



COMPANY UPDATE

Healthcare

Fair value: SEK0.27–0.44

Share price: SEK0.26

Spago Nanomedical

Next dose evaluation approaching – Q2 review

Research analysts:

Klas Palin
DNB Carnegie Investment Bank AB

The key highlight of the Q2 report was the update on recruitment for the company's lead asset, Tumorad, with the highest dose cohort now fully recruited and patients dosed. A Data Monitoring Committee (DMC) evaluation is expected in October, which should provide further insights into the safety profile. Following the report, we maintain our fair value range of SEK0.27–0.44.

Costs remain low. Operating expenses declined to SEK8.3m in Q2, from SEK10.3m in the same quarter last year, mainly reflecting organisational changes implemented late in 2024. This was broadly in line with our full-year cost expectations. During the quarter, the company also received SEK1.2m in innovation support from the Australian authorities for the Tumorad study. At the end of June 2025, the cash position stood at SEK18.5m, which we estimate will fund operations into early 2026.

Promising safety profile. Recruitment for the Tumorad Phase I study appears to be progressing smoothly, with 12 patients dosed to date. The highest dose cohort of three patients is now approaching evaluation by the DMC, expected in October. If Tumorad is recommended by the DMC, we expect the company to proceed to a higher dose level. Safety data reported so far look encouraging, with only transient thrombocyte suppression observed. We look forward to getting another update in connection with the DMC decision.

Estimates changes. We make only modest estimate changes but continue to view the financial position as weak, with a capital injection likely needed later this year.

Unique asset, needs to be proven. We believe Tumorad has a differentiated profile in the fast-growing field of radiopharmaceuticals. Preclinical data and experience from other approved products confirm the anti-cancer activity of its lutetium-based radioactive payload, leaving safety and tolerability as the key outstanding questions. In our view, additional data at higher dose levels demonstrating a favourable safety profile would significantly de-risk the case.

Changes in this report				Key figures (SEK)					Share price – 5-year	
	From	To	Chg		2024	2025e	2026e	2027e		
EPS adj. 2025e	-0.09	-0.09	0%	Sales (m)	2	2	1	1		
EPS adj. 2026e	-0.11	-0.11	0%	EBITDA (m)	-33	-30	-39	-50		
EPS adj. 2027e	-0.15	-0.15	0%	EBIT (m)	-34	-30	-40	-51		
Upcoming events				EPS	-0.11	-0.09	-0.11	-0.15		
Q3 Report		05 Nov 2025		EPS adj.	-0.11	-0.09	-0.11	-0.15		
				DPS	0.00	0.00	0.00	0.00		
				Sales growth Y/Y	59%	-20%	-9%	-14%		
				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) SEK0.4/0.2 Perf. 3M 6M 12M YTD Abs. 42.47 18.18 -28.57 32.65 Rel. 40.37 22.81 -30.33 28.57	
No. shares (m)		348.2		EV/EBITDA	neg.	neg.	neg.	neg.		
Market cap. (USDm)		9		P/BV	2.7	2.5	2.8	2.9		
Market cap. (SEKm)		91		Dividend yield	0.0%	0.0%	0.0%	0.0%		
Net IB Debt. (SEKm)		-36		FCF yield	-36.9%	-31.9%	-42.6%	-53.9%		
Adjustments (SEKm)		0		Equity/Total Assets	84.0%	82.9%	71.0%	64.9%		
EV (2025e) (SEKm)		54		ROCE	-86.4%	-85.8%	-112.4%	-155.4%		
Free float		53.3%		ROE adj.	-87.2%	-87.3%	-114.8%	-159.4%		
Avg. daily vol. ('000)		117		Net IB debt/EBITDA	1.0	1.2	0.8	0.7		
BBG		SPAGO SS								
Fiscal year end		December								
Share price as of (CET)	20 Aug 2025 11:43									

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

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Equity story

Near term: within 12M

The Phase I/IIa trial of Tumorad is progressing, and we expect a recommended Phase II dose to be determined in 2025, paving the way for advancement to the next stage. We believe the most critical factor for the stock will be any early clinical data supporting Tumorad's proposed mechanism of action, particularly evidence of its accumulation in tumours without significant safety concerns. This would represent a key de-risking event.

Long-term outlook: 5Y+

The success of Tumorad is crucial for Spago's potential to become a highly profitable company with marketable products generating recurring revenues. However, as a small company with limited resources, securing a partner will be essential for achieving long-term success and profitability. If Spago can generate data supporting Tumorad's mechanism of action while maintaining a manageable safety profile, we believe this will trigger significant industry interest and create valuable partnering opportunities.

Key risks:

- Clinical development of Tumorad is at an early stage with high risks of setbacks
- Underfinanced – Spago will need further financing to deliver on its business model
- Early partnering for Tumorad would unlock significant value and provide considerable validation for the project

Company description

Spago Nanomedical specialises in the design and development of nanoparticles. Its pipeline includes SpagoPix (pegfosimer), a contrast agent for magnetic resonance imaging (MRI), and Tumorad, a radiotherapy designed for the treatment of metastatic cancer. Tumorad is the company's lead asset, consisting of nanoparticles loaded with radioactive lutetium-177 (¹⁷⁷Lu), optimised for selective accumulation in cancer cells. The therapy has shown promising results in preclinical models of aggressive and metastatic cancer and is currently being evaluated in a Phase I/IIa study.

Key industry drivers

- The global incidence of cancer is projected to increase and drive demand for treatments
- Demand for more effective targeted therapies to improve overall survival and quality of life

Industry outlook

- The oncology market is the largest therapeutic area, with the highest deals activity
- Overall oncology pharmaceutical market is expected to grow by 12–13% per year up to 2028

Largest shareholders, capital

Peter Lindell	45.4%
Mikael Lönn	9.2%
Eva Redhe	5.3%

Cyclical

Cyclical: N/A

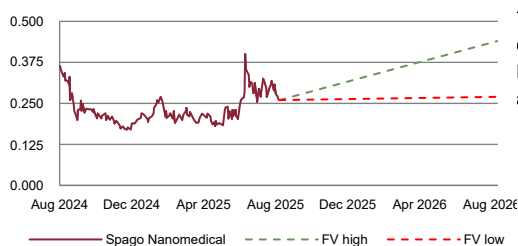
Key peers

We view its key listed Swedish peers to be: Active Biotech, Ascelia, Cantargia, Curasight, Medivir, and Mendus

Valuation and methodology

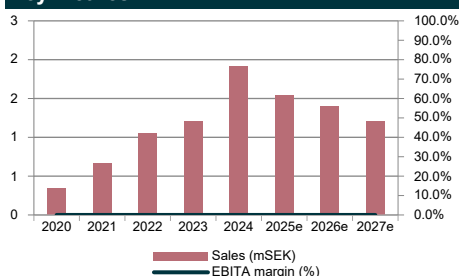
Our valuation of Spago Nanomedical is based on a risk-adjusted cash flow model (rNPV), where each project is assessed individually over its patent lifespan and then aggregated in our sum-of-the-parts (SOTP) model. We focus on the company's active programme, Tumorad, while excluding SpagoPix from our model as we await a partner to provide funding or take control of its further development.

Fair value range 12M



The upper end of our fair value range is based on our SOTP analysis, using a WACC of 20%, while the lower end applies a discount rate of 25%. In both scenarios, we anticipate continued progress in the Phase I/IIa study. Investor sentiment toward biotech remains very weak in our lower estimate, whereas our upper estimate assumes improved sentiment.

Key metrics



P/E 12-months forward



Long-term valuation trend



Source: DNB Carnegie (estimates) & company data

Valuation and risks

We maintain our fair value range to SEK0.27–0.44 per share following the Q2 report. The valuation is based on a sum-of-the-parts (SOTP) analysis, applying a WACC of 20–25%.

Our valuation of Spago Nanomedical is based on a SOTP model, where we assess each project over its patent lifespan. The forecasts are risk-adjusted based on the respective development phase. We include only projects with a clear path forward, while excluding the SpagoPix project as we await a partnership or alternative solution to support further development and commercialisation.

Tumorad assumptions

Tumorad consists of nanoparticles loaded with radioactive lutetium-177 (¹⁷⁷Lu), designed for selective uptake by cancer cells. The project has demonstrated promising results in preclinical models of aggressive and widespread cancers. If approved, we believe Tumorad holds significant market potential, and we estimate a peak sales potential of USD1.5bn, targeting patients with advanced-stage solid tumours. We estimate market entry in 2032, and a likelihood of approval of 8.3%. We believe further safety and tolerability data would de-risk of the case.

For the company to advance Tumorad beyond the early stages, we believe it will need to secure a partner, and we have included a licensing agreement in our 2027 forecast. We estimate such a deal could comprise an upfront payment of USD20m, total milestones of up to USD400m, and a 15% royalty on future sales. In our model, we have risk-adjusted this potential agreement with a 20% probability.

SOTP valuation (SEKm)

Project	Indication	Likelihood of approval (LOA)	Peak sales (USDm)	Launch estimate	WACC 20%	WACC 25%
					NPV*	NPV*
SpagoPix (pegfosimer)	Breast cancer, Endometriosis	10.8%	190	2030	46	46
Tumorad	Solid tumours	8.3%	1 500	2032	176	117
Project valuation					176	117
Net cash					19	19
Shared costs					-43	-43
NPV					152	93
Number of shares					348.2	348.2
NPV per share (SEK)					0.44	0.27
*SEKm						

Source: DNB Carnegie (estimates)

Sensitivity analysis - WACC scenarios and value per share (SEK)

	15%	20%	25%	30%	35%
Tumorad	0.79	0.50	0.34	0.23	0.16
Spago Nanomedical	0.67	0.44	0.27	0.21	0.15

Source: DNB Carnegie (estimates)

Sensitivity analysis - LOA scenarios and value per share (SEK)

	5.5%	7.0%	8.3%	10.0%	11.5%
Tumorad	0.32	0.42	0.50	0.62	0.72
Spago Nanomedical	0.25	0.35	0.44	0.55	0.65

Source: DNB Carnegie (estimates), WACC of 20%

Risks

Risks Spago Nanomedical faces several risks as a company, and here we outline the key challenges we have identified. However, this list is not intended to be exhaustive.

Financial risks

The company has recurring capital needs, which typically increase as its projects progress in clinical development. To successfully execute its development plan and strategy, we believe the company will need to further strengthen its finances during H2 2025. In our estimates we have included financing of SEK35m in 2025, and additional financing of SEK35m in 2026.

Regulatory hurdles

The pharmaceutical market is highly regulated across all major regions. To bring a product to market, extensive clinical testing is required to demonstrate both efficacy and a manageable safety profile. However, once approved, the clinical data package not only supports commercialisation but also helps maintain exclusivity against competition.

Commercialisation risks

Spago is a small company with limited resources, and we believe, to develop its asset through later stages and eventually commercialise, it needs a partner.

Competition

Oncology is the largest therapeutic field but also a highly competitive space, with hundreds of clinical projects in development. While Spago's clinical projects are unique, many other treatments are being developed for similar patient populations

Financial statements

Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	0	0	1	1	1	2	2	1	1
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	1	1	1	2	2	1	1
Other income & costs	-11	-20	-19	-39	-44	-44	-35	-31	-41	-52
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	-11	-20	-19	-39	-43	-43	-33	-30	-39	-50
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	-11	-20	-19	-39	-43	-43	-34	-30	-40	-51
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	-11	-20	-19	-39	-43	-43	-34	-30	-40	-51
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	0	0	0	0	1	1	-1	0	0
of which interest income/expenses	0	0	0	0	0	0	0	0	0	0
of which interest on lease liabilities	0	na	0	na	na	na	na	na	na	na
of which other items	0	na	0	na	na	na	na	na	na	na
Pre-tax profit	-11	-20	-19	-39	-43	-42	-33	-31	-40	-51
Taxes	0	0	0	0	0	0	0	0	0	0
Post-tax minorities interest	0	na	na	na	na	na	na	na	na	na
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	-11	-20	-19	-39	-43	-42	-33	-31	-40	-51
Adjusted EBITDA	-11	-20	-19	-39	-43	-43	-33	-30	-39	-50
Adjusted EBITA	-11	-20	-19	-39	-43	-43	-34	-30	-40	-51
Adjusted EBIT	-11	-20	-19	-39	-43	-43	-34	-30	-40	-51
Adjusted net profit	-11	-20	-19	-39	-43	-42	-33	-31	-40	-51
Sales growth Y/Y	na	na	+chg	93.3%	59.5%	14.2%	58.7%	-19.5%	-9.0%	-14.3%
EBITDA growth Y/Y	-chg	-chg	+chg	-chg	-chg	+chg	+chg	+chg	-chg	-chg
EBITA growth Y/Y	-chg	-chg	+chg	-chg	-chg	+chg	+chg	+chg	-chg	-chg
EBIT growth Y/Y	-chg	-chg	+chg	-chg	-chg	+chg	+chg	+chg	-chg	-chg
EBITDA margin	nm	nm	na	na	na	na	na	na	na	na
EBITA margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EBIT margin	nm	nm	na	na	na	na	na	na	na	na
Tax rate	na	na	na	na	na	na	na	na	na	na
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	-11	-20	-19	-39	-43	-43	-33	-30	-39	-50
Paid taxes	0	0	0	0	0	0	0	0	0	0
Change in NWC	1	-1	0	3	1	-3	-3	1	2	2
Actual lease payments	0	0	0	0	0	0	0	0	0	0
Non cash adjustments	0	0	0	0	0	1	2	1	-1	1
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	-10	-21	-19	-36	-42	-45	-34	-28	-38	-48
Capex tangible assets	0	0	-1	0	0	0	0	-1	-1	-1
Capitalised development costs	-28	-18	-5	-3	0	0	0	0	0	0
Capex - other intangible assets	-1	0	-1	-1	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	-29	-18	-6	-5	0	-1	0	-1	-1	-1
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	26	35	41	64	52	29	22	35	35	50
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	0	0	0	0	0	-1	-1	1	0	0
Total financing activities	26	35	41	64	52	29	22	35	35	50
Operating cash flow	-10	-21	-19	-36	-42	-45	-34	-28	-38	-48
Free cash flow	-39	-40	-25	-40	-42	-45	-33	-29	-39	-49
Net cash flow	-13	-4	16	24	10	-17	-12	7	-4	1
Change in net IB debt	-13	-4	16	24	10	-17	-12	7	-4	1
Capex / Sales	nm	nm	178.9%	56.4%	12.7%	12.7%	12.0%	39.0%	42.9%	85.8%
NWC / Sales	nm	nm	-534.2%	-547.9%	-529.2%	-463.0%	-133.9%	-22.5%	-132.1%	-316.7%

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	6	6	7	7	0	0	0	0	0	0
Capitalised development	102	120	125	129	0	0	0	0	0	0
Tangible assets	1	1	1	1	1	1	1	0	1	1
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	1
Fixed assets	109	127	133	137	1	1	1	1	1	1
Inventories (2)	0	0	0	0	0	0	0	0	0	0
Receivables (2)	0	0	0	0	0	0	0	1	3	3
Prepaid exp. & other NWC items (2)	0	1	1	1	2	5	5	4	6	6
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	1	1	1	1	1	1	0	1	3	3
Cash & cash equivalents (1)	16	12	28	52	62	45	32	37	33	34
Current assets	17	14	30	54	65	52	39	44	44	47
Total assets	126	141	163	192	66	53	40	44	45	48
Shareholders' equity	122	138	160	185	57	41	33	37	32	31
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	122	138	160	185	57	41	33	37	32	31
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
Other non-IB liabilities	0	0	0	0	0	0	0	1	1	1
LT liabilities	0	0	0	0	0	0	0	1	1	1
ST IB debt (1)	0	0	0	0	0	0	0	0	0	0
Payables (2)	2	1	1	4	5	6	3	3	6	8
Accrued exp. & other NWC items (2)	1	2	2	3	4	5	3	3	6	7
Other ST non-IB liabilities	1	1	1	0	0	0	0	0	1	2
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	4	3	3	7	9	11	6	7	12	16
Total equity and liabilities	126	141	163	192	66	53	40	44	45	48
Net IB debt (=1)	-16	-12	-28	-52	-62	-45	-32	-36	-32	-33
Net working capital (NWC) (=2)	-3	-2	-2	-5	-6	-5	0	-1	-3	-5
Capital employed (CE)	122	138	160	185	57	42	34	38	33	32
Capital invested (CI)	3	5	6	3	-5	-4	1	-1	-2	-4
Equity / Total assets	97%	98%	98%	96%	87%	78%	84%	83%	71%	65%
Net IB debt / EBITDA	1.5	0.6	1.5	1.4	1.5	1.1	1.0	1.2	0.8	0.7
Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	16.72	21.03	31.54	41.18	90.94	224.7	348.2	348.2	348.2	348.2
Diluted no. of Shares YE (m)	16.72	21.03	31.54	41.18	90.94	224.7	348.2	348.2	348.2	348.2
EPS	-0.71	-1.07	-0.72	-1.07	-0.65	-0.27	-0.11	-0.09	-0.11	-0.15
EPS adj.	-0.71	-1.07	-0.72	-1.07	-0.65	-0.27	-0.11	-0.09	-0.11	-0.15
CEPS	-0.69	-1.05	-0.71	-1.06	-0.64	-0.27	-0.11	-0.09	-0.11	-0.14
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	7.31	6.54	5.06	4.49	0.63	0.18	0.10	0.11	0.09	0.09
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	-9.6%	-15.6%	-12.7%	-22.7%	-35.4%	-85.6%	-87.2%	-87.3%	-114.8%	-159.4%
Adj. ROCE pre-tax	-9.6%	-15.6%	-12.7%	-22.7%	-35.4%	-85.5%	-86.4%	-85.8%	-112.4%	-155.4%
Adj. ROIC after-tax	-401.1%	-490.4%	-354.5%	-893.9%	4509.9%	919.2%	1882.9%	-21955.9%	2883.5%	1637.3%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	-43.1%	-43.6%	-27.7%	-44.3%	-46.1%	-49.2%	-36.9%	-31.9%	-42.6%	-53.9%
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	0.0%	0.0%	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	>50	>50	neg.	23.64	18.98	35.19	41.83	47.85
EV/EBITDA YE	neg.	neg.	neg.	neg.	0.2	neg.	neg.	neg.	neg.	neg.
EV/EBITA YE	neg.	neg.	neg.	neg.	0.2	neg.	neg.	neg.	neg.	neg.
EV/EBITA adj. YE	neg.	neg.	neg.	neg.	0.2	neg.	neg.	neg.	neg.	neg.
EV/EBIT YE	neg.	neg.	neg.	neg.	0.2	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	1.35	2.04	1.58	1.01	0.96	1.78	2.05	2.46	2.81	2.88
Share price YE (SEK)	9.90	13.4	8.02	4.52	0.60	0.33	0.20	0.26		

Source: DNB Carnegie (estimates) & company data

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