TRADERS NEWS SOURCE

KalVista Get a Notable Investment and Collaboration Agreement

KalVista Pharmaceuticals, Inc. (NASDAQ: KALV) is a pharmaceutical company focused on the discovery, development, and commercialization of small molecule protease inhibitors for diseases with significant unmet need. The initial focus is on inhibitors of plasma kallikrein, which is an important component of the body's inflammatory response and which, in excess, can lead to increased vascular permeability, edema, and inflammation.

On October 11th, the company announced that healthcare major Merck & Co., Inc. (NYSE: MRK) has acquired around 10% stake in KalVista through the purchase of 1.07 million shares of the latter for a total payment of $9.1 million.

Additionally, KALV has entered into a collaboration agreement with Merck, through a subsidiary, for KVD001, the Company's investigational intravitreal (IVT) injection candidate presently in development for the potential treatment of diabetic macular edema (DME), as well as future oral DME compounds based upon plasma kallikrein inhibition. Therefore, both the companies are now synchronizing together on the development of one of Kalvista's lead development assets in a potential blockbuster indication.

The subject drug is being developed to cure diabetic macular edema (DME), which is characterized by an accumulation of fluid in the eye that could lead to loss of eyesight. KVD001 is an Intravitreal plasma kallikrein inhibitor, and it works by essentially reversing the process that leads to the weakening of the blood vessels in the eye. This would help in mitigating the symptoms of the disease and gradual improvements in patients.

As per management of KALV, Merck has the wherewithal and resources to help them in advance development of its DME drug candidates. Importantly for KalVista, this collaboration also meets the company's strategic objectives of maintaining control of its oral HAE portfolio that it plans to develop independently. The company looks forward to providing more details about the Phase 2 trial for KVD001 in DME patients as the trial commences.

Under the terms of the agreement, KalVista has granted to Merck certain rights including an option to acquire KVD001 through a period following completion of the Phase 2 proof-of-concept trial that KalVista intends to commence later this year.

As consideration for the agreement, Merck will pay to KalVista a $37 million non-refundable upfront fee. KalVista is further eligible to receive payments associated with the exercise of the options by Merck and

the achievement of milestones for each program that potentially total up to $715 million. KalVista also will receive tiered royalties on net sales for therapeutic candidates commercialized under this agreement. KalVista will fund and retain control over the planned Phase 2 clinical trial of KVD001 as well as the development of the investigational oral DME compounds through Phase 2, unless Merck exercises its options earlier.

The $37 million is a big comfort for company's liquidity and overall financial flexibility. Also, including it with the $30 million as of the end of June, provides almost a 12 to 18-month runway to the company.

It said, the real value unlocking/synergies would materialize when the drug gets proof of concept data and progresses towards pivotal trials. Therefore, the successful completion of the phase 2 investigation is a major upside catalyst for KalVista.

If the phase 2 completes successfully and Merck exercises its option to pick up the two oral formulation assets as well as the injectable one. Then the latter could also consider purchasing the platform outright and save itself from the future milestone payments. Therefore, this deal is likely to be a win-win situation for both the entities, as the business and financial risk profile of both are getting benefit.

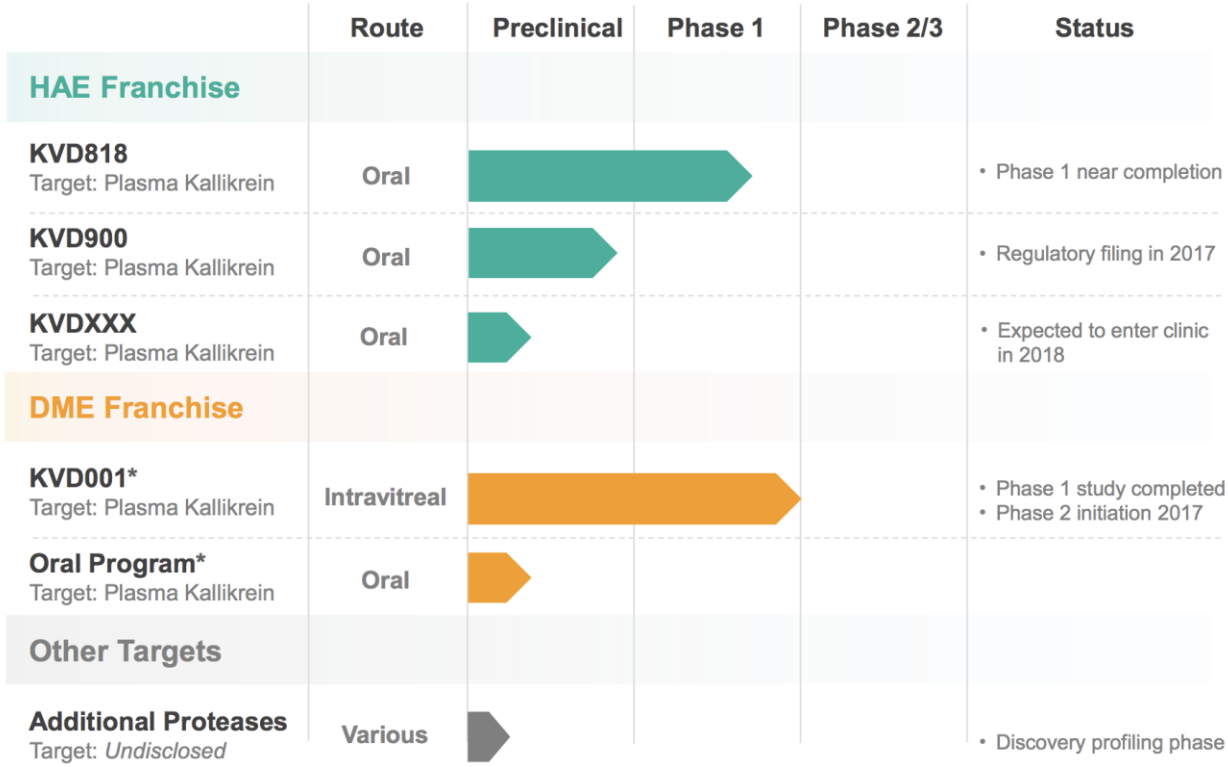
Driven by the above factors, analysts have revised their outlook on the company and KALV's average price target estimates has been figured out at $18

About the Company: KalVista Pharmaceuticals, Inc. is focused on the discovery, development, and commercialization of small molecule protease inhibitors for diseases with significant unmet need.

KalVista has developed a proprietary portfolio of novel, small molecule plasma kallikrein inhibitors initially targeting hereditary angioedema (HAE) and diabetic macular edema (DME). The Company has created a structurally diverse portfolio of oral plasma kallikrein inhibitors from which it plans to select multiple drug candidates to advance into clinical trials for HAE.

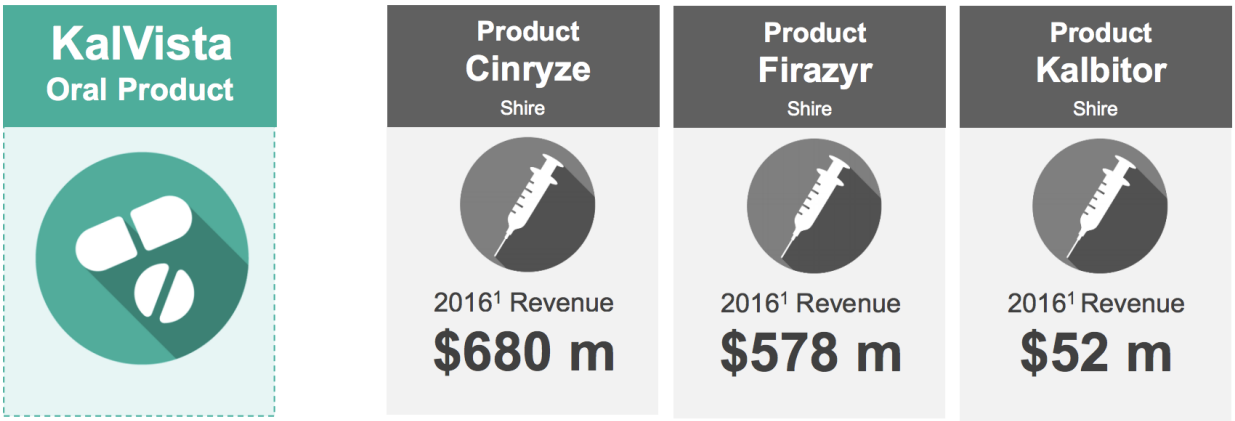
The first candidate for this planned portfolio, KVD818, is currently in a first-in-human study and additional program candidates are in preclinical development. KalVista's most advanced program, an intravitreally administered plasma kallikrein inhibitor known as KVD001, has successfully completed its first-in-human study in patients with DME and is being prepared for Phase 2 studies in 2017.

Product portfolio:

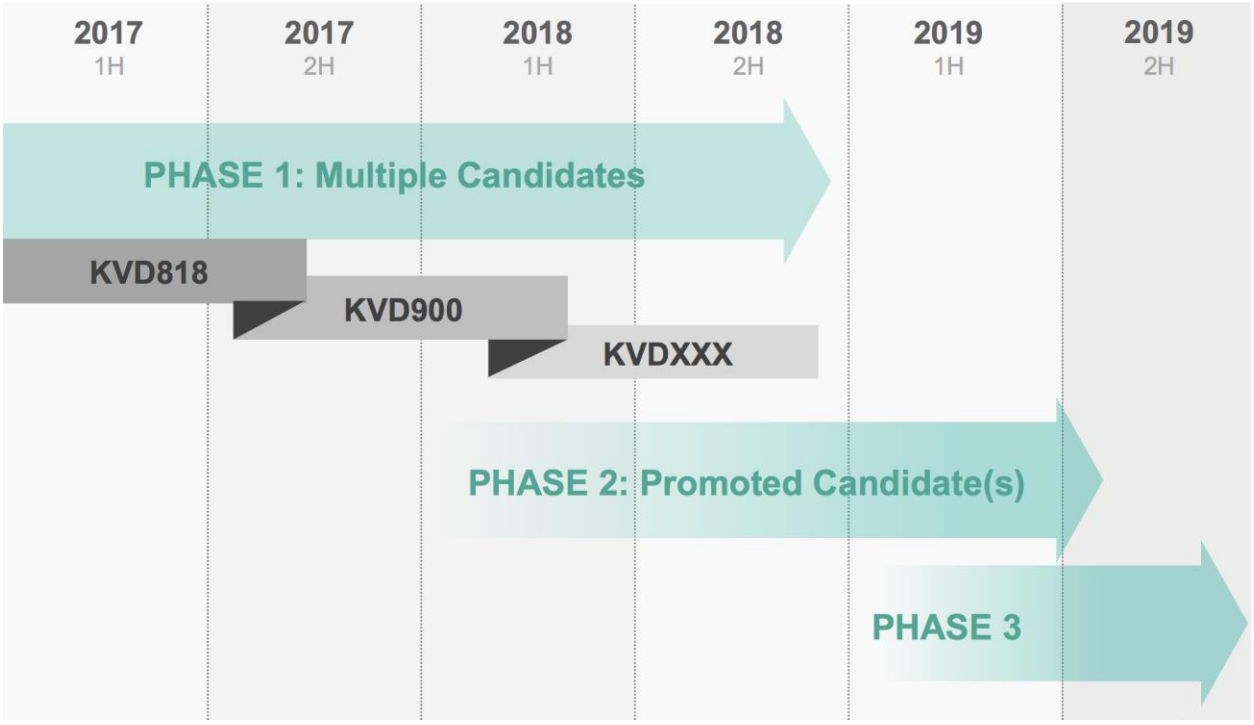


Industry potential:

- Over $2 Billion Market Forecast by 2020
- Current leading therapies (Cinryze and Firazyr) generate over $1.2 billion in annual sales
- All approved therapies are injected
- Oral therapies will contribute to market growth by expanding use in patients



Upcoming milestones:



Second quarter financial results:

Revenue: Revenue was $0.1 million for the three months ended July 31, 2017, compared to $1.0 million for the same period in 2016. The decrease in revenue is due to the completion of one research grant in the prior year and the decrease of payments received under another research grant in the current year period.

R&D Expenses: Research and development expenses were $3.5 million for the three months ended July 31, 2017, compared to $3.4 million for the same period in 2016. The increase in R&D expense primarily

reflects the impact of exchange rates on the costs of the Company's scientific operations in the U.K. On a constant currency basis; overall R&D expenses increased slightly as a result of the addition of research personnel in the U.S.

Net Loss: Net loss was $4.9 million, or $(0.51) per basic and diluted share for the three months ended July 31, 2017, compared to a net loss of $3.4 million, or $(6.66) per basic and diluted share, for the same period in 2016.

Liquidity: Cash and cash equivalents were $26.5 million as of July 31, 2017

Next Steps for KVD001

- Phase 2 clinical trial planned to initiate in 2017
- Four monthly injections over a period of three months including two active arms and one control.
- The company intends to select patients who have experienced inadequate response to previous anti-VEGF therapy
- Primary outcome will be a change in visual acuity following the final injection

Key risk factors and potential stock drivers:

The favorable outcome of the upcoming milestones (as outlined above), including Start KVD001 DME Phase 2, KVD900 Regulatory filing and Additional HAE molecule to the clinic are extremely important for KALV.

The Biotech space is a high-risk sector due to uncertainties associated with the novel drug development. Therefore, favorable outcome of the upcoming catalyst is necessary for the stock to retain its momentum. Any adversities related with the same could upset the stock performance significantly.

Stock Chart:

On Monday, October 16th, 2017, in intra-day trading, KALV was at $9.80 on volume of 173k shares exchanging hands. Market capitalization is $94.61 million. The current RSI is 67.51

In the past 52 weeks, shares of KALV have traded as low as $5.48 and as high as 15.80

At $9.80, shares of KALV are trading above its 50-day moving average (MA) at $7.24 and above its 200-day MA at $7.36

The present support and resistance levels for the stock are at $9.19 & $10.24 respectively.

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January 31st, 2017 (NASDAQ: HIMX) opened at $5.10/share and hit a high of $9.68/share March 24th, 2017 for gains of 89% within 60 days- http://finance.yahoo.com/news/himax-technologies-review-4q-2016-130000319.html

May 23rd, 2016- (NYSE: XXII) opened at $.87/share hit a high of $3.03/share so far our member potential gains- 248% - http://mailchi.mp/tradersnewssource/updates-5-of-our-profiles-for-212-400-and-whats-coming-next?e=[UNIQID]

(NASDAQ: OBCI) coverage began February 7th, 2017 opening at $4.10/share. This coverage was due to the consistent exceptional quarterly growth coupled with a special divvy issued last year and as anticipated was announced again this year. So far OBCI has traded as high as $5.90/share for potential gains of 43% so far. http://mailchi.mp/tradersnewssource/updates-5-of-our-profiles-for-212-400-and-whats-coming-next?e=[UNIQID]

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