



RESULTS UPDATE

Healthcare

Fair value: SEK5.0–8.0

Share price: SEK3.82

Ascelia Pharma

Continued focus on NDA preparations – Q1 review

Research analysts:

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DNB Carnegie Investment Bank AB

Ascelia Pharma is preparing for an FDA filing in early August, and promoting the SPARKLE study results at medical conferences. The Q1 results met our expectations, and we estimate cash will be sufficient for at least through 2025. Our fair value range remains SEK5–8 per share.

FDA submission the main focus. Management's focus in Q1 was on ongoing preparations for the FDA submission, now expected in the first half of August (a slight refinement from the previous timeline of mid-2025), as well as raising awareness of the SPARKLE study results.

The other potential key event in 2025. Beyond the NDA submission, we believe the most notable event this year is a potential licensing agreement for Orviglance. We estimate a deal could bring in non-dilutive funding through an upfront payment of around SEK100m. We model a total deal value of SEK400m, with royalties of 25% on net Orviglance sales, basing our assumptions on deals for other late-stage assets in Sweden during the past few years. The timing of such a deal, and whether it would materialise before or after the NDA filing, is challenging to estimate, however.

Q1 financials largely in line with our expectations. The operating result was SEK-20.3m (Q1 2024: SEK-16.7m) and net cash flow was SEK-17.1m (Q1 2024: SEK3.9m). We expect a meaningful reduction in cash burn following the NDA submission. At the end of March, the company had about SEK57m in cash on hand, and expects this, plus cash from warrants, to support operations through to at least the end of 2025; our estimates suggest the runway could extend slightly beyond that, even if not factoring in an upfront payment from a potential partner.

We reiterate our fair value range of SEK5–8 per share.

Changes in this report				Key figures (SEK)					Share price – 5-year	
	From	To	Ch	2024	2025e	2026e	2027e			
EPS adj. 2025e	0.39	0.34	-12%	Sales (m)	0	100	39	41		
EPS adj. 2026e	-0.09	-0.09	0%	EBITDA (m)	-68	40	-11	24		
EPS adj. 2027e	0.16	0.16	0%	EBIT (m)	-68	40	-11	24		
Upcoming events				EPS	-1.09	0.34	-0.09	0.16		
				EPS adj.	-1.09	0.34	-0.09	0.16		
				DPS	0.00	0.00	0.00	0.00	High/Low (12M) SEK7.6/2	
				Sales growth Y/Y	n.a.	+chg	-61%	6%		
				EPS adj. growth Y/Y	+chg	+chg	-chg	+chg		
				EBIT margin	n.m.	40.0%	-27.0%	58.4%		
				P/E adj.	n.m.	11.3	n.m.	23.3		
				EV/EBIT	neg.	8.2	neg.	13.1	Perf. 3M 6M 12M YTD Abs. 16.31 45.33 -41.95 30.65 Rel. 23.64 44.08 -39.58 29.10	
				EV/EBITA	neg.	8.2	neg.	13.1		
				EV/EBITDA	neg.	8.2	neg.	13.1		
				P/BV	4.7	2.9	3.1	2.7		
				Dividend yield	0.0%	0.0%	0.0%	0.0%		
				FCF yield	-14.3%	6.9%	-1.9%	4.2%	Perf. 3M 6M 12M YTD Abs. 16.31 45.33 -41.95 30.65 Rel. 23.64 44.08 -39.58 29.10	
				Equity/Total Assets	55.9%	83.2%	75.5%	76.6%		
				ROCE	-80.9%	28.0%	-7.0%	15.7%		
				ROE adj.	-94.2%	31.1%	-7.0%	12.5%		
				Net IB debt/EBITDA	0.7	-3.0	10.6	-5.4		

Source: DNB Carnegie (estimates), FactSet, Infront & company data

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Equity story

Near term: within 12M

Important upcoming milestones include a potential licensing agreement for Orviglance. We assume a licensing agreement in 2025 where the company receives an upfront payment of SEK100m, along with a milestone package and royalties on net sales.

Long term outlook: 5Y+

Ascelia Pharma's long-term equity story centres on Orviglance securing market approval, enabling the company to generate revenue through milestones and royalties. These funds will support ongoing R&D efforts for other pipeline projects.

Key risks:

- Regulatory hurdles.
- Commercial acceptance.
- Failing to find a good partner.

Company description

Ascelia Pharma is a biotechnology company that focuses on orphan drugs in oncology. The company's goal is to develop orphan drugs with a relatively high likelihood of reaching the market (contrast agents, reformulation of known substances). Orviglance targets a key market by offering a non-gadolinium contrast agent for MRI liver scans, specifically designed for patients with impaired kidney function.

Key industry drivers

- The contrast agent market is driven by the rising prevalence of cancer and the global adoption of advanced imaging technologies.

Industry outlook

- We estimate Orviglance's market potential at USD400m in the US and Europe. Given the risks associated with conventional contrast agents in the target population, we see a clear and essential role for Orviglance.

Largest shareholders, capital

Avanza Pension	8.3%
Nordnet Pensionsförsäkring	3.8%
ÖstVäst Capital Management	3.5%

Cyclicality

Cyclicality: No

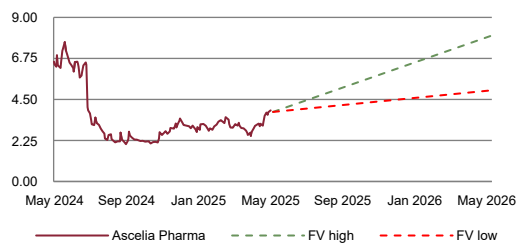
Key peers

Egetis Therapeutics, Diamyd Medical

Valuation and methodology

We use a sum-of-the-parts approach in our valuation of Ascelia Pharma, with different DCFs for the top and bottom of the fair value range.

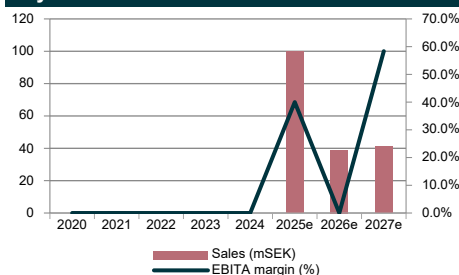
Fair value range 12M



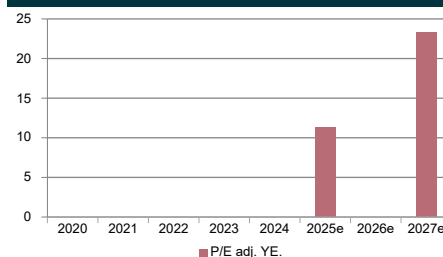
The lower end of our fair value range is based on our SOTP model using a DCF with a WACC of 20%. This reflects a scenario in which the company delivers on our expectations, but sentiment towards biotech companies remains at current levels or worsens.

The upper end of our fair value range is based on our SOTP model using a DCF with a WACC of 12%. This reflects a scenario in which the company delivers on our expectations and sentiment towards biotech companies improves.

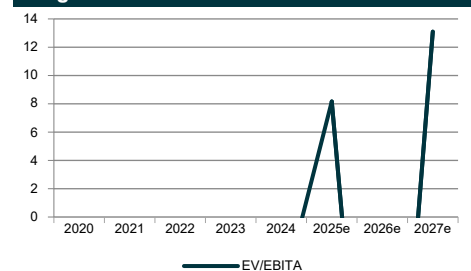
Key metrics



PE 12-months forward



Long-term valuation trend



Source: DNB Carnegie (estimates) & company data

Valuation

We use a sum-of-the-parts approach in our valuation of Ascelia, with two DCFs for the lower and upper ends of our fair value range. In our model, we assume peak sales of ~USD170m for Orviglance in the US and Europe combined. We assign the project an 85% likelihood of approval (LoA). Our assumptions include a partnership deal for Orviglance in 2025 with a total value of SEK400m, including an upfront payment of SEK100m. We currently do not include Oncoral in our valuation model. The lower end of our fair value range of SEK5–8 per share is based on our DCF model using a WACC of 20%, and the upper end is based on our DCF model using a WACC of 12%.

SOTP valuation – lower end

Project	Launch	Probability	Peak sales (USDm)	Valuation approach	NPV (SEKm)	NPV/share (SEK)
Orviglance	2026	85%	172	DCF, WACC 20%	570	5
Oncoral	Not included					
Unallocated costs					-63	-1
Enterprise Value (EV), SEKm					507	4
Net cash Q1 (25) + warrants					73	1
Total NPV					580	5

Source: DNB Carnegie (estimates) & company

SOTP valuation – higher end

Project	Launch	Probability	Peak sales (USDm)	Valuation approach	NPV (SEKm)	NPV/share (SEK)
Orviglance	2026	85%	172	DCF, WACC 12%	956	8
Oncoral	Not included					
Unallocated costs					-96	-1
Enterprise Value (EV), SEKm					860	7
Net cash Q1 (25) + warrants					73	1
Total NPV					933	8

Source: DNB Carnegie (estimates) & company

NPV/share sensitivity analysis, WACC and LoA (SEK)

		WACC (%)						
		10%	12%	14%	16%	18%	20%	22%
LoA (%)	100%	11	9	8	7	6	6	5
	95%	10	9	8	7	6	5	5
	90%	10	8	7	7	6	5	5
	85%	9	8	7	6	6	5	4
	80%	9	8	7	6	5	5	4
	75%	8	7	6	6	5	4	4
	70%	8	7	6	5	5	4	4

Source: DNB Carnegie (estimates) & company

Risks

Regulatory hurdles: Orviglance needs regulatory approval from agencies like the FDA, and any delays, additional data requests, or changing requirements could push back its market launch, affecting revenue.

Commercial acceptance: Even with regulatory approval, commercial success is not guaranteed. Healthcare providers, hospitals and insurers would need to adopt Orviglance for it to generate strong sales.

Failing to find a good partner: A strong commercial partner is crucial for launching Orviglance globally. Without one, Ascelia Pharma could struggle with distribution of the product. A weak partnership, or failing to secure one at all, could limit the sales potential.

Financial statements										
Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	0	0	0	0	0	0	100	39	41
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	100	39	41
Other income & costs	0	0	-93	-138	-147	-111	-68	-60	-49	-17
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	0	0	-93	-138	-147	-111	-68	40	-11	24
Depreciation PPE	0	0	0	0	0	0	0	0	0	0
Depreciation lease assets	0	0	0	0	0	0	0	0	0	0
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	0	0	0	0	0	0	0	0	0	0
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	-93	-138	-147	-111	-68	40	-11	24
Amortization acquisition related	0	0	0	0	0	0	0	0	0	0
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	0	0	-93	-138	-147	-111	-68	40	-11	24
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	0	-6	8	14	1	-4	-4	0	0
of which interest income/expenses	0	0	0	0	0	0	0	0	0	0
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	-6	8	14	1	-4	-4	0	0
Pre-tax profit	0	0	-100	-130	-133	-110	-72	36	-11	24
Taxes	0	0	1	4	2	0	0	0	0	-5
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	0	0	-99	-126	-131	-110	-72	36	-11	19
Adjusted EBITDA	0	0	-93	-138	-147	-111	-68	40	-11	24
Adjusted EBITA	0	0	-93	-138	-147	-111	-68	40	-11	24
Adjusted EBIT	0	0	-93	-138	-147	-111	-68	40	-11	24
Adjusted net profit	0	0	-99	-126	-131	-110	-72	36	-11	19
Sales growth Y/Y	na	na	na	+chg	0.0%	-chg	na	+chg	-61.0%	6.2%
EBITDA growth Y/Y	na	na	-chg	-chg	-chg	+chg	+chg	+chg	-chg	+chg
EBITA growth Y/Y	na	na	-chg	-chg	-chg	+chg	+chg	+chg	-chg	+chg
EBIT growth Y/Y	na	na	-chg	-chg	-chg	+chg	+chg	+chg	-chg	+chg
EBITDA margin	nm	nm	nm	na	na	nm	nm	40.0%	-27.0%	58.4%
EBITA margin	nm	nm	nm	nm	nm	nm	nm	40.0%	nm	58.4%
EBIT margin	nm	nm	nm	na	na	nm	nm	40.0%	-27.0%	58.4%
Tax rate	na	na	1.0%	3.0%	1.5%	na	na	na	na	20.6%
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	0	-93	-138	-147	-111	-68	40	-11	24
Paid taxes	0	0	0	1	4	1	1	0	0	-5
Change in NWC	0	0	-1	13	15	-22	4	-5	2	-1
Non cash adjustments	0	0	15	-2	-10	3	4	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	0	0	-86	-117	-125	-127	-64	31	-9	19
Capex tangible assets	0	0	0	0	0	0	0	0	0	0
Capitalised development costs	0	0	0	0	0	0	0	0	0	0
Capex - other intangible assets	0	0	76	0	0	0	0	0	0	0
Acquisitions/divestments	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
Total investing activities	0	0	76	0	0	0	0	0	0	0
Net financial items	0	0	-6	8	14	1	-4	-4	0	0
Lease payments	0	0	0	0	0	0	-1	0	0	0
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	0	0	93	185	0	0	90	40	0	0
Change in bank debt	0	0	0	0	-1	-1	25	-25	0	0
Other cash flow items	0	0	0	0	0	0	1	0	0	0
Total financing activities	0	0	93	185	-1	-1	116	14	0	0
Operating cash flow	0	0	-86	-117	-125	-127	-64	31	-9	19
Free cash flow	0	0	-10	-117	-125	-127	-64	31	-9	19
Net cash flow	0	0	89	60	-140	-129	58	49	-9	19
Change in net IB debt	0	0	83	68	-125	-127	28	71	-9	19
Capex / Sales	nm	nm	nm	0.0%	0.0%	nm	nm	0.0%	0.0%	0.0%
NWC / Sales	nm	nm	nm	-94090.0%	-191480.0%	nm	nm	-25.6%	-61.5%	-59.6%

Source: DNB Carnegie (estimates) & company data

Financial statements, cont.										
Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	0	0	0	0	0	0	0	0	0	0
Other fixed intangible assets	0	0	57	57	57	57	57	57	57	57
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	0	2	2	0	0	0	0	0	0
Lease assets	0	0	0	0	0	0	0	0	0	0
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	0	0	0	0	0	0	0	0	0
Fixed assets	0	0	59	59	58	58	58	58	58	58
Inventories (2)	0	0	0	0	0	0	0	0	6	6
Receivables (2)	0	0	0	0	0	0	0	0	8	8
Prepaid exp. & other NWC items (2)	0	0	12	13	11	7	8	8	8	11
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	0	0	185	262	150	22	75	120	112	130
Current assets	0	0	196	275	161	29	84	128	134	156
Total assets	0	0	255	333	219	87	141	186	191	213
Shareholders' equity	0	0	236	308	181	74	79	155	144	163
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	0	0	236	308	181	74	79	155	144	163
Deferred tax	0	0	0	0	0	0	0	0	0	0
LT IB debt (1)	0	0	0	0	0	0	0	0	0	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0	0	0
Other non-IB liabilities	0	0	1	1	0	0	0	0	0	0
LT liabilities	0	0	1	1	0	0	0	0	0	0
ST IB debt (1)	0	0	0	0	0	0	25	0	0	0
Payables (2)	0	0	4	6	16	2	5	6	16	12
Accrued exp. & other NWC items (2)	0	0	14	19	22	11	32	25	31	37
Other ST non-IB liabilities	0	0	0	0	0	0	0	0	0	0
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	0	0	18	25	38	13	62	31	47	50
Total equity and liabilities	0	0	255	333	219	87	141	186	191	213
Net IB debt (=1)	0	0	-185	-262	-150	-22	-50	-120	-112	-130
Net working capital (NWC) (=2)	0	0	-7	-12	-26	-5	-28	-23	-25	-24
Capital employed (CE)	0	0	236	308	181	74	104	155	144	163
Capital invested (CI)	0	0	52	47	31	52	29	35	33	33
Equity / Total assets	nm	nm	92%	92%	83%	86%	56%	83%	75%	77%
Net IB debt / EBITDA	nm	nm	2.0	1.9	1.0	0.2	0.7	-3.0	10.6	-5.4
Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	0.00	0.00	28.70	34.18	34.18	34.87	97.22	117.1	117.1	117.1
Diluted no. of Shares YE (m)	0.00	0.00	28.70	34.18	34.18	34.87	97.22	117.1	117.1	117.1
EPS	na	na	-6.88	-4.00	-3.84	-3.17	-1.09	0.34	-0.09	0.16
EPS adj.	na	na	-6.88	-4.00	-3.84	-3.17	-1.09	0.34	-0.09	0.16
CEPS	na	na	-6.88	-4.00	-3.84	-3.17	-1.11	0.34	-0.09	0.16
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	na	na	8.23	9.01	5.29	2.13	0.81	1.32	1.23	1.40
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	nm	nm	-83.7%	-46.2%	-53.7%	-85.9%	-94.2%	31.1%	-7.0%	12.5%
Adj. ROCE pre-tax	na	na	na	-47.6%	-54.5%	-85.9%	-80.9%	28.0%	-7.0%	15.7%
Adj. ROIC after-tax	na	na	na	-270.0%	-369.9%	-265.1%	-166.5%	125.3%	-31.3%	58.3%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	0.0%	0.0%	-2.2%	-26.2%	-28.0%	-28.4%	-14.3%	6.9%	-1.9%	4.2%
Dividend yield YE	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	na	nm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	na	nm	nm	>50	>50	nm	nm	3.27	8.60	7.65
EV/EBITDA YE	na	nm	neg.	neg.	neg.	neg.	neg.	8.2	neg.	13.1
EV/EBITA YE	na	nm	neg.	neg.	neg.	neg.	neg.	8.2	neg.	13.1
EV/EBITA adj. YE	na	nm	neg.	neg.	neg.	neg.	neg.	8.2	neg.	13.1
EV/EBIT YE	na	nm	neg.	neg.	neg.	neg.	neg.	8.2	neg.	13.1
P/E YE	na	na	nm	nm	nm	nm	nm	11.3	nm	23.3
P/E adj. YE	na	na	nm	nm	nm	nm	nm	11.3	nm	23.3
P/BV YE	na	na	4.74	2.29	1.95	1.09	3.60	2.89	3.10	2.73
Share price YE (SEK)		16.3	39.0	20.6	10.3	2.33	2.92	3.82		

Source: DNB Carnegie (estimates) & company data

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