



RESULTS UPDATE

Healthcare

Fair value: SEK3.5–5.4

Share price: SEK1.81

Alzinova

Fully focused on Phase II preparations – Q1 review

Research analysts:

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DNB Carnegie Investment Bank AB

Alzinova's Q1 report showed steady progress towards a Phase II trial for ALZ-101, supported by positive Phase Ib safety data and early efficacy signals. Financials were in line with expectations, and the SEK30.3m rights issue strengthens preparations and partnership prospects.

Alzinova's report for Q1 showed progress towards its main goal, advancing ALZ-101 into a Phase II trial, with or without a partner. The highlight of Q1 was clearly the presentation of Phase Ib data for ALZ-101, which we believe offers a solid foundation for the drug's continued development. Overall, the results reinforced ALZ-101's favourable safety profile, with reported adverse events being mild and in line with expectations. While the trial's primary focus was safety, we also saw early signs of efficacy. Notably, patients receiving active treatment showed no clinical deterioration over the extended study period (averaging 100–140 weeks), and there was a positive trend in NfL levels, a biomarker for neuronal damage.

From a financial perspective, nothing in the report stood out and expenses were largely in line with our expectations. The operating result was SEK-5.9m (-5.0) and net cash flow SEK-11.9m (-9.0). The company ended Q1 with a cash balance of SEK3.6m, but this figure is obviously higher when including the recent rights issue of SEK30.3m. The rights issue enables the company to accelerate preparations for a Phase II trial and gives it more flexibility in ongoing partnership discussions.

After making only minor changes in our model, we reiterate our fair value of SEK3.5–5.4 per share.

Changes in this report				Key figures (SEK)					Share price – 5-year	
	From	To	Ch		2024	2025e	2026e	2027e		
EPS adj. 2025e	-0.48	-0.44	+8%	Sales (m)	0	0	0	0		
EPS adj. 2026e	-0.95	-0.81	+15%	EBITDA (m)	-20	-42	-84	-80		
EPS adj. 2027e	-0.71	-0.61	+15%	EBIT (m)	-20	-42	-84	-80		
Upcoming events				EPS	-0.31	-0.44	-0.81	-0.61		
				EPS adj.	-0.31	-0.44	-0.81	-0.61		
				DPS	0.00	0.00	0.00	0.00		
				Sales growth Y/Y	-chg	+chg	10%	-9%		
				EPS adj. growth Y/Y	+chg	-chg	-chg	+chg		
				EBIT margin	n.m.	n.m.	n.m.	n.m.		
				P/E adj.	n.m.	n.m.	n.m.	n.m.		
Key facts				EV/EBIT	neg.	neg.	neg.	neg.	High/Low (12M) SEK4.5/0.9 Perf. 3M 6M 12M YTD Abs. -42.12 -53.93 91.23 -47.80 Rel. -34.17 -54.51 94.76 -48.68	
No. shares (m)		104.3		EV/EBITA	neg.	neg.	neg.	neg.		
Market cap. (USDm)		19		EV/EBITDA	neg.	neg.	neg.	neg.		
Market cap. (SEKm)		188		P/BV	1.3	0.8	0.7	0.9		
Net IB Debt. (SEKm)		-97		Dividend yield	0.0%	0.0%	0.0%	0.0%		
Adjustments (SEKm)		0		FCF yield	-19.6%	-36.2%	-60.7%	-49.6%		
EV (2025e) (SEKm)		91		Equity/Total Assets	92.9%	99.7%	99.7%	99.6%		
Free float		81.8%		ROCE	-17.2%	-23.9%	-33.9%	-34.0%		
Avg. daily vol. ('000)		261		ROE adj.	-17.2%	-23.9%	-33.9%	-27.0%		
BBG		ALZ SS		Net IB debt/EBITDA	0.8	2.3	1.2	0.1		
Fiscal year end		December								
Share price as of (CET)	15 May 2025 17:20									

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

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Equity story

Near term: within 12M

Alzinova is actively engaged in partnership discussions concerning a potential licensing agreement for ALZ-101. In our view, this represents the most important potential near-term catalyst for the share price.

Long term outlook: 5Y+

The long-term story for Alzinova centres on ALZ-101 demonstrating encouraging clinical data and eventually achieving market approval. The high prevalence of Alzheimer's disease, combined with the substantial healthcare costs it entails, creates considerable market potential for disease-modifying therapies. GlobalData expects the Alzheimer's treatment market to expand at a 23.4% CAGR through 2033.

Key risks:

- Early-stage clinical development companies face significant risks, including failure in planned studies, regulatory hurdles, and uncertainty regarding study timing and results. Such risks are generally high at this stage of development.
- Alzheimer's clinical trials require lengthy follow-up periods, posing recruitment and timing risks.
- The company is likely to need more capital before reaching breakeven.

Company description

Alzinova is a Swedish clinical-stage biopharmaceutical company developing a therapeutic vaccine and monoclonal antibody against Alzheimer's disease. The company identified a method that could specifically target the toxic elements in the brain – amyloid-beta oligomers – one of the underlying causes of Alzheimer's disease.

Key industry drivers

- Ageing population
- New innovative therapies
- Advancements in biomarkers and diagnostics

Industry outlook

- We expect the Alzheimer's sector to experience robust growth, driven by emerging therapeutic targets, novel treatment modalities, and a supportive regulatory environment.

Largest shareholders, capital

Avanza Pension	17.1%
Maida Vale Capital AB	16.4%
Nordnet Pensionsförsäkring	3.8%

Cyclicality

Cyclicality: N/A

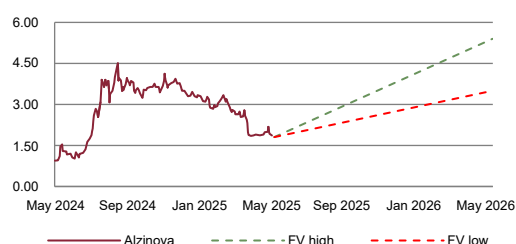
Key peers

BioArctic, Alzecure Pharma

Valuation and methodology

We use a sum-of-the-parts approach in our valuation of Alzinova, with different DCFs for the top and bottom of the fair value range. In our model, we project peak sales of USD3.2bn for ALZ-101 in Alzheimer's disease. We assign the project a 12% likelihood of approval (LoA). Due to the absence of completed clinical trials, we have not yet included ALZ-201 in our valuation model.

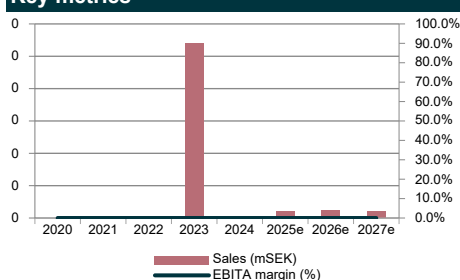
Fair value range 12M



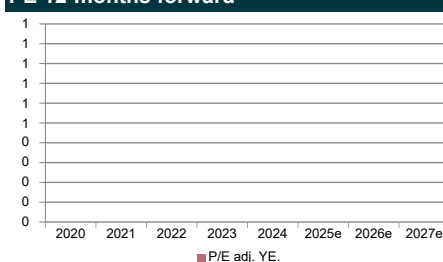
The lower end of our fair value range is based on our SOTP model using a DCF with a WACC of 20%. This reflects a scenario where the company delivers on our expectations, but the sentiment for biotech companies remains at current levels.

The upper end of our fair value range is based on our SOTP model using a DCF with a WACC of 16%. This reflects a scenario where the company delivers on our expectations and the sentiment for biotech companies improves.

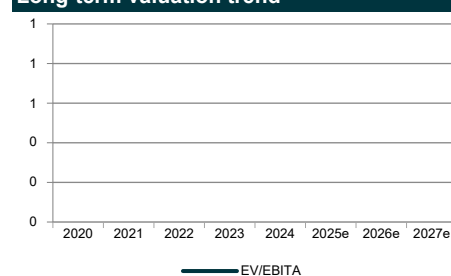
Key metrics



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 Alzinova, with two DCFs for the lower and upper ends of our fair value range. In our model, we project peak sales of USD3.2bn for ALZ-101 in Alzheimer's disease. We assign the project a 12% likelihood of approval (LoA). Due to the absence of completed clinical trials, we have not yet included ALZ-201 in our valuation model.

Our assumptions include a partnership deal for ALZ-101 in 2028 with a total value of USD1bn, comprising an upfront payment of USD100m, contingent on positive top-line results from the Phase II trial. Additionally, we estimate Alzinova will receive 15% of net sales for ALZ-101.

While we acknowledge it is possible that the company signs a licensing deal ahead of a Phase II trial, we do not factor this into our model. We assume that the company will need to raise >SEK200m in total to finance a Phase II trial.

We reach a fair value range of SEK3.5–5.4 per share. The lower end of our fair value range 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 16%.

SOTP valuation – low end

Project	Launch	Probability	Peak sales (USDm)	Valuation approach	NPV (SEKm)	NPV/share (SEK)
ALZ-101, Alzheimer's disease	2032	12%	3222	DCF, WACC 20%	381	3.7
Unallocated costs					-48	-0.5
Enterprise Value (EV), SEKm					334	3.2
Net cash Q1 (25) + estimated net proceeds					31	0.3
Total NPV					365	3.5

Source: DNB Carnegie (estimates) & company

SOTP valuation – high end

Project	Launch	Probability	Peak sales (USDm)	Valuation approach	NPV (SEKm)	NPV/share (SEK)
ALZ-101, Alzheimer's disease	2032	12%	3222	DCF, WACC 16%	595	5.7
Unallocated costs					-61	-0.6
Enterprise Value (EV), SEKm					533	5.1
Net cash Q1 (25) + estimated net proceeds					31	0.3
Total NPV					564	5.4

Source: DNB Carnegie (estimates) & company

NPV/share sensitivity analysis, WACC and LoA

		WACC (%)						
		15%	16%	17%	18%	19%	20%	21%
LoA (%)	21%	11	10	9	8	7	6	6
	18%	9	8	7	7	6	5	5
	15%	8	7	6	5	5	4	4
	12%	6	5	5	4	4	3	3
	9%	4	4	3	3	3	2	2
	6%	3	2	2	2	2	1	1
	3%	1	1	1	0	0	0	0

Source: DNB Carnegie (estimates) & company

Risks

Clinical development risk: In terms of companies in early clinical development, the greatest risk is always that they fail in their planned clinical studies or do not receive approval to begin such studies. There is also a risk that the authorities do not approve an application for clinical studies or to advance further with ongoing studies. Both preclinical and clinical studies are associated with considerable uncertainty, as well as risks with their timing or results.

Risks related to patient recruitment or delays: The Alzheimer's field is known for its lengthy follow-up periods for clinical studies. This entails risk with both patient recruitment and delays.

Risks related to key staff: The company has a compact management structure and is highly dependent on key executives. If it were to lose some of its key staff, this would damage the company's future development.

Commercialisation risk: The company has not yet commercialised any projects, such as via licensing deals, partnerships, or through its own development, or launched any drugs. It thus has not made any sales or generated any revenues.

Financial risks: Owing to the company's current cash position, it will, in our view, need to take in capital to run its business, unless it signs a licensing deal. There are no guarantees that it can raise the necessary capital at favourable terms, or even that it can raise any such capital at all. Should it not manage to raise this capital, it may be forced to end operations.

Financial statements										
Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	0	0	0	0	0	0	0	0	0
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0
Other income & costs	0	0	-6	-8	-13	-17	-20	-42	-84	-80
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	0	0	-6	-8	-13	-17	-20	-42	-84	-80
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	-6	-8	-13	-17	-20	-42	-84	-80
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	-6	-8	-13	-17	-20	-42	-84	-80
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0
Pre-tax profit	0	0	-6	-8	-13	-16	-20	-42	-84	-80
Taxes	0	0	0	0	0	0	0	0	0	16
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	-6	-8	-13	-16	-20	-42	-84	-64
Adjusted EBITDA	0	0	-6	-8	-13	-17	-20	-42	-84	-80
Adjusted EBITA	0	0	-6	-8	-13	-17	-20	-42	-84	-80
Adjusted EBIT	0	0	-6	-8	-13	-17	-20	-42	-84	-80
Adjusted net profit	0	0	-6	-8	-13	-16	-20	-42	-84	-64
Sales growth Y/Y	na	na	na	na	na	+chg	-chg	+chg	10.0%	-9.1%
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	nm	nm	na	nm	na	na	na
EBITA margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EBIT margin	nm	nm	nm	nm	nm	na	nm	na	na	na
Tax rate	na	na	na	na	na	na	na	na	na	20.6%
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	0	-6	-8	-13	-17	-20	-42	-84	-80
Paid taxes	0	0	0	0	0	0	0	0	0	16
Change in NWC	0	0	0	-2	3	1	0	-6	0	0
Non cash adjustments	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	0	0	-6	-10	-10	-15	-20	-48	-84	-64
Capex tangible assets	0	0	0	0	0	0	0	0	0	0
Capitalised development costs	0	0	-15	-17	-17	-20	-17	-20	-30	-30
Capex - other intangible assets	0	0	0	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	-15	-17	-17	-20	-17	-20	-30	-30
Net financial items	0	0	0	0	0	0	0	0	0	0
Lease payments	0	0	0	0	0	0	0	0	0	0
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	0	0	43	0	30	25	31	150	120	0
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	0	0	0	0	0	0	0	0	0	0
Total financing activities	0	0	43	0	30	25	31	150	120	0
Operating cash flow	0	0	-6	-10	-10	-15	-20	-48	-84	-64
Free cash flow	0	0	-21	-27	-27	-35	-37	-68	-114	-94
Net cash flow	0	0	22	-27	3	-10	-6	82	6	-94
Change in net IB debt	0	0	22	-27	3	-10	-6	82	6	-94
Capex / Sales	nm	nm	nm	nm	nm	0.0%	nm	0.0%	0.0%	0.0%
NWC / Sales	nm	nm	nm	nm	nm	-1796.5%	nm	-29060.0%	0.0%	-1.0%

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	2	2	2	2	2	2	2	2
Capitalised development	0	0	43	60	77	96	113	133	163	193
Tangible assets	0	0	0	0	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	44	62	78	98	115	135	165	195
Inventories (2)	0	0	0	0	0	0	0	0	0	0
Receivables (2)	0	0	0	0	0	0	0	0	0	0
Prepaid exp. & other NWC items (2)	0	0	0	1	1	3	3	0	0	0
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	56	29	32	22	15	97	103	9
Current assets	0	0	56	30	33	25	19	98	103	10
Total assets	0	0	101	92	112	123	133	232	268	204
Shareholders' equity	0	0	96	88	106	114	124	231	267	204
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	96	88	106	114	124	231	267	204
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	1	1	1	1	1	1
LT liabilities	0	0	1	1	1	1	1	1	1	1
ST IB debt (1)	0	0	0	0	0	0	0	0	0	0
Payables (2)	0	0	2	2	3	2	3	0	0	0
Accrued exp. & other NWC items (2)	0	0	2	2	2	6	6	0	0	0
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	4	3	5	9	9	0	0	0
Total equity and liabilities	0	0	101	93	112	123	133	232	268	204
Net IB debt (=1)	0	0	-56	-29	-32	-22	-15	-97	-103	-9
Net working capital (NWC) (=2)	0	0	-4	-2	-4	-6	-6	0	0	0
Capital employed (CE)	0	0	96	88	105	114	124	231	267	204
Capital invested (CI)	0	0	-2	-1	-3	-4	-4	2	2	2
Equity / Total assets	nm	nm	95%	96%	95%	92%	93%	100%	100%	100%
Net IB debt / EBITDA	nm	nm	8.6	3.8	2.4	1.3	0.8	2.3	1.2	0.1
Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	7.53	7.63	15.78	15.78	32.42	44.53	89.17	104.3	104.3	104.3
Diluted no. of Shares YE (m)	7.53	7.63	15.78	15.78	32.42	44.53	89.17	104.3	104.3	104.3
EPS	0.00	0.00	-0.56	-0.48	-0.54	-0.43	-0.31	-0.44	-0.81	-0.61
EPS adj.	0.00	0.00	-0.56	-0.48	-0.54	-0.43	-0.31	-0.44	-0.81	-0.61
CEPS	0.00	0.00	-0.56	-0.48	-0.54	-0.43	-0.31	-0.44	-0.81	-0.61
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	0.00	0.00	6.09	5.61	3.26	2.56	1.39	2.22	2.56	1.95
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	nm	nm	-13.5%	-8.2%	-13.5%	-15.0%	-17.2%	-23.9%	-33.9%	-27.0%
Adj. ROCE pre-tax	na	na	na	-8.2%	-13.5%	-15.1%	-17.2%	-23.9%	-33.9%	-34.0%
Adj. ROIC after-tax	na	na	na	565.9%	801.1%	513.4%	506.6%	3327.3%	-5170.9%	-3891.9%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	0.0%	0.0%	-11.2%	-14.4%	-14.3%	-18.5%	-19.6%	-36.2%	-60.7%	-49.6%
Dividend yield YE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	nm	nm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	nm	nm	nm	nm	nm	>50	nm	>50	>50	>50
EV/EBITDA YE	nm	nm	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
EV/EBITA YE	nm	nm	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
EV/EBITA adj. YE	nm	nm	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
EV/EBIT YE	nm	nm	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/E YE	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
P/E adj. YE	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
P/BV YE	nm	nm	0.92	0.83	0.69	0.96	2.49	0.81	0.71	0.93
Share price YE (SEK)	13.0	7.52	5.58	4.67	2.24	2.46	3.46	1.81		

Source: DNB Carnegie (estimates) & company data

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