COMPANY UPDATE

Healthcare

Fair value: SEK5.0–8.0

Share price: SEK4.58

Ascelia Pharma

NDA filing on track for early September – Q2 review

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With the new drug application (NDA) submission for Orviglance looking to be around the corner, Q2 in line with our expectations and a strengthened cash position following the TO1 warrant exercise, we reiterate our fair value range of SEK5.0–8.0.

No surprises in Q2. As Ascelia Pharma remains in pre-commercial phase, revenues were reported at SEK0m. R&D expenses came in at SEK18.6m (SEK7m in Q2 2024), with the increase mainly related to NDA submission preparations. EBIT was SEK-23m, operating cash flow amounted to SEK-18m, and the quarter closed with SEK60m in cash.

FDA submission for Orviglance still the main focus. The NDA submission is essentially ready to submit, according to management – last week, it announced a slight change in timeline, with the NDA now expected to be sent in the first half of September (previously mid-2025).

Beyond the NDA submission. We continue to believe the most notable event this year would be a potential licensing agreement for Orviglance. We estimate such 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, based on comparable late-stage asset deals in Sweden over the past few years. The timing of such a deal and whether it could materialise before or after the NDA filing is, however, difficult to gauge.

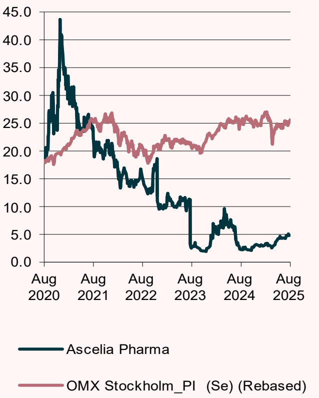
We reiterate our fair value range of SEK5.0–8.0 based on a SOTP approach, with different DCFs for the top and bottom of the range.

Changes in this report	From	To	Chg
EPS adj. 2025e	0.34	0.34	0%
EPS adj. 2026e	-0.09	-0.09	0%
EPS adj. 2027e	0.16	0.16	0%

Key facts	
No. shares (m)	117.1
Market cap. (USDm)	56
Market cap. (SEKm)	536
Net IB Debt. (SEKm)	-120
Adjustments (SEKm)	0
EV (2025e) (SEKm)	416
Free float	92.0%
Avg. daily vol. ('000)	995
BBG	ACE SS
Fiscal year end	December
Share price as of (CET)	20 Aug 2025 17:29

Key figures (SEK)	2024	2025e	2026e	2027e
Sales (m)	0	100	39	41
EBITDA (m)	-68	40	-11	24
EBIT (m)	-68	40	-11	24
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
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.	13.5	n.m.	28.0
EV/EBIT	neg.	10.4	neg.	16.8
EV/EBITA	neg.	10.4	neg.	16.8
EV/EBITDA	neg.	10.4	neg.	16.8
P/BV	5.6	3.5	3.7	3.3
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	-11.9%	5.8%	-1.6%	3.5%
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

Share price – 5-year



High/Low (12M) **SEK5.1/2**

Perf.	3M	6M	12M	YTD
Abs.	10.76	39.21	96.99	56.85
Rel.	8.82	43.99	95.38	52.93

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

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 would 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. Its 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 increasing prevalence of cancer and 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 Managemen	3.5%

Cyclicality

Cyclicality: N/A

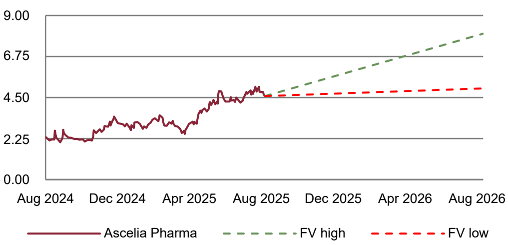
Key peers

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.

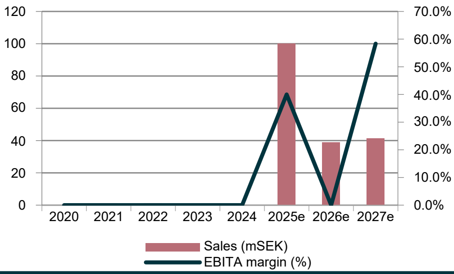
Fair value range 12M



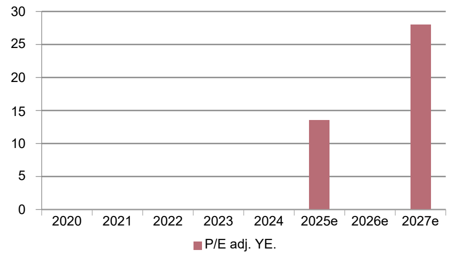
The lower end of our fair value range is based on our SOTP model using a DCF with a WACC of 20%. This reflects a scenario in which the company delivers on our expectations, but sentiment towards biotech companies remains at current levels or worsens.

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.

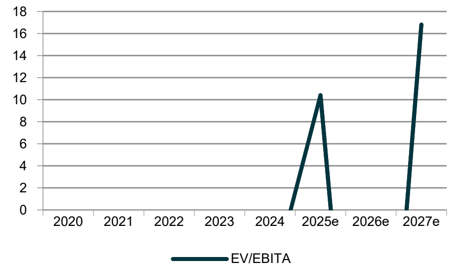
Key metrics



P/E 12-months forward



Long-term valuation trend



Source: DNB Carnegie (estimates) & company data

Valuation and risks

We continue to 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 cUSD170m 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 and higher end

Project	Launch	Probability	Peak sales (USDm)	Valuation approach	rNPV (SEKm)	rNPV/share (SEK)
Orviglance	2026	85%	172	DCF, WACC 20%	579	5
Oncoral	Not included					
Unallocated costs					-66	-1
Enterprise value (EV), SEKm					**513**	**4**
Net cash Q1 2025 + warrants					73	1
Total rNPV					**586**	**5**

Project	Launch	Probability	Peak sales (USDm)	Valuation approach	rNPV (SEKm)	rNPV/share (SEK)
Orviglance	2026	85%	172	DCF, WACC 12%	955	8
Oncoral	Not included					
Unallocated costs					-99	-1
Enterprise value (EV), SEKm					**856**	**7**
Net cash Q1 2025 + warrants					73	1
Total rNPV					**929**	**8**

Source: DNB Carnegie (estimates)

rNPV/share sensitivity analysis, WACC (%) and LoA (%)

		LOA (%)				
		65%	75%	85%	95%	100%
	12%	6	7	8	9	9
	15%	5	6	7	7	8
WACC (%)	18%	4	5	6	6	6
	20%	4	4	5	6	6
	22%	4	4	5	5	5

Source: DNB Carnegie (estimates) & company

Risks

Regulatory hurdles. Orviglance needs regulatory approval from agencies like the FDA; any delays, additional data requests, or changing requirements could push back a 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 failure 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
Interests paid	0	0	-6	8	14	1	-4	-4	0	0
Actual lease payments	0	0	0	0	0	0	-1	0	0	0
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**
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 libilities	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%	-1.8%	-21.8%	-23.3%	-23.7%	-11.9%	5.8%	-1.6%	3.5%
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	4.16	10.90	9.81
EV/EBITDA YE	na	nm	neg.	neg.	neg.	neg.	neg.	10.4	neg.	16.8
EV/EBITA YE	na	nm	neg.	neg.	neg.	neg.	neg.	10.4	neg.	16.8
EV/EBITA adj. YE	na	nm	neg.	neg.	neg.	neg.	neg.	10.4	neg.	16.8
EV/EBIT YE	na	nm	neg.	neg.	neg.	neg.	neg.	10.4	neg.	16.8
P/E YE	na	na	nm	nm	nm	nm	nm	13.5	nm	28.0
P/E adj. YE	na	na	nm	nm	nm	nm	nm	13.5	nm	28.0
P/BV YE	na	na	4.74	2.29	1.95	1.09	3.60	3.47	3.72	3.28
Share price YE (SEK)		16.3	39.0	20.6	10.3	2.33	2.92	4.58		

Source: DNB Carnegie (estimates) & company data

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