the arrangement with Eisai.

Own sales organization provides leverage for new products

SymBio has noted that having its own sales organization in place will enable it to better understand and respond to market needs, positioning it to deliver the benefits of Treakisym to healthcare providers and patients. Treakisym is used in the hematology departments of approximately 900 institutions across Japan, with the top 400 institutions accounting for ~90% of sales. If rigosertib is approved for treating MDS, the top 400 institutions would similarly be expected to account for the majority of use. Therefore, SymBio would be in a position to market rigosertib (if approved) through its own sales organization for minimal additional cost. The same operation leverage would apply were SymBio to in-license or develop other hematological drugs. Establishing its own sales organization will be an important step towards achieving SymBio's vision of establishing itself as a leading specialty pharma company.

Pipeline progress

Exhibit 1 summarizes the status of SymBio's product pipeline. The main areas of focus are:

- Obtaining approval for the two liquid formulations of Treakisym to extend the product lifecycle out to 2031.
- Completion of the Phase III study of Treakisym in DLBCL, which could potentially double the sales potential of Treakisym.

- Participating in the global Phase III study of iv rigosertib in MDS, which could become SymBio's second product for hematological cancers.
- Completion of ongoing Phase I studies of oral formulations of Treakisym and rigosertib, which could lead to development of additional indications for both drugs.

Exhibit 1: Status of the SymBio pipeline

Drug	Indication	Phase 1	Phase 2	Phase 3	NDA	MA
SyB L-0501 TREAKISYM®	r/r Low-grade NHL/MCL	Approved October 2010				
	CLL	Approved August 2016				
	1st line Low-grade NHL/MCL	Approved December 2016				
	r/r DLBCL	P3 initiated August 2017				
	RTD (Ready-to-Dilute) Injection (liquid formulation)	NDA under preparation				
	RI (Rapid Infusion) Injection (liquid formulation)	Clinical trial initiated				
SyB C-0501 TREAKISYM® ORAL	Advanced solid tumors	P1 initiated January 2018				
SyB C-0501 TREAKISYM® ORAL	SLE	Pre-clinical study ongoing				
SyB L-1101 RIGOSERTIB IV	Post-HMA Higher Risk MDS	Global P3 (INSPIRE study)				
SyB C-1101 RIGOSERTIB ORAL	1. 1st line Higher Risk MDS* 2. Transfusion dependent Lower Risk MDS *monotherapy to be followed by combination therapy with azacitidine	P1 initiated June 2017				

Source: SymBio

Key news anticipated for SymBio in 2019 includes:

- Top-line data from the DLBCL and rigosertib Phase III studies.
- Filing for approval of the ready-to-dilute (RTD) liquid Treakisym formulation.
- Update on the clinical study of the rapid infusion Treakisym formulation.

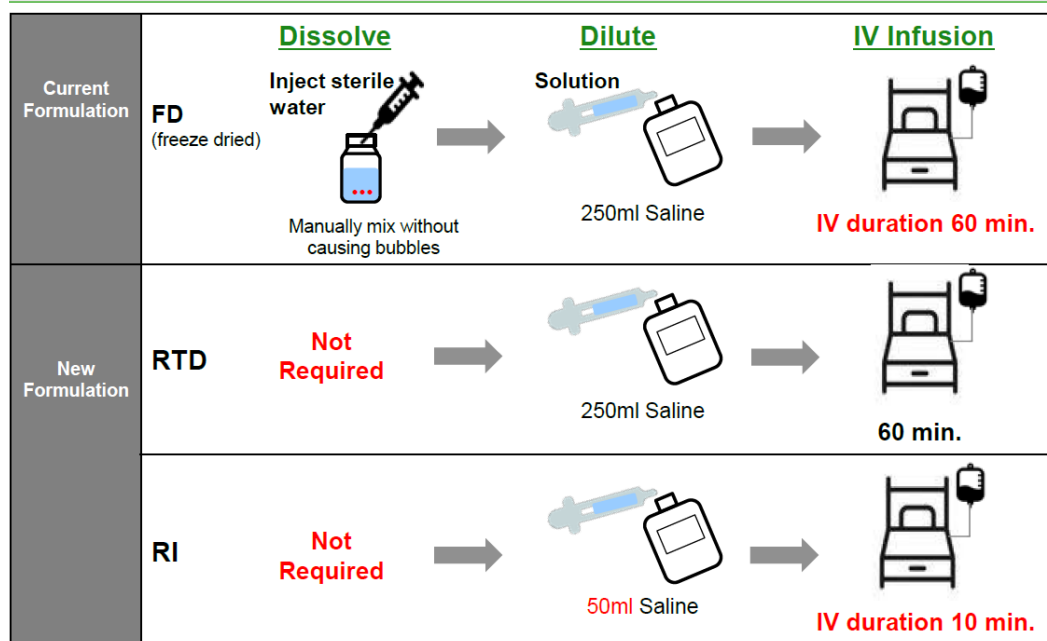
Liquid formulations extend Treakisym lifecycle

The new liquid formulations of Treakisym that SymBio in-licensed from Eagle are more convenient for healthcare workers and for patients.

The first in-licensed product is an RTD liquid formulation that will significantly reduce dose preparation time, making it easier and safer for health professionals. This compares to the FD Treakisym, which has to be reconstituted before administration, a time-consuming process that carries the risk of exposing healthcare workers to cytotoxic powders and vapors.

The second in-licensed product is a rapid-infusion (RI) formulation that will cut drug infusion time to 10 minutes from 60 minutes for the current Treakisym product (and the RTD formulation).

Exhibit 2 illustrates the differences in use between the current FD Treakisym and the new liquid RTD and RI formulations.

Exhibit 2: Comparison of the current FD powder and new liquid formulations


Source: SymBio

Liquid formulations aim to maintain SymBio's market share

We expect the approval pathway for the RTD Treakisym formulation to be relatively straightforward, as the same dose of drug is administered to patients in the same way, with the only difference being the way the dose is prepared. SymBio is aiming to launch the RTD product in H121, which would allow it to be well established in the marketplace before the expected entry of the first FD generics in 2022.

The RI product represents a greater change to the current treatment protocols, so approval of this product is expected to take longer – we model a 95% chance of a launch by the start of 2023. Given the greater convenience for patients of the rapid 10-minute infusion with the RI formulation, we expect over 95% of patients to be switched to this product.

DLBCL indication could substantially increase Treakisym sales

SymBio is seeking to add another indication for the treatment of r/r DLBCL, an intermediate or high-risk form of NHL, with Treakisym. It commenced a Phase III trial to confirm the safety and efficacy of Treakisym plus rituximab in r/r DLBCL in August 2017. SymBio's mid-range plan aims to file an NDA in H120. We model Phase III costs of \$18m and a potential launch in H221.

DLBCL is a rapidly growing, intermediate or high-risk form of NHL, in contrast to the slower-growing indolent or low-risk lymphomas that are included in the current approvals for Treakisym. There is currently no standard chemotherapy for the treatment of DLBCL.

DLBCL is the most common form of NHL and is estimated to represent 45% of NHL cases in Japan¹. Based on epidemiology studies¹ and Globocan data, we estimate there will be 35,500 new cases of NHL and 16,000 new cases of DLBCL in Japan in 2020. Assuming that 70% of DLBCL patients progress to receive second-line therapy, we forecast a target market of 11,200 second-line (r/r) DLBCL patients per year in Japan by 2020.

1 Chihara et al; [British Journal of Haematology](#), 2014, 164, 536–545; doi: 10.1111/bjh.12659

The patient market of 11,200 r/r DLBCL patients in Japan is almost as large as the combined market of ~12,500 patients for the currently approved indications for Treakisym in CLL and first-line and r/r low-grade NHL and MCL patients. Given the high unmet need for this patient group, we model a 50% market penetration and peak sales (net sales after discounts) of \$85m for DLBCL vs \$84m for the currently approved indications.

Iv rigosertib a potential second product for SymBio

SymBio in-licensed rigosertib (iv and oral formulations, Japan and Korean rights) from [Onconova](#) in 2011 for MDS, a rare blood cancer. SymBio is contributing patients from Japan to the global [Phase III INSPIRE](#) trial of iv rigosertib for the treatment of second-line higher-risk MDS (HR-MDS); as of end of July 2018 it had already enrolled 36 patients in the study.

Onconova announced in January 2018 that it is moving forward with the study as it had been cleared to continue following an interim analysis by the independent data monitoring committee (DMC). Following a pre-planned sample size re-estimation conducted by the DMC as part of the interim analysis, the target enrolment was expanded from 225 to 360 patients, with the aim of increasing the power of the trial. SymBio will continue to collaborate with Onconova on the study and plans to increase the total enrolment in Japan to 40 patients. Onconova is guiding for top-line results of the overall survival analysis after 288 events to be available in 2019. SymBio aims to file for approval in 2021.

Onconova raised \$28.8m in May and had a cash balance of \$22.4m at 30 September 2018. With operating expenses currently averaging ~\$6m per quarter, it should have sufficient funds to report top-line data from the INSPIRE trial.

Valuation

We have rolled our valuation model forward in time, which increased our valuation of SymBio to (\$225m) (¥25,469m), based on a risk-adjusted NPV analysis. We use a 10% discount rate for approved products and 12.5% elsewhere. The additional 20m shares in issue following the exercise of the 45th stock acquisition rights (raising \$22.9m) sees value per share decline to \$2.9/ADR (vs \$3.6/ADR). Our valuation includes Treakisym approved indications and the r/r DLBCL indication, plus rigosertib. Our valuation assumptions and financial forecasts are unchanged. Our main assumptions are summarized in Exhibit 3 below.

Exhibit 3: SymBio rNPV valuation

Product	Indication	Launch	Peak Sales (\$m)**	Value (\$m)	Probability	rNPV (\$m)	NPV/ADR (\$/ADR)***
Treakisym	LG NHL/MCL (r/r and 1st line); CLL	2010*	84	153.7	100-95%	147.4	1.9
Treakisym (DLBCL)	r/r DLBCL	2021	85	84.1	60%	43.0	0.6
Rigosertib (IV)	r/r HR-MDS	2023	34	17.7	50%	6.2	0.1
Rigosertib (oral)	First-line HR-MDS (combo)	2025	66	29.1	15%	2.5	0.0
Net cash at 30 December 2017				26.1	100%	26.1	0.3
Valuation				310.7		225.2	2.9

Source: Edison Investment Research Edison Investment Research. Note: *Treakisym was launched in 2010 in r/r low-grade NHL/MCL; it received approvals in Japan in CLL in August 2016 and in first-line, low-grade NHL/MCL in December 2016; **we present Treakisym peak sales estimates net of discounts, to align with sales reporting by Eisai; 77.9m shares on issue.

We model a 95% likelihood that the RI Treakisym formulation will be launched by the start of 2023, thereby minimizing the penetration of generic copies of the FD Treakisym formulation. We model branded Treakisym market share gradually declining from 96% in 2022 to 75% in 2031, followed by a more rapid decline from 2032 after the liquid formulation patents expire.

Our Treakisym valuation assumes that SymBio earns an average net margin of 10–12% on top-line reported Treakisym sales until 2020. We assume that after 2020 the net operating margin gradually increases to reach 50% in 2024 and subsequent years as SymBio switches to self-commercialization of Treakisym via its own salesforce and the liquid formulations in-licensed from Eagle gain market share vs powder formulations.

We model \$13m of development costs to achieve approval for the RTD and RI liquid formulations of Treakisym. We estimate that a salesforce of 60 would be needed to market Treakisym in Japan. At a fully-loaded cost of \$250,000 per person, this would cost \$15m per year.

Scenario analysis

In a scenario where the Treakisym market share declines to 50% by 2031 (vs 75% for the base case), our valuation would fall by around \$18M (\$0.2/ADR) to around \$207m (\$2.7/ADR).

We currently assume stable Treakisym pricing apart from a 5% price cut in 2022 when FD powder generics are expected to enter the market. However, should Treakisym be subject to an additional price cut in the future, this could represent downside to our forecasts; a 10% price cut in 2019 would remove around \$22M from our Treakisym rNPV, or \$0.3/ADR.

Exhibit 4: SymBio's 2018 outlook and 2019 targets versus our estimates; ¥-based future financial forecasts

	2018 guidance	2018 estimates	2019 targets	2019 estimates
Revenue	¥ 4,201m	¥ 4,203m	¥ 4,238m	¥ 4,325m
R&D	¥ 2,311m	¥ 2,250m	N/A	¥ 2,200m
SG&A (including R&D)	¥ 4,350m	¥ 4,289m	N/A	¥ 4,920m
Operating loss	¥ 2,981m	¥ 3,045m	¥ 3,786m	¥ 3,640m
Ordinary loss	¥ 3,044m	¥ 3,030m	¥ 3,849m	¥ 3,617m
Net loss	¥ 3,056m	¥ 3,034m	¥ 3,853m	¥ 3,621m

Source: Edison Investment Research

Exhibit 5: Financial summary

Accounts: JPN GAAP, year end: 31 December, \$'000s		2014	2015	2016	2017	2018e	2019e
Total revenues		17,301	17,108	20,957	30,480	37,193	38,279
Cost of sales		(12,641)	(11,949)	(12,955)	(21,353)	(26,184)	(26,948)
Gross profit		4,661	5,159	8,002	9,126	11,009	11,330
SG&A (expenses)		(9,343)	(9,734)	(12,072)	(17,350)	(18,044)	(24,075)
R&D costs		(6,850)	(18,006)	(14,753)	(26,706)	(19,912)	(19,469)
Other income/(expense) included in adjusted		0	0	0	0	0	0
Other income/(expense) excluded from adjusted		0	0	0	0	0	0
Reported EBIT		(11,533)	(22,581)	(18,823)	(34,930)	(26,946)	(32,214)
Finance income/ (expense)		219	144	48	27	131	206
Other income/(expense) included in adjusted		(16)	19	65	24	0	0
Other income/(expense) excluded from adjusted		1,488	(841)	(1,728)	(290)	0	0
Reported PBT		(9,841)	(23,259)	(20,437)	(35,169)	(26,815)	(32,008)
Income tax expense		(34)	(34)	(34)	(34)	(34)	(34)
Reported net income		(9,875)	(23,293)	(20,471)	(35,202)	(26,849)	(32,041)
Average number of ADRs - basic (m)		30.8	32.4	39.3	49.9	66.0	77.9
Basic Earnings per ADR	USD	(0.32)	(0.72)	(0.52)	(0.71)	(0.41)	(0.41)
Adjusted EBITDA		(11,421)	(22,367)	(18,596)	(34,668)	(26,588)	(3,178)
Adjusted EBIT		(11,533)	(22,581)	(18,823)	(34,930)	(26,946)	(3,221)
Adjusted PBT		(9,826)	(23,278)	(20,503)	(35,193)	(26,815)	(3,201)
Adjusted Earnings per ADR	USD	(0.32)	(0.72)	(0.52)	(0.71)	(0.41)	(0.41)
Adjusted diluted Earnings per ADR	USD	(0.32)	(0.72)	(0.52)	(0.71)	(0.41)	(0.41)
Balance sheet							
Property, plant and equipment		434	469	660	414	429	433
Goodwill		0	0	0	0	0	0
Intangible assets		585	460	372	610	762	849
Other non-current assets		430	465	680	886	886	886
Total non-current assets		1,449	1,394	1,711	1,909	2,076	2,168
Cash and equivalents		45,063	37,712	50,613	26,080	20,489	4,425
Inventories		2,164	1,177	2,413	3,208	2,869	2,215
Trade and other receivables		2,413	2,661	4,314	4,335	5,095	4,405
Other current assets		14,874	1,164	1,818	2,098	2,098	2,098
Total current assets		64,514	42,715	59,159	35,721	30,551	13,142
Non-current loans and borrowings		0	0	3,982	0	0	13,198
Trade and other payables		0	0	0	0	0	0
Other non-current liabilities		20	14	12	12	12	12
Total non-current liabilities		20	14	3,995	12	12	13,211
Trade and other payables		2,708	2,831	2,848	5,349	3,090	3,543
Current loans and borrowings		0	0	0	0	0	0
Other current liabilities		1,610	2,045	5,489	3,603	3,603	3,603
Total current liabilities		4,318	4,876	8,337	8,951	6,693	7,146
Equity attributable to company		61,625	39,220	48,539	28,667	25,923	(5,046)
Non-controlling interest		0	0	0	0	0	0
Cash flow statement							
Profit before tax		(9,841)	(23,259)	(20,437)	(35,169)	(26,815)	(32,008)
Depreciation and Amortisation		112	215	227	262	358	437
Share based payments		838	911	1,212	1,073	1,073	1,073
Other adjustments		(1,830)	231	1,744	370	(131)	(206)
Movements in working capital		(688)	1,678	(111)	(307)	(2,679)	1,798
Net cash from operating activities (pre-tax)		(11,409)	(20,226)	(17,365)	(33,771)	(28,195)	(28,906)
Interest paid / received		238	156	53	28	131	206
Income taxes paid		(34)	(34)	(34)	(34)	(34)	(34)
Cash from operations (CFO)		(11,205)	(20,103)	(17,346)	(33,777)	(28,098)	(28,734)
Capex		(961)	(210)	(247)	(505)	(525)	(529)
Acquisitions & disposals net		0	0	0	0	0	0
Other investing activities		3,743	13,389	(141)	(181)	0	0
Cash used in investing activities (CFIA)		2,782	13,178	(388)	(686)	(525)	(529)
Net proceeds from issue of shares		4,818	(16)	28,550	10,303	23,032	0
Movements in debt		0	0	3,982	0	0	13,198
Other financing activities		(7)	(7)	(159)	0	0	0
Cash from financing activities (CFF)		4,812	(23)	32,373	10,303	23,032	13,198
Currency translation differences and other		1,823	(402)	(1,738)	(373)	0	0
Increase/(decrease) in cash and equivalents		(1,788)	(7,351)	12,902	(24,533)	(5,591)	(16,064)
Cash and equivalents at end of period		45,063	37,712	50,613	26,080	20,489	4,425
Net (debt) cash		45,063	37,712	46,631	26,080	20,489	(8,774)
Movement in net (debt) cash over period		(1,788)	(7,351)	8,919	(20,551)	(5,591)	(29,263)

Source: Edison Investment Research and SymBio accounts. Solely for the convenience of the reader the financial summary table has been converted at a rate of ¥113 to \$1. SymBio reports statutory accounts in Japanese yen. These translations should not be considered representations that any such amounts have been or could be converted into US dollars at the assumed conversion rate.

General disclaimer and copyright

This report has been commissioned by SymBio Pharmaceuticals and prepared and issued by Edison, in consideration of a fee payable by SymBio Pharmaceuticals. Edison Investment Research standard fees are £49,500 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the Edison analyst at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2018 Edison Investment Research Limited (Edison). All rights reserved FTSE International Limited ("FTSE") © FTSE 2018. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Myonlineadvisers Pty Ltd who holds an Australian Financial Services Licence (Number: 427484). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

Neither this document and associated email (together, the "Communication") constitutes or form part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Any decision to purchase shares in the Company in the proposed placing should be made solely on the basis of the information to be contained in the admission document to be published in connection therewith.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document (nor will such persons be able to purchase shares in the placing).

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

The Investment Research is a publication distributed in the United States by Edison Investment Research, Inc. Edison Investment Research, Inc. is registered as an investment adviser with the Securities and Exchange Commission. Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a) (11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
295 Madison Avenue, 18th Floor
10017, New York
US

Sydney +61 (0)2 8249 8342
Level 4
95 Pitt Street, Sydney
NSW 2000, Australia