Vidac Pharma Holding

Rating: Buy **Risk:** High
Price: EUR 0.18
Target price: EUR 4.90

Reuters: T9G.H **Bloomberg:** T9G:GR

Reversal of the abnormal metabolism of cancer cells

We initiate research coverage of the shares of Vidac Pharma Holding plc with a Buy rating and a price target of EUR 4.90 (base case scenario). Our price target is based on the assumption that Vidac Pharma will get approval for its current core product VDA-1102-AK. We derive our price target from a three-stage discounted cash flow entity model (primary valuation method). In a Monte Carlo analysis, we have used alternative sales, earnings and other KPI scenarios and calculate equity values in a range between EUR 4.04 and EUR 5.40 per share. Based on our capital and earnings estimates for 2028e-33e, an economic profit model—which we used as a secondary valuation method—results in equity values of up to EUR 6.50 per share (discounted with the cost of equity), with a clear upward trend over time, illustrating the logic of a long-term investment in Vidac Pharma shares, in our view.

Reversing the abnormal metabolism of cancer cells

Established in 2012 by Dr Max Herzberg, one of the founding fathers of the Israeli life sciences industry, Vidac Pharma is a clinical-stage biopharmaceutical company specialising in oncology and oncodermatology therapies. The therapies developed by Vidac Pharma aim to fight cancer by reversing the abnormal metabolism of cancer cells. Clinical tests have shown that the overexpression of hexokinase 2 (HK2) and its binding to VDAC1 on the outer mitochondrial membrane of cancer cells is the key to their metabolic reprogramming to anaerobic glycolysis, which enables tumour cells to proliferate so drastically in the first place. An allosteric small molecule that modifies HK2 so that it cannot bind to mitochondria can therefore reduce glycolysis and induce apoptosis in cancer cells without affecting HK1-expressing normal cells.

Two drugs in the development pipeline

Currently, Vidac Pharma has two drugs in the development pipeline: **VDA-1102**, an ointment for the topical, i.e. dermal treatment of patients with actinic keratosis (AK)—a potentially premalignant disease of the skin and main risk factor for the development of cutaneous squamous cell carcinoma (currently in Phase 2b)—as well as for the treatment of cutaneous T-cell lymphoma (currently in Phase 2a), and the active ingredient **VDA-1275**, which is being developed for the systemic treatment of solid tumours (currently in a preclinical Phase).

WKN / ISIN: A3DTUQ / GB00BM9XQ619
Stock exchange: Stuttgart, Hamburg
Transparency level: Open Market
Weighted number of shares: 51,625,062
Market capitalisation: EUR 9.3 mn
Trading volume/day: approx. 100,000 shares
Annual financial statements 2023: Expected June 2024

P&L (GBP mn)	**2022**	**2023e**	**2024e**	**2025e**
Turnover	0.0	0.0	0.0	0.0
EBITDA	-0.6	-1.0	-1.2	-1.4
EBIT	-0.6	-1.0	-1.2	-1.4
EBT	-0.6	-1.0	-1.3	-1.7
EAT	-0.6	-1.0	-1.2	-1.4

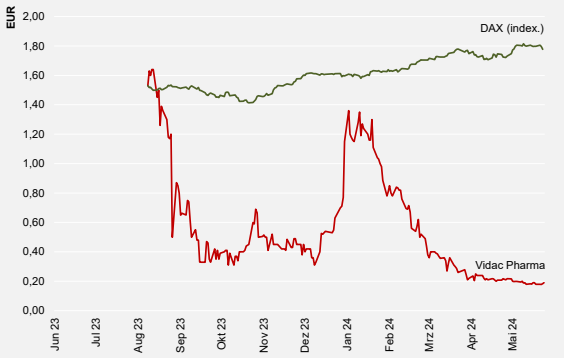
% of sales	**2022**	**2023e**	**2024e**	**2025e**
EBITDA	n/a	n/a	n/a	n/a
EBIT	n/a	n/a	n/a	n/a
EBT	n/a	n/a	n/a	n/a
EAT	n/a	n/a	n/a	n/a

Per share (GBP)	**2022**	**2023e**	**2024e**	**2025e**
EPS	n/a	-0.02	-0.02	-0.03
Dividend	0.00	0.00	0.00	0.00
Book value	n/a	-0.02	-0.05	-0.07
Cash flow	n/a	-0.03	-0.02	-0.03

Balance sheet (%)	**2022**	**2023e**	**2024e**	**2025e**
Equity ratio	neg.	neg.	neg.	neg.
Gearing	-55%	-94%	-96%	-96%

Multiples (x)	**2022**	**2023e**	**2024e**	**2025e**
KGV	n/a	n/a	n/a	n/a
EV/sales	n/a	n/a	n/a	n/a
EV/EBIT	n/a	n/a	n/a	n/a
KBV	n/a	n/a	n/a	n/a

Guidance (EUR mn)	**2023e**	**2024e**	**2025e**
Turnover	n/a	n/a	n/a
EBITDA	n/a	n/a	n/a



Source: Company information, Sphene Capital forecasts

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Table of Contents

Please note that each chapter begins with a comprehensive executive summary.

Executive Summary

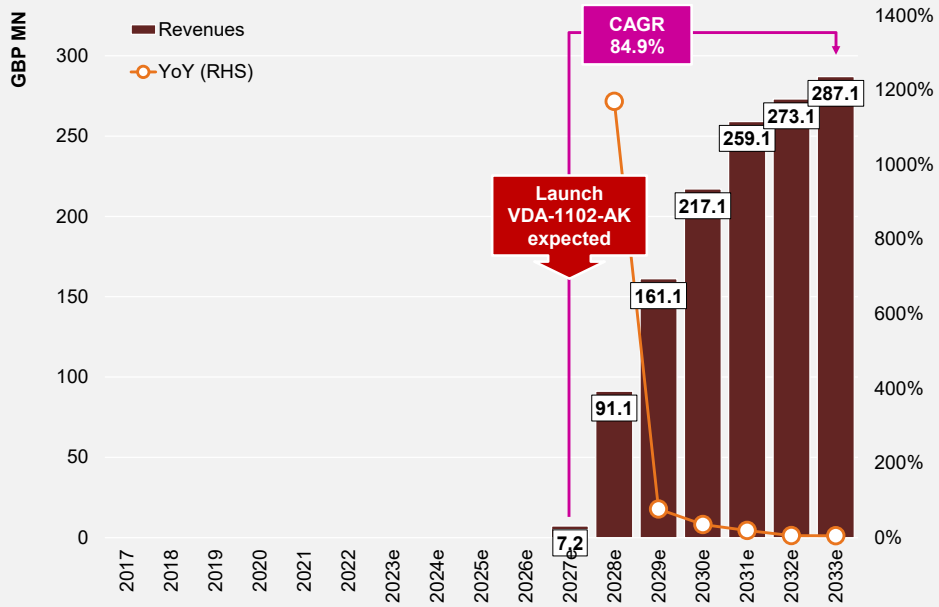
Vidac Pharma's approach is based on the reversal of the "Warburg Effect"
Many types of cancer alter cell metabolism in order to promote tumour growth. A key feature of many cancer cells is an altered glucose metabolism. Tumour cells ferment glucose—even in the presence of oxygen—into lactate. The energy yield is considerably reduced, which is why the consumption of glucose increases massively. This cancer cell metabolism, first described by Otto Heinrich Warburg, is essential for tumour growth. The first step of glucose metabolism is catalysed by hexokinases. It is assumed that the enzyme hexokinase-2 (HK2) plays an important role for cancer cells. While HK2 is only found in limited quantities in normal adult tissue, it is expressed in large quantities in cancer cells. There, it presumably contributes significantly to accelerated metabolism and to the development and maintenance of tumours. Hexokinases could therefore be an attractive target molecule for selectively attacking cancer cells and enabling targeted cancer therapy via systemic deletion of HK2—without severe negative physiological consequences. Vidac Pharma's drug research aims to target HK2, which bind close to porins, voltage-dependent anion channels (VDAC) in the mitochondrial membrane, through which ions, metabolic products, and cytochrome c—which is important for apoptosis (controlled cell death)—among other things, pass the membrane on both sides. If these channels are occupied by HK2, anaerobic glycolysis and thus the production of lactate—i.e. tumour metabolism—are promoted and the release of cytochrome c that triggers apoptosis is blocked. Vidac Pharma has developed a family of chemical agents that, according to the company, prevent HK2 from blocking the anion channels of the mitochondria without interrupting its function as a glycolysis catalyst. According to the company, natural molecules and new chemical entities created by the company are used that are able to modify HK2 in such a way that it cannot bind to its VDAC anchor, returns to the cytosol and the cell's malignant metabolism returns toward normal functioning.

Actinic keratosis is a common, potentially premalignant disease of the skin
Actinic keratosis, also known as solar keratosis, refers to skin damage (lesions) caused by genetically modified keratin-forming cells. AK occurs on areas of skin damaged by cumulative UV radiation on the so-called light terraces of the body, usually on the face, back of the hands, forearms, and hairless scalp. In Europe, provisional overall prevalence is 13.3%. Based on a European population of around 750 mn, this would result in approximately 100 mn people suffering from AK in Europe.

Weaknesses and risks
We have identified the following **weaknesses and risks** (for details see p. 42ff): **(1)** Accumulated losses of more than GBP 24.7 mn; **(2)** Risks from upscaling the business model; **(3)** High complexity of organisational growth; **(4)** Translation risks from currency translation; **(5)** Dependence on reimbursement, including from public health authorities and private health insurers; **(6)** Uncertainty over approval; **(7)** Competition with well-funded companies; **(8)** Listing on the unregulated OTC market.

Vidac Pharma in pictures

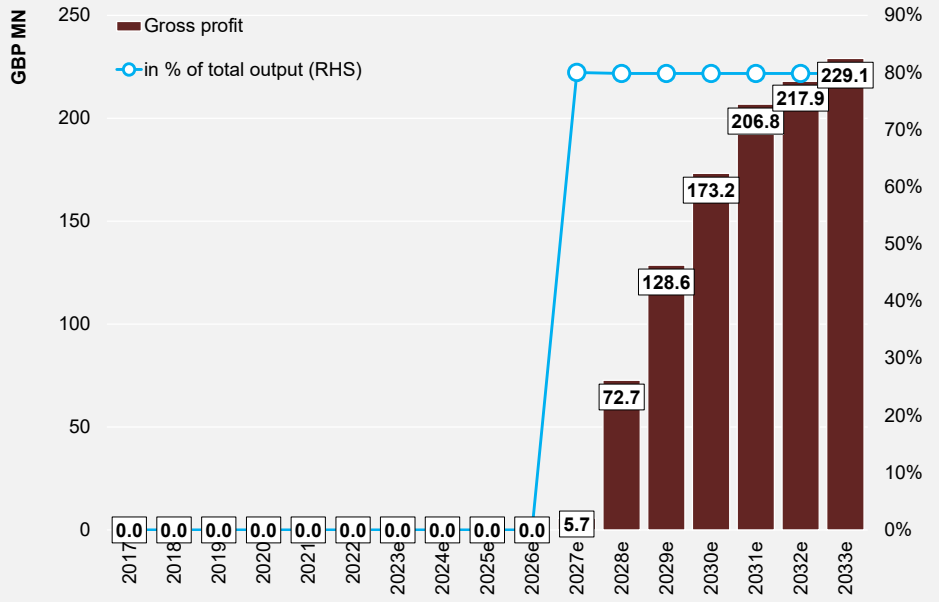
EXHIBIT 1: SALES AND SALES GROWTH RATE, 2017-2033E



Currently, Vidac Pharma is a pre-revenue company. After market entry with VDA-1102-AK in 2027e, we expect Vidac Pharma to significantly expand its business activities and achieve sales growth rates that can also be observed at other pharmaceutical companies in markets of similar sizes. In our forecast, we expect Vidac Pharma to generate revenues of GBP 287.1 mn by 2033e, which marks the end of our detailed planning phase. This corresponds to a compound annual growth rate (CAGR) in group revenues of 84.9% for the period 2027e-2033e.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

EXHIBIT 2: GROSS PROFIT AND GROSS PROFIT MARGIN, 2017-2033E

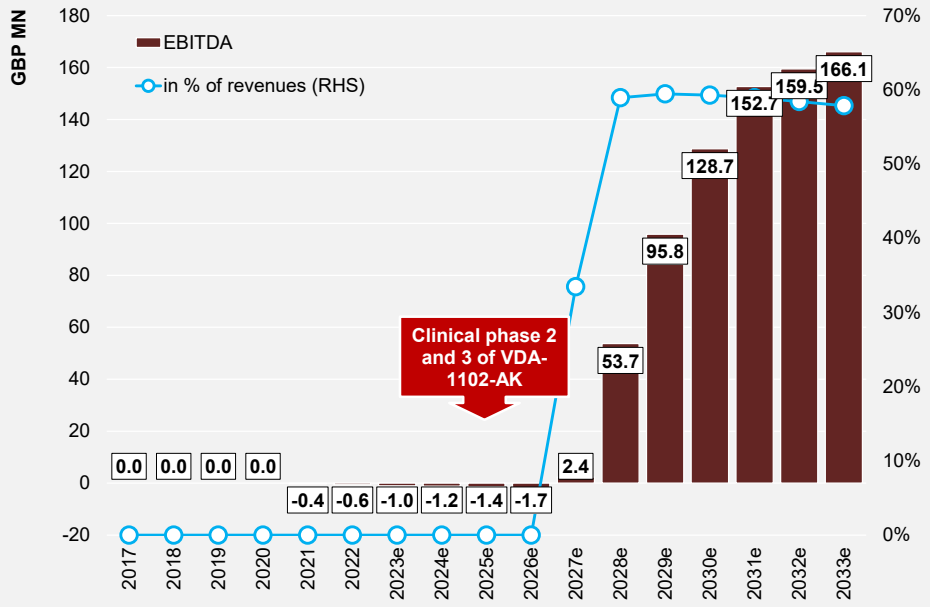


We estimate that the cost of sales ratios to be around 20%. This corresponds to a gross profit margin of 80% for the years 2027e-33e.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Vidac Pharma in pictures

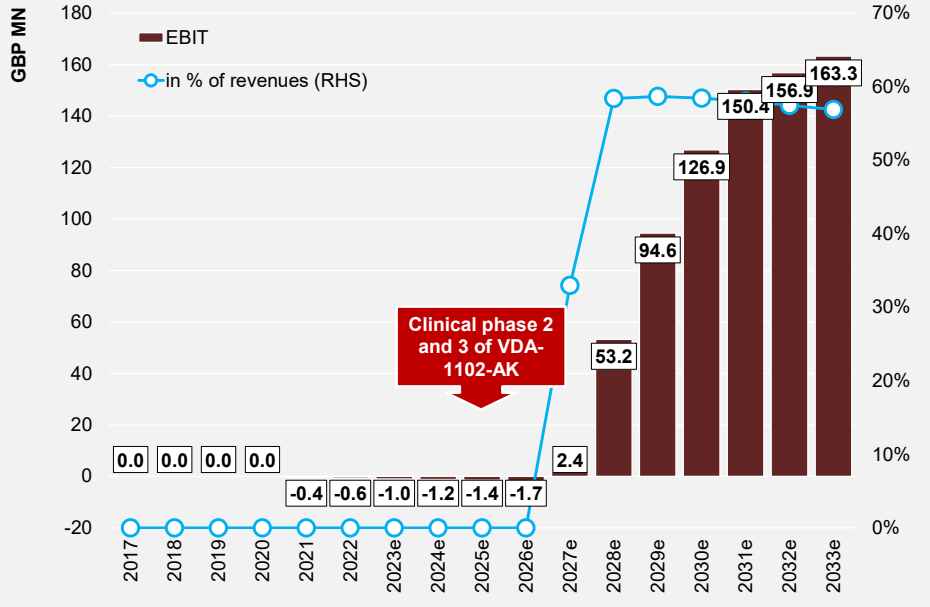
EXHIBIT 3: EBITDA AND EBITDA MARGIN (RS), 2017-2033E



Given further need for clinical trials, we expect the earnings situation to deteriorate in the coming years until Vidac Pharma launches its first product in 2027e. In the long term, we believe that EBITDA margins of up to 60% are achievable.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

EXHIBIT 4: EBIT AND EBIT MARGIN (RS), 2017-2033E

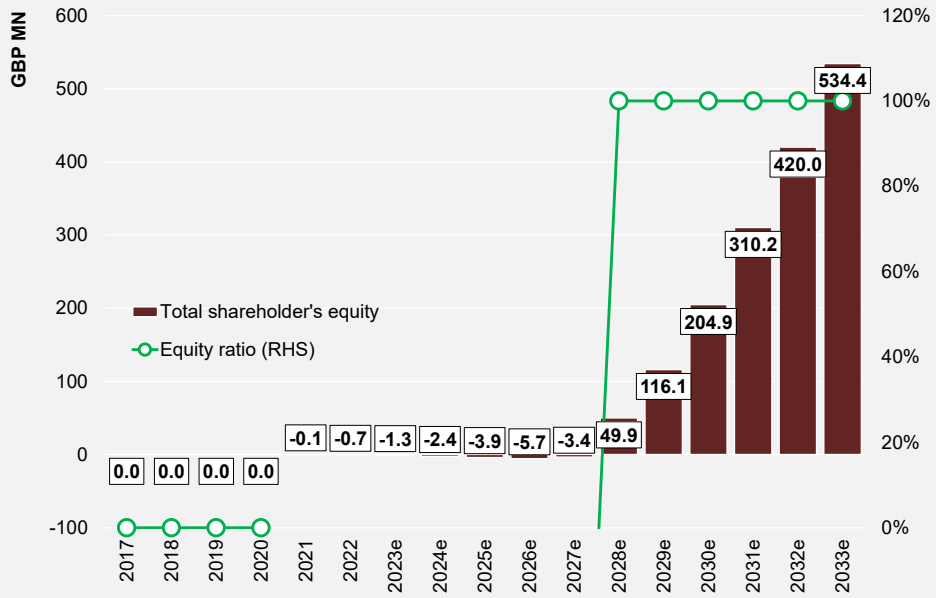


In view of the fact that we expect depreciation and amortisation for the less capital-intensive business model to fall over time, we believe that the operating result (EBIT) will rise faster than EBITDA. We expect EBIT to increase from GBP -1.0 mn (2023e) to GBP 2.4 mn in the year of the expected market launch (2027e). The EBIT margin should rise to up to 58.7% in 2029e.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Vidac Pharma in pictures

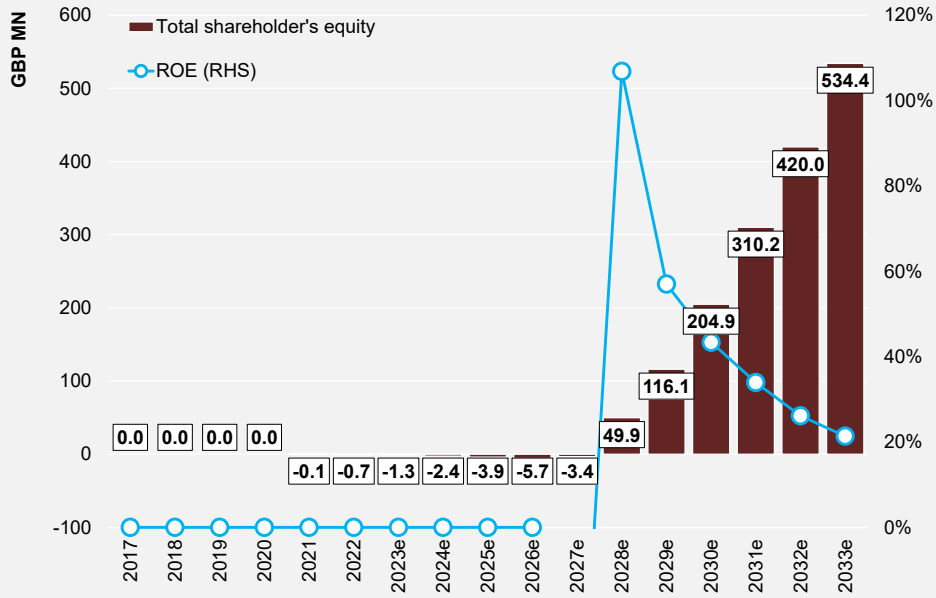
EXHIBIT 5: EQUITY AND EQUITY RATIO, 2017-2033E



Since the listing in 2023, the company's share capital has totalled GBP 53.4 mn and is made up of 51,625,062 ordinary bearer shares (basic count). We calculate a free float of the shares (excluding investors with more than 3% of the shares) of 13.3%. The company currently has no interest-bearing liabilities to third parties, but only to related companies.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

EXHIBIT 6: EQUITY AND RETURN ON EQUITY (ROE), 2017-2033E

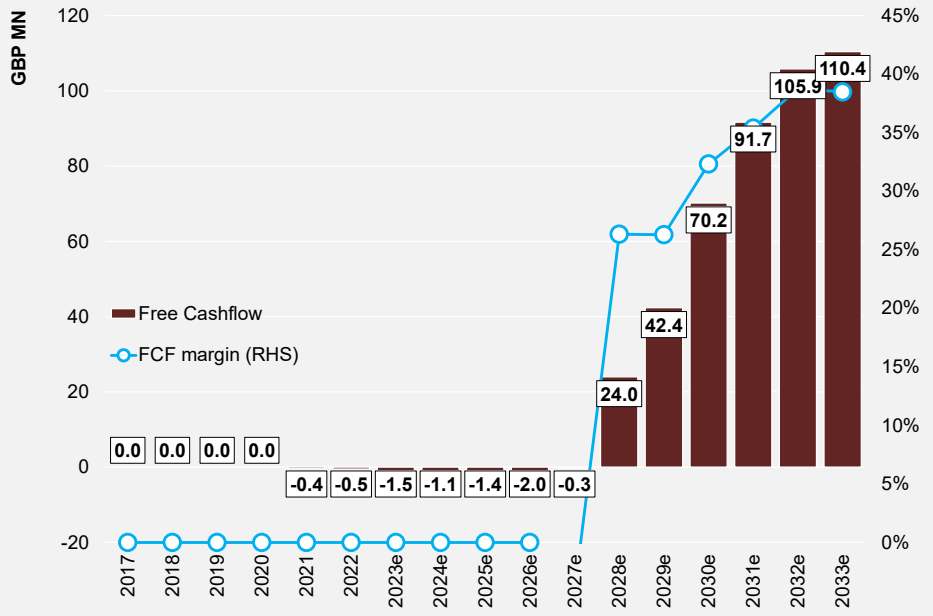


Vidac Pharma is unlikely to generate a positive return on equity for shareholders up to and including 2027e. For 2029e and 2030e, we expect returns on equity of 57.0% and 43.3%, respectively. With a cost of equity calculated from the CAPM, which we assume to be 13.9% for these two years, we expect Vidac Pharma to become an increasingly value-creating company for shareholders from 2028e onwards.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Vidac Pharma in pictures

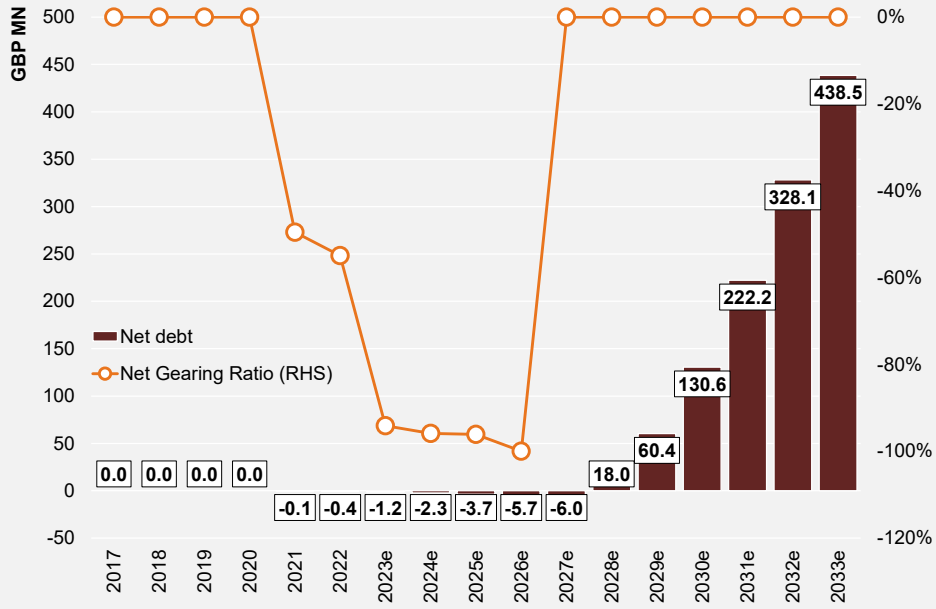
EXHIBIT 7: FREE CASH FLOW AND FCF MARGIN, 2017-2033E



Free cash flows were negative in the past two years. This was mainly due to the loss-making earnings situation. We assume that Vidac Pharma will continue to generate negative free cash flows up to and including 2027e.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

EXHIBIT 8: NET FINANCIAL POSITION AND NET GEARING RATIO, 2017-2033E



According to our estimates, gross debt was GBP 2.0 mn at the end of 2023e. Including cash and cash equivalents of GBP 0.8 mn, we calculate a net debt position of GBP -1.2 mn. After achieving profitability in 2028e, we expect the positive net financial position to substantially increase.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Equity value EUR 4.90 per share

We value the equity of Vidac Pharma Holding plc, which is listed on unregulated markets in Hamburg and Stuttgart, based on a three-stage discounted cash flow entity model (primary valuation method). We verified the intrinsic value from the DCF model by using an economic profit model (secondary method). As we estimate that Vidac Pharma will only generate sales from 2027e onwards, we believe that a valuation based on market-oriented peer group multiples using sales or earnings forecasts for 2028e or beyond would be pointless.

We assume that Vidac Pharma will generate revenues and positive earnings from the sale of its current core product VDA-1102-AK for the first time in 2027e and will significantly increase revenues and profitability after the product launch. The detailed planning phase (2033e) of our DCF model will move into the second phase, the so-called rough planning or transition phase, which ends with the terminal value phase after the end of the 2038e financial year; during the rough planning phase, we have assumed a compound annual growth rate (CAGR) of 4.8% for sales. In the terminal value, we modelled annual growth of 4.8%, which corresponds to the quasi-risk-free interest rate in the form of long-term British Government bonds with a remaining term of 30 years. This method results in an equity value of GBP 214.6 mn or EUR 4.90 per share (FX 0.8511) in the base case scenario. In a Monte Carlo analysis, we used alternative sales and earnings scenarios as a basis and determined equity values in a range between EUR 4.04 (10% quantile) and EUR 5.40 (90% quantile) per share.

To verify the results of the DCF model, we have used an economic profit model in which we assumed that a fair valuation of the company is achieved at the earliest when the value created by the company corresponds to the associated cost of capital. Based on our capital and earnings estimates for 2028e-33e, this valuation method results in equity values of up to EUR 6.50 per share (discounted with the cost of equity), with a clear upward trend over time, illustrating the logic of a long-term investment in Vidac Pharma shares, in our view.

The results of the DCF model, which indicate a significant undervaluation of the Vidac Pharma share, are thus confirmed by an alternative method. Should Vidac Pharma get approval for its current core product VDA-1102-AK, we calculate a significant undervaluation of the shares. We initiate research coverage of the shares of Vidac Pharma Holding plc with a Buy rating.

Our primary valuation method for Vidac Pharma is a three-stage DCF entity model

Our model does not provide for the external raising of equity.

In view of the dynamic earnings development we expect, we consider a long-term standardised three-phase discounted cash flow entity model (primary valuation method) to be the most suitable method for determining the company value.

Our valuation is based exclusively on the market entry with the current lead product VDA-1102-AK for which the first phase 2b has been completed. The second product indication VDA-1102-Cutaneous T-cell lymphoma and VDA-1275, which are also in a clinical phase, were not included. They may represent a significant upside potential to our valuation results.

Growth assumptions of the DCF model

Three-stage DCF entity model: assumptions for sales development

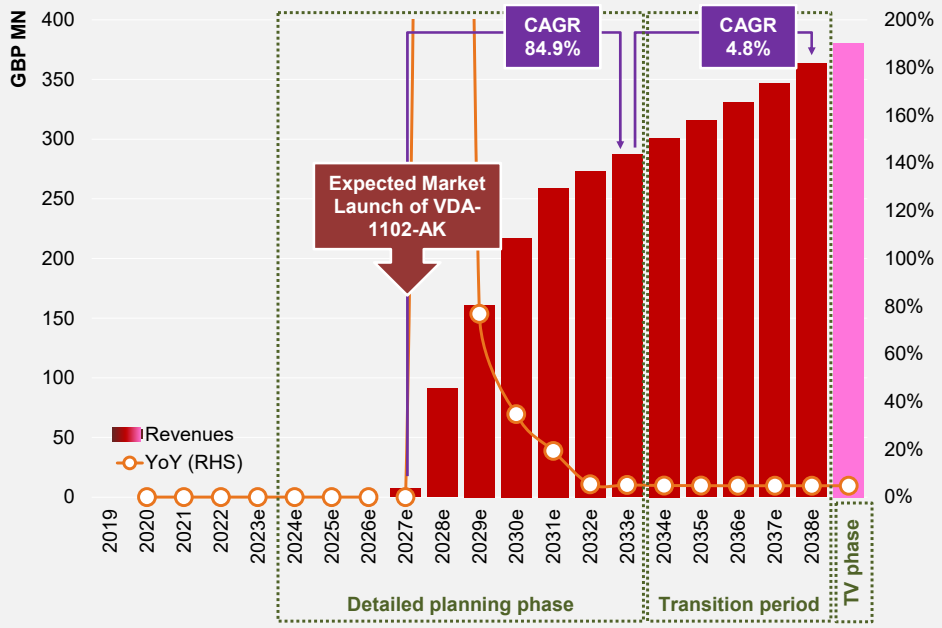
We make the following growth assumptions for our three-stage discounted cash flow model:

- **Phase 1** of the DCF model (the ten-year, so-called "**detailed planning phase**") is initially based on our detailed sales, earnings, cash flow, and balance sheet forecasts up to 2033e, and covers the year 2027e when we expect Vidac Pharma

to generate revenues for the first time, and ends with the expected achievement of significant market penetration in 2033e.

- In the subsequent **phase 2** (five-year "**rough planning phase**"), which ends in 2038e, we have estimated a sales CAGR 2033e-38e of 4.8%. Furthermore, during the rough planning phase, we have assumed that the company's key performance indicators will approach an enforceable long-term level.
- For the final **phase 3**, the so-called "**terminal value",** in which growth is by definition only possible without taking operational risks, we set the quasi-risk-free interest rate of 30-year British government bonds, currently 4.8%, as the sales growth rate.

EXHIBIT 9: SALES AND SALES GROWTH, 2019-2038E



The model is based on our detailed income statement, balance sheet, and cash flow forecasts until 2033e. These lead to a second rough planning phase, which ends in 2038e. We then model the terminal value, in which Vidac Pharma would be in a steady state in which excess returns can no longer be achieved.

The average annual sales growth rates during the detailed and rough planning phases are 84.9% and 4.8%, respectively. In the terminal value, in which model immanent risky investments are no longer "worthwhile", operating cash flows are invested at risk-free conditions (currently 4.8% for British 30-year bonds).

SOURCE: SPHENE CAPITAL FORECASTS

Further assumptions of the DCF model

Three-stage DCF entity model: Assumptions for the other items of the DCF model

For our three-stage DCF model, we assume the following during the detailed and rough planning phases,

- that the **EBIT margins** during the rough planning phase will remain flat at 56.9% (basis: sales) expected in 2033e; we did not incorporate any economies of scale. We have not assumed an external inflow of equity, but only internal financing from the cash flows generated.
- that the **operating margins** in the subsequent **terminal value** phase are 50.0%.
- an **investment ratio** to net sales that is comparable over time with the currently observable values, whereby a constant capital intensity is assumed.
- a **beta of** 1.30 derived from fundamental factors, which we derive from the following macroeconomic and company-specific factors (we deliberately deviate from the

beta values observed for Vidac Pharma since start of listing, which are significantly lower—namely -0.47—and indicating a hedge asset statistically irrelevant):

TABLE 1: DERIVATION OF THE FUNDAMENTAL BETA

Degree of diversification	0.00
Intensity of competition	0.10
Maturity of the business model	0.00
Regulatory risks	0.10
Financial risks	0.00
Risks of the company forecast	0.10
Market beta	1.00
beta	**1.30**

SOURCE: SPHENE CAPITAL

Assumptions for the other items of the DCF model (continued)

- a terminal value **insolvency probability** of 7.9% per year, which we consider realistic for the pre-revenue company with an expected recovery rate of 5.0% and in view of a synthetic rating of CCC derived by us (based on a negative equity ratio and loss-making earnings situation expected by us for 2024e-26e/27e).
- that the company's **marginal tax rate** during the rough planning phase will be 33%, a realistic average for the company operating in Israel, North America, and Europe.
- that negative free cash flows are not discounted, but rather compounded to the current valuation date using the weighted cost of capital; according to our estimates, this consideration, which is based on the **axiom of investor risk aversion**, is applied in the early years of our observation period.
- that the cash flows generated by Vidac Pharma in the pre-revenue period 2024e-2026e are discounted at **weighted average costs of capital (WACC)** of 22.5%. In addition to the fundamental beta of 1.30 derived above, this is made up of a quasi-risk-free interest rate of 4.8%, calculated from the yield on long-term (30-year) British government bonds (whereby we have used the most recent bond of this maturity), and an implicitly calculated risk premium for the British capital market (assuming the geometric mean) of currently 7.0%. In addition, we have applied a small caps premium of 9.0% based on the Fama-French five-factor model, which is made up of the dependence on management (5.0%), a liquidity premium for the share (1.0%), a transparency premium for the shares listed on an unregulated market (1.0%), and an early-stage premium (2.0%). In view of our assumption of a synthetic company rating of CCC, we have assumed a deliberately conservative value of 800 basis points when calculating the risk premium for debt capital. Finally, we assume that Vidac Pharma is aiming for an industry-typical target capital structure for the market values of equity and debt of 95%/5%;

TABLE 2: WACC, 2024E-2026E

Cost of equity	**%**	**13.9%**	**Calculation according to the Capital Asset Pricing Model (CAPM)**
Quasi-risk-free interest rate	%	4.80%	British government bonds with a remaining term of 30 years
Beta		1.30	Fundamentally analysed beta
Implicit risk premium	%	7.0%	From dividend discount model using consensus estimates of FTSE-100 earnings and FTSE-100 dividends
Small cap premium	**%**	**9.0%**	
Management bonus	%	5.0%	Key person risk
Liquidity premium	%	1.0%	Premium due to a low trading volume of less than 10,000 units per day
Transparency premium	%	1.0%	Premium due to over-the-counter listing
Private company premium	%	0.0%	
Early-stage premium	%	2.0%	Premium due to pre-revenue stage of the company
Pandemic premium	%	0.0%	
Target capital structure of equity	%	95.0%	Similar to other pre-revenue pharma developers
Weighted average cost of equity	**%**	**21.8%**	
Cost of debt after taxes		**14.4%**	
Quasi-risk-free interest rate	%	4.8%	Current youngest government bond with 30-year residual term
Risk premium on debt capital	%	8.0%	Corresponding to the CDS of a small cap company rated CCC
Default spread of the domestic market	%	0.0%	Negligible in North America and the European core markets
Cost of debt before taxes	%	12.8%	
Tax rate	%	-12.8%	Inclusion of the tax shield caused by debt
Target capital structure of debt capital	%	5.0%	
Weighted average cost of debt	**%**	**0.7%**	
WACC based on market values	**%**	**22.5%**	**For the detailed planning phase 2024e-2026e**

SOURCE: SPHENE CAPITAL FORECASTS

Assumptions for the other items of the DCF model (continued)

- that Vidac Pharma will have a **cost of capital in the terminal value** phase that does not differ from that of other mature companies; accordingly, we assume a decrease in the beta factor to the level of the market portfolio (i.e. 1.0) and thus the WACC from 22.5% (2024e-2026e) to 9.8% (which would correspond to a market risk premium of 500 basis points based on current interest rates).

Typical life cycle curve of a company in the growth phase

Clearly positive development of free cash flows

Our valuation model results in the following (see table 3) forecast of free cash flows to the firm (FCFF) for the years 2024e to 2038e. It can be seen how our forecasts with regard to earnings development in the early years do not yet lead to any significant free cash flows before we forecast an FCFF margin of 33.0% in 2028e. During the subsequent rough planning phase, we have only assumed maintenance and minor expansion investments. Finally, in the terminal value, we assume a decline in the free cash flows to the firm due to the model immanent increase of the reinvestment ratio, which in turn forms the basis for a perpetuity calculation of the model terminal value.

TABLE 3: CALCULATION OF FREE CASH FLOW TO THE FIRM (FCFF), 2024E-38E

		Detailed planning phase									
		2024e	**2025e**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**	**2031e**	**2032e**	**2033e**
EBIT	**GBP mn**	**-1.2**	**-1.4**	**-1.7**	**2.4**	**53.2**	**94.6**	**126.9**	**150.4**	**156.9**	**163.3**
EBIT margin	%	n/a	n/a	n/a	33.0%	58.4%	58.7%	58.4%	58.0%	57.5%	56.9%
Taxes	GBP mn	0.2	0.2	0.3	0.3	-17.6	-31.2	-41.8	-49.6	-51.7	-53.9
Tax rate (t)	**%**	16.2%	14.9%	15.3%	-13.5%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Adjusted EBIT(1-t)	GBP mn	**-1.0**	**-1.2**	**-1.5**	**2.7**	**35.7**	**63.4**	**85.0**	**100.8**	**105.2**	**109.5**
Reinvestment	GBP mn	0.0	0.0	-0.2	-2.6	-5.6	-7.1	-8.7	-9.4	-4.0	-4.4
FCFF	**GBP mn**	**-1.0**	**-1.2**	**-1.7**	**0.1**	**30.1**	**56.3**	**76.3**	**91.4**	**101.2**	**105.0**

		Rough planning phase (transition phase)					
		2034e	**2035e**	**2036e**	**2037e**	**2038e**	**TY**
EBIT	**GBP mn**	**171.3**	**179.5**	**188.2**	**197.2**	**206.7**	**216.6**
EBIT margin	%	56.9%	56.9%	56.9%	56.9%	56.9%	50.0%
Taxes	GBP mn	-56.5	-59.2	-62.0	-65.0	-68.1	-71.4
Tax rate (t)	**%**	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Adjusted EBIT(1-t)	GBP mn	**114.8**	**120.3**	**126.1**	**132.2**	**138.5**	**145.2**
Reinvestment	GBP mn	-4.6	-4.8	-5.0	-5.3	-5.5	-71.1
FCFF	**GBP mn**	**110.2**	**115.5**	**121.1**	**126.9**	**133.0**	**74.1**

SOURCE: SPHENE CAPITAL FORECASTS

In the medium term, our base case scenario results in an equity value of GBP 214.5 mn or EUR 4.90 per share

Equity value of EUR 4.90 per share

The enterprise value of Vidac Pharma in our model is GBP 215.8 mn. 22.0% of this is derived from the terminal value, 46.9% or 31.0% from the cash flows generated in the detailed and rough planning phase.

TABLE 4: DCF VALUATION - SUMMARY OF RESULTS

			Comment
PD in terminal value	%	7.9%	Synthetic CCC rating with 7.5% PD and 5% RR
Capital costs in terminal value	%	16.4%	500 bps long-term equity risk premium over 30-year government bond
Present value of terminal value	GBP mn	47.6	From 2038e with a compound annual revenue growth rate (CAGR) of 4.8%
in % of Enterprise Value	%	22.0%	
PV FCFF detailed planning phase	GBP mn	101.3	For the period 2024e-2033e with sales CAGR 2028e-33e of 84.9%
in % of Enterprise Value	%	46.9%	
PV FCFF rough planning phase	GBP mn	66.9	For the period 2033e-2038e with a sales CAGR of 4.8%
in % of Enterprise Value	%	31.0%	
Enterprise Value	**GBP mn**	**215.8**	

SOURCE: SPHENE CAPITAL FORECASTS

Subtracting the expected net financial position (as at the end of the 2023e financial year) of around EUR 1.2 mn (based on excess cash), we calculate an equity value of GBP 214.5 mn or EUR 4.90 per share.

TABLE 3: DCF VALUATION - SUMMARY OF RESULTS (CONTINUED)

Financial debt	GBP mn	-2.0	Data as of 31 December 2023 (end of the 2023e financial year)
Excess cash	GBP mn	0.8	Data as of 31 December 2023 (end of the 2023e financial year)
Value of equity	**GBP mn**	**214.5**	**Over a period of 36 months**
Number of shares	mn	51.6	
Value of equity per share	**GBP**	**4.16**	**Over a period of 36 months**
Value of equity per share	**EUR**	**4.90**	FX GBPEUR=0.8511
Current share price	EUR	0.18	Closing price on 11 June 2024
Share price potential	%	2622.2%	

SOURCE: SPHENE CAPITAL FORECASTS

Scenario analysis through Monte Carlo simulation

We then performed a Monte Carlo simulation to test the sensitivities of the company value to the independent input variables. We performed a multivariate analysis and tested the results of the DCF model according to the following seven criteria and specific standard deviations (σ).

TABLE 5: SENSITIVITY PARAMETERS OF THE MONTE CARLO SIMULATION

		Is	σ
Sales growth rate in the rough planning phase	%	84.9%	5.0%
Sales growth rate in terminal Value	%	4.8%	1.0%
Average EBIT margin rough planning phase	%	54.4%	5.0%
EBIT margin in terminal value	%	50.0%	5.0%
Average tax rate rough planning phase/terminal value	%	-23.1%	2.0%
Normalised sales to capital ratio	%	2.00	1.0%
Probability of insolvency in the terminal value	%	7.9%	0.7%

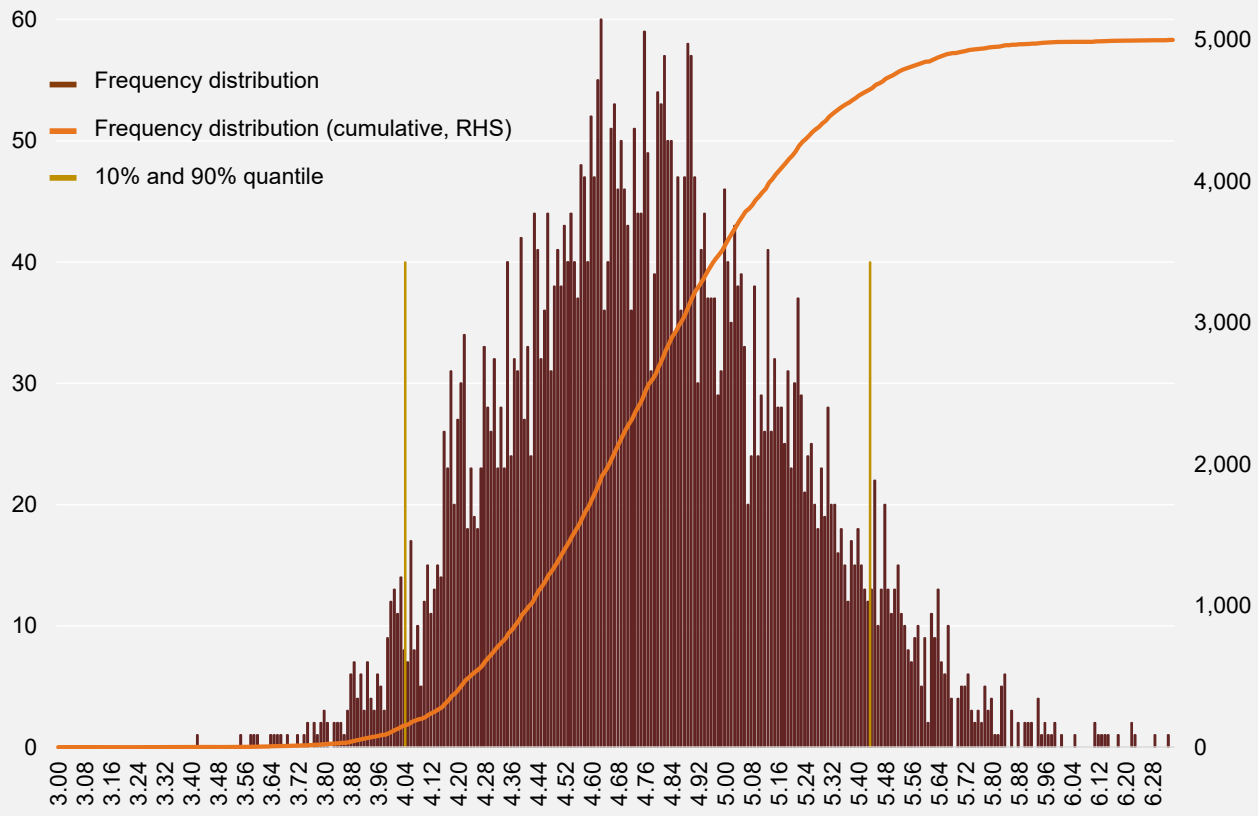
SOURCE: SPHENE CAPITAL FORECASTS

Results of the Monte Carlo simulation

This shows that the 10% and 90% quantiles of equity are EUR 208.6 mn (EUR 4.04 per share) and EUR 278.8 mn (EUR 5.40 per share) respectively. The results of our Monte Carlo simulation are summarised in the following distribution:

Monte Carlo simulation with 10% and 90% quantile price targets of between EUR 208.6 and 278.8 mn or EUR 4.04 and EUR 5.40 per share.

EXHIBIT 10: MONTE-CARLO-SIMULATION (5,000 SIMULATIONS, IN EUR PER SHARE)



SOURCE: SPHENE CAPITAL FORECASTS

In addition to a three-phase DCF entity model, we used an economic profit model, another fundamental valuation method, to determine the value of Vidac Pharma. The question here is whether and from when the capital provided to the company is utilised to create value and at what price level this value creation is reflected in the intrinsic company valuation. From the economic profit model, we calculate a present value of equity of up to EUR 6.50 (based on the economic profit margin of 2032e) per share for Vidac Pharma. If Vidac Pharma succeeds in expanding the profit margin as we expect, this valuation method indicates a significant undervaluation of the share from 2028e onwards, which will gradually increase over time.

Use of the value-added multiplier

The first step is to determine whether Vidac Pharma operates a value-creating business model at all. To do this, we determine the cost of capital employed which we compare this with the return on capital employed. Table 6 below shows the development of Vidac Pharma's capital employed derived from our estimated balance sheet data for the detailed planning phase of the years 2024e to 2033e:

The capital employed by Vidac Pharma mainly results from net working capital. Apart from this, we classify Vidac Pharma's business model as "asset-light".

TABLE 6: CAPITAL EMPLOYED, 2024E-33E

		Detailed planning phase									
		2024e	**2025e**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**	**2031e**	**2032e**	**2033e**
Tangible assets	GBP mn	0.0	0.0	0.0	0.4	4.6	8.1	10.9	13.0	13.7	14.4
Intangible assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net working capital	GBP mn	0.0	0.0	0.2	2.4	27.3	47.7	63.5	75.0	78.3	81.5
Operating leases	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital employed	**GBP mn**	**0.0**	**0.0**	**0.2**	**2.8**	**31.9**	**55.7**	**74.4**	**88.0**	**92.0**	**95.9**

SOURCE: SPHENE CAPITAL FORECASTS

Net operating profit less adjusted taxes (NOPLAT)

In a second step, we determine the return on capital employed (ROCE) by calculating the net operating profit less adjusted taxes (NOPLAT). This calculation has been made in the following table 7:

TABLE 7: NET OPERATING PROFIT LESS ADJUSTED TAXES, 2024E-33E

		Detailed planning phase									
		2024e	**2025e**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**	**2031e**	**2032e**	**2033e**
EBITDA	GBP mn	-1.2	-1.4	-1.7	2.4	53.7	95.8	128.7	152.7	159.5	166.1
Depreciation	GBP mn	0.0	0.0	0.0	0.0	-0.5	-1.2	-1.8	-2.3	-2.6	-2.7
EBITA	**GBP mn**	**-1.2**	**-1.4**	**-1.7**	**2.4**	**53.2**	**94.6**	**126.9**	**150.4**	**156.9**	**163.3**
Adjusted taxes	GBP mn	0.2	0.2	0.2	0.4	0.3	-28.4	-38.1	-45.1	-47.1	-49.0
Adjusted tax ratio	%	-14.3%	-12.8%	-12.7%	16.4%	0.6%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%
NOPLAT	**GBP mn**	**-1.0**	**-1.2**	**-1.5**	**2.8**	**53.6**	**66.2**	**88.8**	**105.3**	**109.8**	**114.3**

SOURCE: SPHENE CAPITAL FORECASTS

Return on capital employed (ROCE)

After calculation of the NOPLAT, we divide it by the capital employed. We then compare the calculated ROCE figures with the cost of capital (WACC) as determined in the DCF model.

TABLE 8: ROCE VS. WACC, 2024E-33E

		Detailed planning phase									
		2024e	**2025e**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**	**2031e**	**2032e**	**2033e**
Capital employed	GBP mn	0.0	0.0	0.2	2.8	31.9	55.7	74.4	88.0	92.0	95.9
NOPLAT	GBP mn	-1.0	-1.2	-1.5	2.8	53.6	66.2	88.8	105.3	109.8	114.3
ROCE	**%**	**n/a**	**n/a**	**-754.8%**	**99.8%**	**167.9%**	**118.8%**	**119.4%**	**119.6%**	**119.4%**	**119.3%**
WACC	%	22.5%	22.5%	22.5%	21.3%	20.4%	19.6%	18.7%	18.7%	18.7%	18.7%

SOURCE: SPHENE CAPITAL FORECASTS

Vidac Pharma with increasing value added margin after 2026e

Table 8 above shows that, according to our forecasts, Vidac Pharma will have a positive value added margin from the 2027e financial year onwards, which we expect to increase. This fulfils the necessary condition for Vidac Pharma to be a value-creating company.

Valuation at the time at which positive value added was achieved

In our view, investors currently invested in the company will not sell their stake in Vidac Pharma until the company is no longer a "value destroyer", i.e. when the return on capital employed exceeds the cost of capital employed. According to our estimates, this will be the case in 2028e. At this point, an investor will ask a price for his shares that corresponds to the value of the capital invested.

An enterprise value of GBP 262.0 mn can be derived from this assumption for 2028e. In addition to the net financial position of GBP 18.0 mn that we forecast at that time, an equity value of GBP 280.0 mn can be calculated. Discounted with the cost of equity of 13.9% derived from the CAPM (see Table 2 above), a present value of EUR 3.30 per share can be derived.

We assume that the share price targets will continue to rise in the years after 2028e, as the economic profit margin should increase further due to the expansion of the business activities and market share. In our view, the more long-term an investor is invested in the share, the greater the upside potential.

TABLE 9: DERIVATION OF THE PRICE TARGET FROM THE ECONOMIC PROFIT MODEL

		Detailed planning phase									
		2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
EV/CE	**x**	**n/a**	**n/a**	**74.87**	**5.53**	**-0.27**	**-0.92**	**-1.63**	**-2.42**	**-3.47**	**-4.48**
ROCE/WACC	**x**	**n/a**	**n/a**	**-33.58**	**4.68**	**8.21**	**6.06**	**6.40**	**6.41**	**6.40**	**6.39**
Enterprise value	**GBP mn**	**n/a**	**n/a**	**-6.7**	**12.9**	**262.0**	**337.6**	**476.1**	**564.2**	**588.7**	**612.9**
Net debt	GBP mn	-2.3	-3.7	-5.7	-6.0	18.0	60.4	130.6	222.2	328.1	438.5
Pension reserves	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity value	**GBP mn**	**n/a**	**n/a**	**-12.4**	**6.9**	**280.0**	**398.0**	**606.6**	**786.4**	**916.8**	**1,051.4**
Number of shares	mn	51.6	51.6	51.6	51.6	51.6	51.6	51.6	51.6	51.6	51.6
Price target	**EUR**	**n/a**	**n/a**	**n/a**	**0.20**	**6.40**	**9.10**	**13.80**	**17.90**	**20.90**	**23.90**
Present value	**EUR**	**n/a**	**n/a**	**n/a**	**0.10**	**3.30**	**4.10**	**5.60**	**6.30**	**6.50**	**6.50**

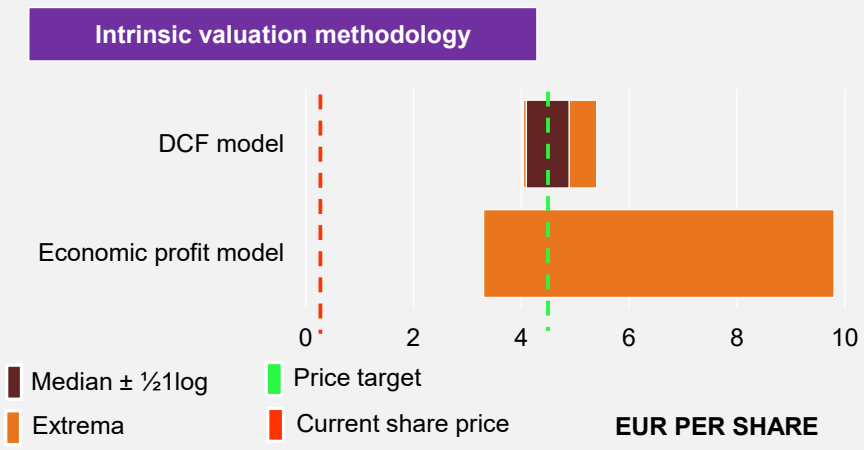
SOURCE: SPHENE CAPITAL FORECASTS

Summary of the results

In Exhibit 11 below, we have summarised the results of the valuation approaches presented, whereby we have also presented the results of the Monte Carlo simulation in the DCF model. Based on the operating earnings development we expect for Vidac Pharma, we believe that a long-term DCF model is the superior valuation method. We include the shares of Vidac Pharma in the research coverage of Sphene Capital with a price target of EUR 4.90 and a Buy rating.

The summary of the valuation shows that the current share price is significantly below the fundamentally based valuation results.

EXHIBIT 11: SUMMARY OF THE VALUATION RESULTS



Due to the dynamic development of earnings that we expect, we consider a long-term DCF model to be the relevant valuation measure.

SOURCE: SPHENE CAPITAL FORECASTS

Multiples when achieving our company valuation

On the basis of our financial forecasts and if the equity value we have determined (base case scenario of the DCF valuation model) of EUR 4.90 per share is reached, Vidac Pharma would be valued at the following multiples:

TABLE 10: VALUATION MULTIPLES OF THE VIDAC PHARMA SHARES

		Valuation at the current share price					Valuation at target price				
		2025e	2026e	2027e	2028e	2029e	2025e	2026e	2027e	2028e	2029e
KGV	x	n/a	n/a	3.5x	0.1x	0.1x	n/a	n/a	94.7x	4.0x	3.2x
EV/sales	x	n/a	n/a	1.9x	n/a	n/a	n/a	n/a	30.8x	2.2x	1.0x
EV/EBIT	x	n/a	n/a	7.1x	n/a	n/a	n/a	n/a	93.3x	3.7x	1.6x
KBV	x	n/a	n/a	n/a	0.2x	0.1x	n/a	0.4x	n/a	4.3x	1.8x
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: SPHENE CAPITAL FORECASTS

Downside risks for the achievement of our price target

We see the following downside risks in particular to the achievement of our price target (for details and additions, see also p. 42ff):

- Lack of profitability to date
- Dependence on founders, especially with regard to financing
- Business model dependent on regulatory approval
- Translation risks from currency translation

Catalysts for performance

We see the following as the most important catalysts for the development of the company value of Vidac Pharma in the coming months:

- Announcement of the **research results** of the current clinical phase
- **Market launch of VDA-1102-AK** faster than we expected

Reversal of the abnormal metabolism

Established in 2012 by Dr Max Herzberg, one of the founding fathers of the Israeli life sciences industry, Vidac Pharma is a clinical-stage biopharmaceutical company specialising in oncology and oncodermatology therapies. The therapies developed by Vidac Pharma aim to fight cancer by reversing the abnormal metabolism of cancer cells.

Two drugs are currently in the development pipeline: VDA-1102, an ointment for the topical, i.e. dermal, treatment of patients with actinic keratosis (AK)—a potentially premalignant disease of the skin and main risk factor for the development of cutaneous squamous cell carcinoma (cSCC)—as well as for the treatment of cutaneous T-cell lymphoma (CTCL), and the active ingredient VDA-1275, which is being developed for the systemic treatment of solid tumours.

Cancer: a degeneration of cells

Cancer is a collective term for malignant tumours. A characteristic feature of all cancers is that cells in the body change in a multi-stage process in such a way that they no longer fulfil their actual functions, multiply uncontrollably and rapidly, and eventually destroy healthy tissue in the process. This is due to errors caused by changes in the genetic material of the cells. These changes can arise from the complex interaction of a person's genetic factors and three main categories of external, DNA-influencing substances, namely:

- **physical carcinogens** such as ultraviolet and ionising radiation;
- **chemical carcinogens** such as asbestos, benzpyrene from tobacco smoke, alcohol, aflatoxin (a food contaminant), and arsenic (a drinking water contaminant), and
- **biological carcinogens** such as infections caused by certain viruses, bacteria or parasites.

So-called **cocarcinogens**, such as chronic inflammation, drugs, and hormones, may not directly cause cancer, but they can increase the incidence of tumours.

When genes mutate

The starting point for cancer is always the genetic material. Genes have been altered or damaged in such a way that the body's repair and control mechanisms are ineffective or switched off. Basically, three groups of genes are involved: **(1)** oncogenes (mutated form of healthy proto-oncogenes), **(2)** tumour suppressor genes, and **(3)** repair genes. They are also found in healthy cells where they regulate growth and differentiation ("maturation") of cells: Proto-oncogenes promote cell growth, while tumour suppressor genes recognise possible DNA damage and suppress growth. If changes, so-called mutations, occur (development of oncogenes), the body's repair system intervenes and repairs the damage or induces controlled cell death (apoptosis). In most cases, this happens without any problems.

Occasionally, however, the repair system fails. This results in an imbalance between oncogenes and tumour suppressor genes and leads to uncontrolled cell growth. In contrast to the controlled growth of healthy body cells, cancer cells divide when they

should not, do not die when they should, and destroy when they grow into healthy surrounding tissue. As a result, the affected tissue and organs longer function properly.

Types of tumours

When types of cancer grow as a tumour at a specific part of the body, it is referred to as a tumour (generally a swelling) or a neoplasia (proliferation). A distinction is made between three types of tumours:

- **Benign tumours** that do not destroy neighbouring tissue, but only displace it. They do not spread and invade neighbouring tissue, nor do they form metastases in other parts of the body. Due to their firm boundary—by separating themselves from the surrounding tissue through capsules—and slow growth, benign tumours are not cancer per se. They are generally not dangerous and often do not even affect the lives of those affected; as a rule, they are only discovered in the course of routine or early cancer detection examinations. However, they may also cause varying degrees of discomfort if they press on the surrounding tissue, nerves, or blood vessels, or become a cosmetic problem. In medicine, benign tumours are named after the original tissue from which they originated. Examples are fibromas (tumours from connective tissue), lipomas (tumours from fatty tissue), myomas (tumours from muscle tissue in the uterus), angiomas (tumours of the blood vessels), chondromas (tumours from cartilage tissue), polyps (tumours from mucous membrane tissue), and adenomas (tumours from glandular tissue).
- **Semi-malignant tumours** that grow into surrounding tissue and are destructive, but do not form metastases.
- **Malignant tumours,** which are simply referred to as cancer. They grow quickly and usually uncontrolled, they feed themselves via the surrounding blood vessels, use lymph vessels as a means of spreading, and can damage the surrounding tissue and organs as well as form metastases in other parts of the body.

In principle, all tissues and organs of the human body can be affected by cancer. Rarely affected by cancer are

- Small intestine
- Liver as primary tumour organ
- Muscles
- Tendons, ligaments, and joints
- Bone as primary tumour organ
- Lungs in non-smokers

Metastasis of cancer

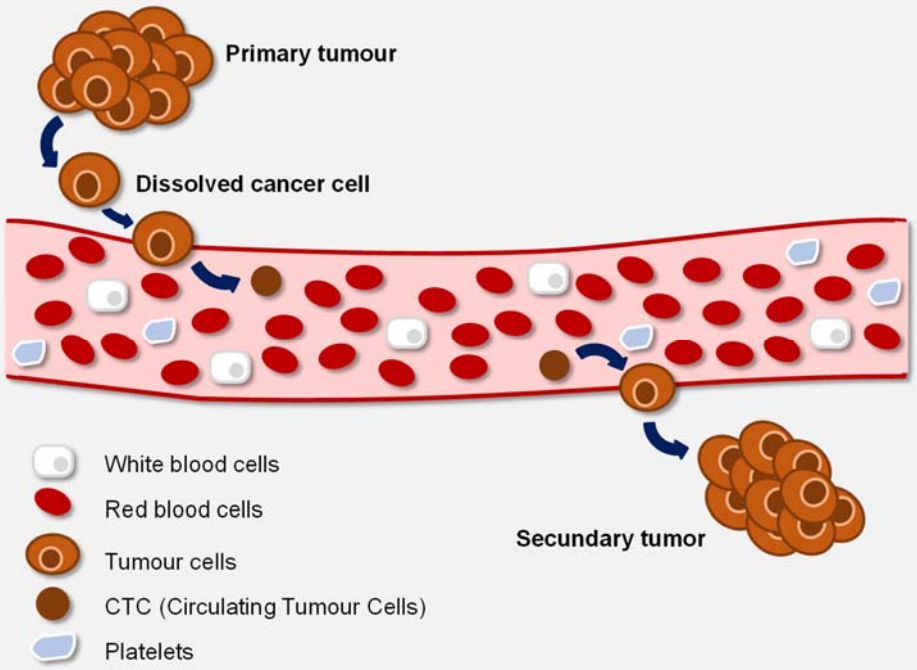
When individual cancer cells leave their original location in the tissue, they can invade healthy surrounding tissue (invasion) or even detach from the primary tumour, move around the body via the blood or the lymphatic system, and form one or more new tumours, so-called metastases, in other tissues or organs.

Metastasis of the primary tumour can occur

- via the lymph vessels (lymphogenous),
- via the bloodstream (haematogenous),
- via a neighbouring body cavity such as the abdominal cavity (intracavitary) or
- via anatomical duct systems such as the urinary tract and milk ducts (canalicular).

The more undifferentiated the tumour tissue is, i.e. the less it resembles normal tissue, the more malignant a tumour is and the greater its blood vessel supply need, creating new blood vessels to satisfy this need. This in turn allows individual cancer cells to be transported further early on in their development. The more malignant a tumour is, the earlier it metastasises. Because the circulating tumour cells (CTC, see Exhibit 12 below) are transported further passively into so-called filter organs such as the lungs, liver, bones, and brain, these also represent the typical metastatic organs.

EXHIBIT 12: METASTASIS VIA CIRCULATING TUMOUR CELLS (CTC)



The adjacent exhibit shows the multi-stage process of metastasis. After tumour cells have detached from the primary tumour and invaded neighbouring tissue, the bloodstream, or the lymphatic system, survive and multiply, they can finally settle in distant organs and eventually form a new tumour (metastasis).

It is assumed that 1 ml of blood can contain 1-10 individual CTCs, millions of white blood cells, and billions of red blood cells.

SOURCE: SPHENE CAPITAL

Categorisation of cancer

Because cancers arise from similar types of tissue, cancers are grouped together and named after the type of cell from which they originate:

- **Carcinomas** (epithelial tumours) originate from tissues that line the inner and outer surfaces of the body (epithelial tissue). This includes the covering tissue of the skin, mucous membrane, and glandular tissue. Carcinomas are the most common type of malignant tumour, affecting around eight out of ten patients suffering from a malignant solid tumour. They develop in the organs, often in glands. The Latin names, for example mammary carcinoma (breast cancer), bronchial carcinoma (lung cancer) or prostate carcinoma (prostate cancer), are derived from the affected organ.
- **Sarcomas** (mesenchymal tumours) develop in connective or supporting tissues such as fatty tissue, muscles, tendons, cartilage, blood vessels or bones. The subtypes names depend on where the cancer develops. For example, an osteosarcoma forms on the bone surface or in the bone, a liposarcoma in the fatty tissue, and a rhabdomyosarcoma in the muscle tissue. Sarcomas affect around 1 in 100 cancer patients, but are the second most common form of solid cancer in children and adolescents.
- **Lymphomas** are cancers of the lymphatic system, i.e. the immune system. This includes, for example, the lymph nodes, tonsils, and spleen, but also lymph channels that run through the entire body. There are two basic groups of lymphomas. The first is Hodgkin's lymphoma, which is characterised by the presence of a cell type called Reed-Sternberg cell, and the second is the more common other types of lymphoma, formerly grouped under non-Hodgkin's

lymphoma. Lymphomas can progress very slowly (low-malignant lymphomas), such as follicular lymphoma, or very aggressively (high-malignant lymphomas), such as diffuse large B-cell lymphoma. Lymphomas do not include metastases of another tumour in the lymph nodes.

- **Leukaemias** are malignant diseases of the haematopoietic system, also known colloquially as blood cancers. Around three in 100 cancer patients have leukaemia.
- **Blastomas** are embryonic tumours that arise during tissue or organ development. One example is neuroblastoma, which mainly occurs in children and adolescents.

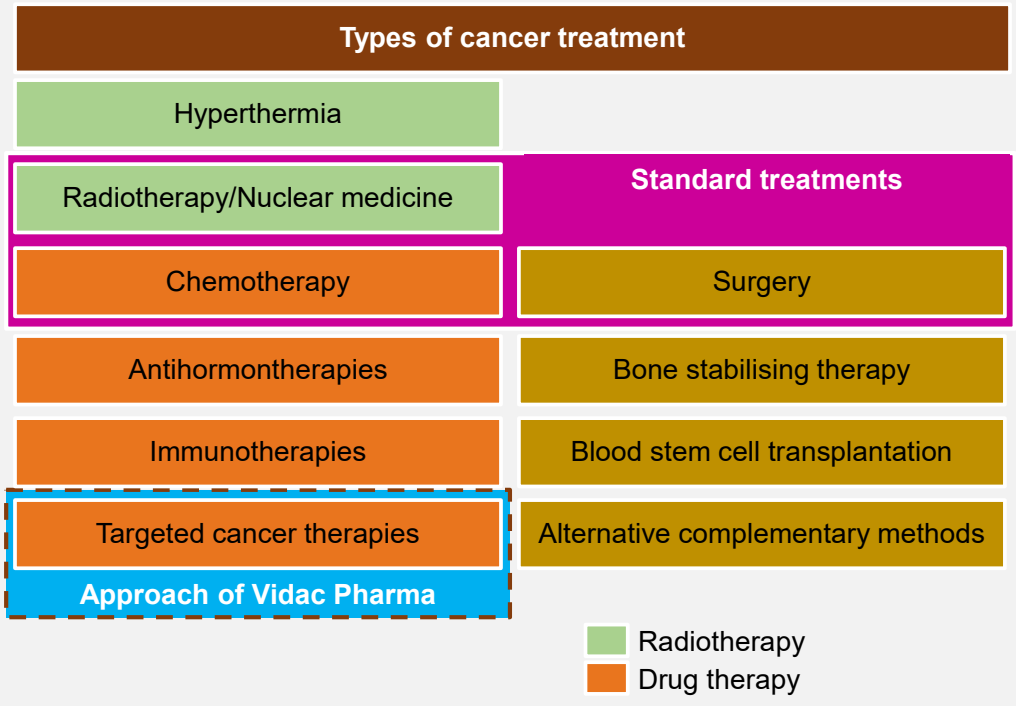
Solid tumours

Solid tumours are abnormal tissue masses that usually do not contain cysts or fluid areas. Solid tumours can be benign (non-cancerous) or malignant (cancerous). Malignant solid tumours include the groups of carcinomas, sarcomas, and blastomas described above. In most cases, solid tumours are diagnosed by biopsy; in addition, blood tests and/or imaging tests may be required, particularly to assess the spread or stage of a tumour.

Treatment and prognosis of solid tumours vary widely in practice and can depend on factors such as the type of tumour, its location, and the stage of the cancer. Some tumours require no or minimal topical treatment, while others may require intensive chemotherapy, radiotherapy, and/or other cancer treatments.

Exhibit 13 below summarises the common cancer treatments that are used in combination not only for advanced solid tumours:

EXHIBIT 13: TYPES OF CANCER TREATMENTS



SOURCE: SPHENE CAPITAL

Surgery

Surgery is an important therapy for many types of cancer. In cancer medicine, they are primarily used to remove tumour tissue: either for examination purposes or for actual treatment. They may also be necessary to alleviate or eliminate tumour-related complications. There is a wide range of different surgical procedures, ranging from

- biopsies, whereby tissue samples are taken with a needle or small incisions,
- by removing small, superficial lesions through incisions, icing, or ablation using a small wire loop,
- and endoscopic or laparoscopic, minimally invasive procedures with small skin incisions (keyword "keyhole surgery"), recently also robot- or artificial intelligence-assisted,
- up to the removal of parts or the entire affected organ and the adjacent tissue if it is also affected by the tumour, in particular the neighbouring lymph nodes, which are usually the first organs into which migrating cancer cells invade.

Radiotherapy and nuclear medicine treatment

More than half of cancer patients undergo **radiotherapy** during the course of their treatment. The aim of radiotherapy is to damage the genetic material of the cancer cells so much that they die. In principle, every cell has repair mechanisms to repair such damage. However, these mechanisms are defective in tumour cells. Radiotherapy specifically exploits the reduced repair capacity of tumour cells as compared to healthy, normal cells. High-energy-ionizing-radiation is used for this purpose, which is generated and directed at the tumour by so-called linear accelerators with which high-energy electron and photon beams or protons or heavy ions are generated. In contrast, radiation devices containing radioactive material are only used in rare cases nowadays.

In what is known as **nuclear medicine treatment,** radioactive, i.e. radiating, drugs are introduced into the body. These accumulate in the tissue, decay, and release their radiation. The drugs or their substances are not distributed randomly in the body, but rather play a role in the metabolism of certain tissues or are linked to tumor-specific antibodies, for example. Thus, cells in the body are specifically damaged, especially tumor cells, which divide more frequently and have a faster metabolism than normally growing cells. Once again, the therapy utilises the fact that most cancer cells recover poorly from such damage, lose their ability to divide, and eventually die. As a result, the cancer is destroyed from the inside by radioactive radiation or at least becomes smaller, and the healthy tissue, which is less sensitive to radiation, recovers.

Chemotherapy

Chemotherapy is a cancer treatment with certain chemical drugs. So-called cytostatic drugs inhibit the growth, division, and thus the multiplication of cancer cells. The aim is to shrink the tumour and, at best, to cure it completely.

Cytostatic drugs are usually administered as an infusion, occasionally also in oral form (pills). Cytostatics are a "systemic therapy" which, in contrast to surgery and radiotherapy, also combat cancer cells and metastases that are already circulating. The active substances are distributed throughout the body. As a result, not only cancer cells, but also healthy, frequently dividing cells (blood and immune system, hair, skin, and mucous membrane cells) can be damaged. Chemotherapy therefore often causes severe side effects. In contrast, "regional" or "local" chemotherapy, in which a body

cavity is flushed with a chemotherapy solution or in which superficial tumours of the skin are treated with ointments, is less common.

Hyperthermia

Hyperthermia is a supportive treatment method against cancer in which patients are supplied with energy that heats the body or individual organs and tissues affected by the tumour to up to 43 degrees Celsius. To increase the temperature, doctors mainly use electromagnetic waves such as micro or radio waves or ultrasound; in rarer cases, the inside of the body is flushed with a heated liquid. Hyperthermia procedures are not intended to kill tumour cells directly, but the heat stress makes them more susceptible to natural degradation processes and additional radiotherapy or chemotherapy.

Immunotherapies

The body's own immune system is generally able to recognise and destroy tumour cells—but only if they show clear changes compared to healthy tissue. However, not all cancer cells show such distinct characteristics. Furthermore, tumour cells are constantly evolving and may use evasion mechanisms such as restricting antigen recognition or the release of immunosuppressive molecules to impair or eliminate the immune defence.

Cancer immunotherapy goes back to William B. Coley, who in 1891 began treating cancer patients with various combinations of bacteria and their derivatives to trigger an immune response. Although the immune system was not yet understood or recognised at the time, Coley observed that patients' responses to infections were occasionally accompanied by tumour regression.

Cancer immunotherapies aim to strengthen the existing but inactive immune response and direct the body's own immune defence directly at the cancer cells. Examples of immunotherapies include therapeutic tumour vaccinations, which direct the immune system to specific tumour antigens, the proliferation of immune cells (e.g. dendritic cells and T cells) that are important for fighting tumours, the modification of immune cells (e.g. CAR T cells) or the administration of immune checkpoint inhibitors, which switch off proteins that slow down immune cells.

However, to date there are only a few proven effective and approved therapies, which are moreover only used for certain types of tumours and predominantly for patients with advanced disease.

Targeted cancer therapies

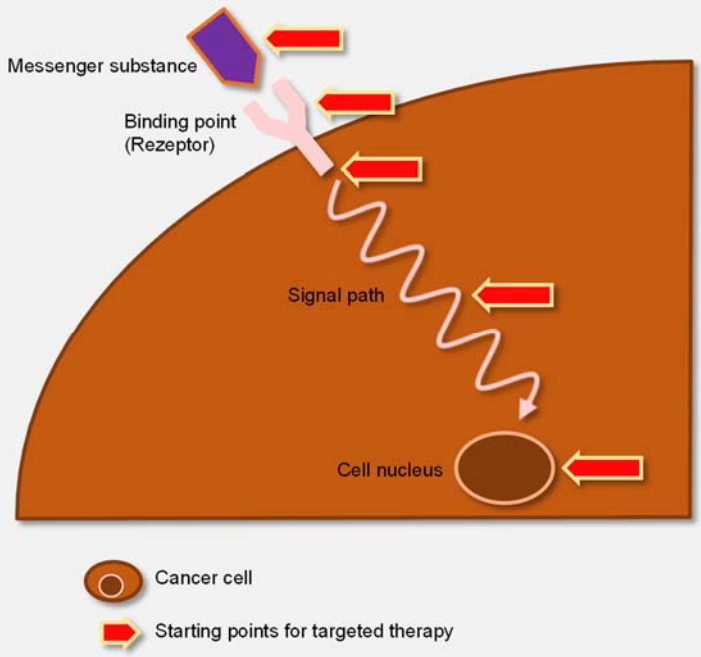
Targeted cancer therapy is the term used to describe cancer treatment with drugs that specifically target selected points of attack on the cancer cell and intervene in processes that are important for tumour growth. Targeted therapies are therefore more specific than many chemotherapy treatments, for example, but also cause side effects—albeit to a lesser extent—if their targets also exist on or in healthy cells or if they bind unplanned to additional structures. Small molecules in pills form and immunobiological substances (antibodies) as injections or infusions are used as targeted therapies.

In recent decades, targeted therapies have gained an important position in cancer research and clinical oncology thanks to the molecular knowledge of oncogenic processes and mechanisms gained from basic research and technological development.

Targeted agents are currently used to treat breast, lung, and bowel cancer as well as leukaemia, for example. However, most drugs are approved for the treatment of advanced diseases and require extensive molecular testing of patients prior to the therapy ("personalised cancer therapy"). Depending on the results, targeted therapy alone or a combination with other forms of therapy, such as chemotherapy, is used.

Targeted cancer therapy can only be effective if the selected points of attack or target structures are present on or in the cancer cells. These structures are also called predictive markers or, more generally, biomarkers.

EXHIBIT 14: MODE OF ACTION OF TARGETED THERAPY DRUGS



Targeted drugs intervene in processes that are important for cancer growth. They are geared towards certain properties of the respective tumour cells:

The points of attack can, for example, be on the molecules that transmit signals to the cancer cells. These are specifically intercepted (point of attack: messenger substance). However, the target structures can also be located on the cell surface; in this case, the points of attack are located on the binding sites or receptors to which the messenger substances dock. Other active substances penetrate the cancer cells and block stations of the signalling pathway.

SOURCE: SPHENE CAPITAL

Most targeted therapies interfere with the processes of certain proteins that promote the growth and spread of tumours in the body. This distinguishes them from chemotherapy, which often kills all cells that have the ability to grow quickly and divide frequently.

Targeted therapies developed to date utilise various approaches, including the:

- **Support of the immune system in the destruction of cancer cells:** One reason for the possibility of their excessive growth is that cancer cells can avoid the defence mechanisms of the immune system. Certain targeted therapies can mark cancer cells so that the body's own immune system finds and destroys them more easily. Other targeted therapies help to strengthen the immune system so that it can better fight cancer cells.

- **Interruption of the signals that cause cancer cells to grow uncontrollably:** Healthy cells generally only divide when they receive a corresponding signal. This signal binds proteins on the cell surface that instruct the cells to divide. This ensures that new cells are only formed when the body needs them. In some cancer cells, these growth signals are particularly activated and uncontrolled; in others, changes in the proteins on the cell surface have been detected, so that these instruct the cancer cells to divide without a signal being present. Signal transduction inhibitors interfere with these proteins and prevent them from telling the cells to divide. They help to slow down the uncontrolled growth of tumours.

- **Interruption of signals that support the formation of blood vessels:** In order to grow beyond a certain size, tumours need to form new blood vessels, a process

called neo-angiogenesis. The tumour sends signals that initiate angiogenesis. Angiogenesis inhibitors interfere with these signals and thus prevent the formation of new blood vessels. As a result, the tumours remain small or even shrink.

- **Introduction of cell-killing substances into the cancer cell:** Some monoclonal antibodies are combined with cell-killing substances such as toxins, chemotherapeutic agents, or radiation. As soon as these monoclonal antibodies attach to the target structures on the surface of cancer cells, the cancer cells take up the cell-killing substances and die.
  - **Triggering apoptosis:** Healthy cells die in an orderly manner if they are damaged or too old. Cancer cells can evade this controlled death process (apoptosis). Some targeted therapies can induce cancer cells to undergo apoptosis.
  - **Prevention of waste disposal in cancer cells:** Blocking the activity of proteasomes, protein complexes that recognise and break down proteins that are no longer needed, by proteasome inhibitors causes cancer cells to literally "choke" on their own waste.

Bone stabilising therapy

If the cancer therapy damages a patient's bones, for example in the case of bone metastases or multiple myeloma (bone marrow cancer), bone-stabilising treatment methods in the form of anti-resorptive medication are used to prevent or treat complications such as bone loss (osteoporosis), bone pain, bone fractures or crushing of the spinal canal.

Blood stem cell transplantation

Blood stem cells are the "mother cells" of all blood cells. Red and white blood cells (erythrocytes and leukocytes) and blood platelets (thrombocytes) continuously develop from them in the bone marrow in various stages of division, replacing cells that have died as a result of natural ageing. If high-dose chemotherapy or radiotherapy to treat cancer completely or largely destroys the blood stem cells in the body, new stem cells must be transplanted via a blood stem cell transplant. Either the patient's own blood stem cells, which were previously removed from the bone marrow of the pelvic bone (autologous transplantation), or blood stem cells from a suitable donor (allogeneic transplantation) can be transplanted.

Other, alternative treatment methods

- **Hormone or endocrine therapy** suppresses the production of the body's own hormones, which are responsible for the growth of certain types of tumours or the formation of metastases. Hormones are chemical messengers that can initiate or block various metabolic processes as information transmitters between cells and tissues. However, not all cells have the same ability to react to a specific hormonal signal. Specialised receptor molecules, so-called hormone receptors, are required. Hormones and receptors behave like a lock and key, which is why not every hormone can dock onto every receptor. Through their receptors, the various tissues in the body are specialised for their specific tasks—they generally only react to the hormones that are important for their function. Tumours that have developed from hormone-sensitive tissues often have the same specific hormone receptors. This

is significant if tissue growth is also controlled by hormones; hormone-dependent tumours that have lost their natural growth control continue to grow under the influence of hormonal messengers. The higher the hormone sensitivity of a cancer cell, the greater the success of hormone withdrawal can be. The therapy is most frequently used for tumours that are dependent on oestrogens and androgens.

- Finally, there are also **complementary and alternative methods of cancer medicine**. These include **(1)** naturopathy, herbal substances, homeopathy, or mistletoe therapy from anthroposophic medicine, **(2)** Ayurveda, traditional Chinese medicine (TCM), yoga, and other Asian relaxation techniques, **(3)** cancer diets, vitamins and nutritional supplements, and detoxification, (**4)** immunostimulation and immune-strengthening therapies, and **(5)** stress reduction, positive thinking, and psychological blockages. These methods are often not empirically proven, but are also used in combination with conventional medicine.

Many types of cancer alter cell metabolism in order to promote tumour growth. A key feature of many cancer cells is an altered glucose metabolism. Tumour cells ferment glucose—even in the presence of oxygen—into lactate. The energy yield is considerably reduced, which is why the consumption of glucose increases massively. This cancer cell metabolism, first described by Otto Heinrich Warburg, is essential for tumour growth. The first step of glucose metabolism is catalysed by hexokinases. It is assumed that the enzyme hexokinase-2 (HK2) plays an important role for cancer cells. While HK2 is only found in limited quantities in normal adult tissue, it is expressed in large quantities in cancer cells. There, it presumably contributes significantly to accelerated metabolism and to the development and maintenance of tumours. Hexokinases could therefore be an attractive target molecule for selectively attacking cancer cells and enabling targeted cancer therapy via systemic deletion of HK2—without severe negative physiological consequences.

The peculiarities of cancer metabolism, or: the "Warburg Effect"

In 1927, the biochemist Otto Heinrich Warburg (1883-1970) investigated the processes of respiration and fermentation in tumour cells. During normal cellular respiration, glucose is converted into pyruvate; this enters the citric acid cycle after an intermediate step in order to finally phosphorylate ADP to ATP—the main energy store in cells—in the presence of oxygen (oxidative phosphorylation). In this environment, only a small amount of lactate is produced in normal cells. In his in vivo and ex vivo studies, however, Warburg observed a significantly increased glucose uptake and increased lactic acid and lactate production in tumour cells compared to normal cells. Healthy cells also exhibit this metabolic state, but only if—for example during intensive muscle strain—insufficient oxygen is made available. In cancer cells, on the other hand, it can be shown that glucose is anaerobically fermented to lactate even when there is a sufficient supply of oxygen.

The conversion of glucose into lactate despite the presence of sufficient oxygen and intact mitochondria for cellular respiration is known as the Warburg Effect or anaerobic glycolysis.

The consequences of an acidic and low-oxygen microenvironment

It is now recognised that the Warburg Effect is necessary for tumour growth and is already active from an early phase of tumour development and also in benign and early lesions. However, there are different explanations as to the function of the Warburg Effect (see Liberti et al, TrendsBiochemSci 2016)

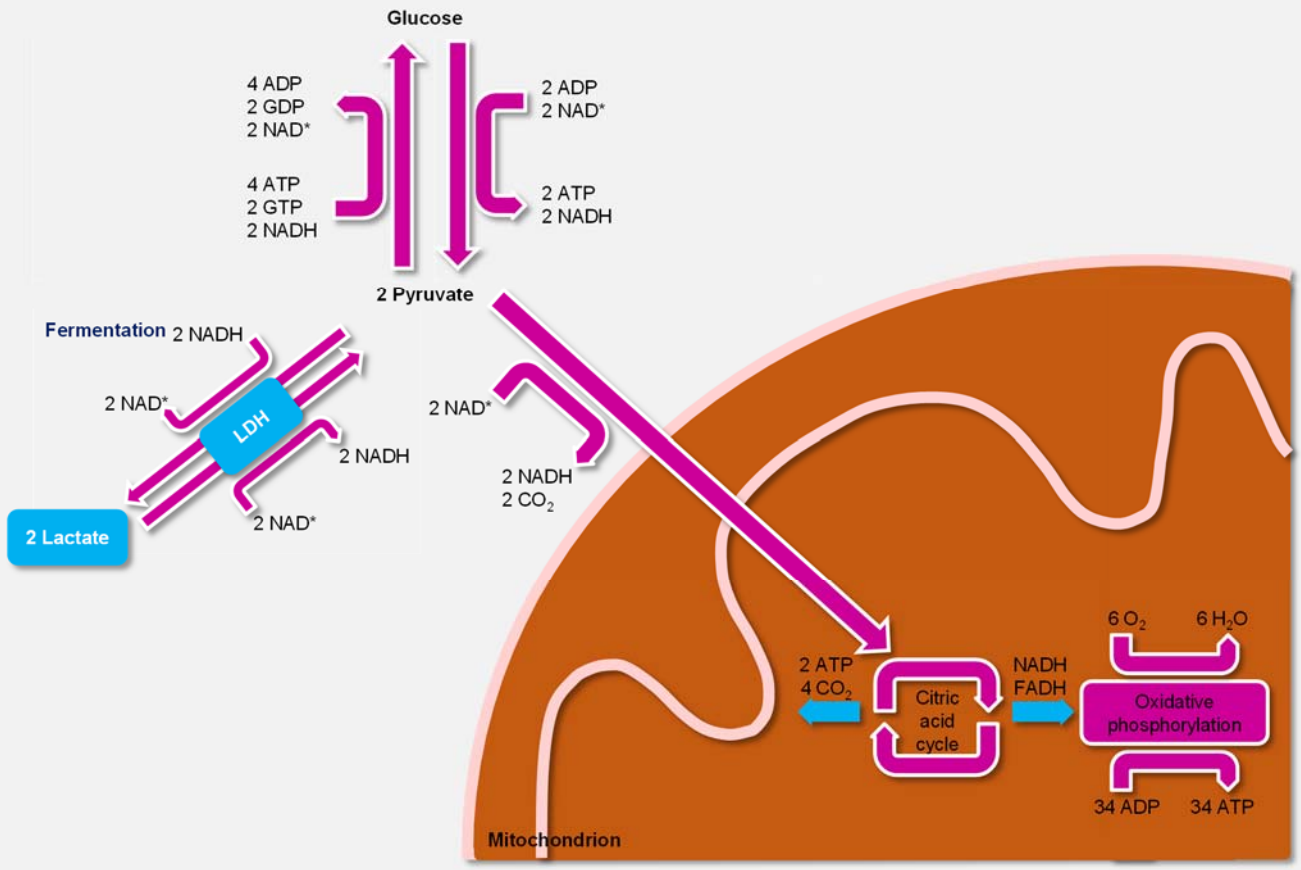
- In principle, the fermentation of glucose to lactate produces significantly less ATP than complete metabolization with the addition of oxygen (2:32 ATP per glucose molecule). However, the process is considerably faster, so that approximately the same amount of ATP can be synthesised in a given period of time. There are also indications that cells with faster metabolism but lower ATP production could have a selective advantage in that they can quickly adapt ATP production, e.g. when the cellular environment changes.
- Furthermore, the biosynthetic prerequisites for uncontrolled growth could be supported by the Warburg Effect. The increased glucose uptake not only provides the tumour cells with additional carbon for the new synthesis of lipids, nucleotides, and proteins, but also more starting materials for the synthesis of NADPH.
- Another consequence of the increased glucose metabolism is a lowering of the pH in the microenvironment due to lactate secretion. The Warburg Effect could thus promote tumour cell growth in a multicellular environment in various ways. For example, tumour-associated macrophages in an acidic microenvironment tend to adopt an immunosuppressive phenotype that "cooperates" with the tumour cells. The immunosuppressive effect is intensified by the fact that the faster metabolism of the tumour cells means that less glucose is available for tumour-infiltrating

While the German-language literature speaks of anaerobic glycolysis, the Anglo-Saxon literature speaks of aerobic glycolysis. In fact, the first stage of cell metabolism—the conversion of glucose into pyruvate—is always anaerobic. Only the second stage—normal cellular respiration—is an aerobic process. In cancer cell metabolism—the conversion of pyruvate into lactate—the entire process is anaerobic. The German-language literature therefore speaks of anaerobic glycolysis, while the Anglo-Saxon literature emphasises that the process also takes place under oxygen conditions—i.e. aerobically—as described.

lymphocytes, which require sufficient glucose for their functions. Accordingly, there are indications that by specifically influencing glycolysis in the tumour, the glucose supply to the lymphocytes can be increased and their function strengthened. Further advantages of acidification of the microenvironment for cancer cells are damage to the surrounding tissue and increased invasiveness. Finally, the acidic microenvironment also helps to reduce the effectiveness of cancer therapies such as radiotherapy or chemotherapy.

- Lastly, there is research showing that the Warburg Effect can give tumour cells direct signalling functions that influence the production and modulation of important cellular molecules and proteins.

EXHIBIT 15: GLUCOSE METABOLISM



SOURCE: SPHENE CAPITAL

Vidac Pharma's approach is based on the Warburg Effect

The dependence of cancer cell proliferation on accelerated glucose metabolism distinguishes them from normal cells. Targeting the microenvironment to restore the immune response could therefore be a promising approach to fighting cancer without affecting systemic homeostasis or the metabolic functions in normal cells. However, to date—as of our knowledge—there are no drugs that can overcome the protective properties of the tumour microenvironment.

Vidac Pharma's drug research aims to fill this gap. The focus is on the enzyme hexokinase (HK), which acts as a catalyst in the first step of glucose metabolism and is therefore responsible for the ATP-dependent phosphorylation of glucose (Glc) to form glucose-6-phosphate (G6P). Four major hexokinase iso forms are expressed in mammalian tissues, which are encoded by different genes: Hexokinase 1 to 4 (the latter is also known as glucokinase).

Cancer cells express large amounts of HK2

Of particular interest to Vidac Pharma are the first two isoforms, which are also the most abundant: While HK1 is constitutively expressed to a large extent in most adult mammalian tissues, HK2 is abundantly expressed in embryonic tissues, whereas in adult tissues it is only predominant in the heart, skeletal muscle, and adipose tissue—but also in many tumor cells, which in turn is associated with the increased anaerobic glycolysis and the Warburg Effect observed there.

Hexokinase binding to mitochondria important for tumour metabolism

Both hexokinases are associated with the mitochondria of cells. They bind close to porins, voltage-dependent anion channels (VDAC) in the mitochondrial membrane, through which ions and metabolic products, among other things, pass the membrane on both sides. If these channels are occupied by HK2, which is a rather big enzyme, anaerobic glycolysis and thus the production of lactate—i.e. tumour metabolism—are promoted. However, HK2 also blocks the release of molecules that trigger programmed cell death—apoptosis—in healthy tissue.

The binding close to the porins in the outer mitochondrial membrane provides the hexokinases with better access to ATP released by the mitochondria, which can be used for increased glucose metabolism. In addition, hexokinase binding to the mitochondria stimulates the synthesis of proteins.

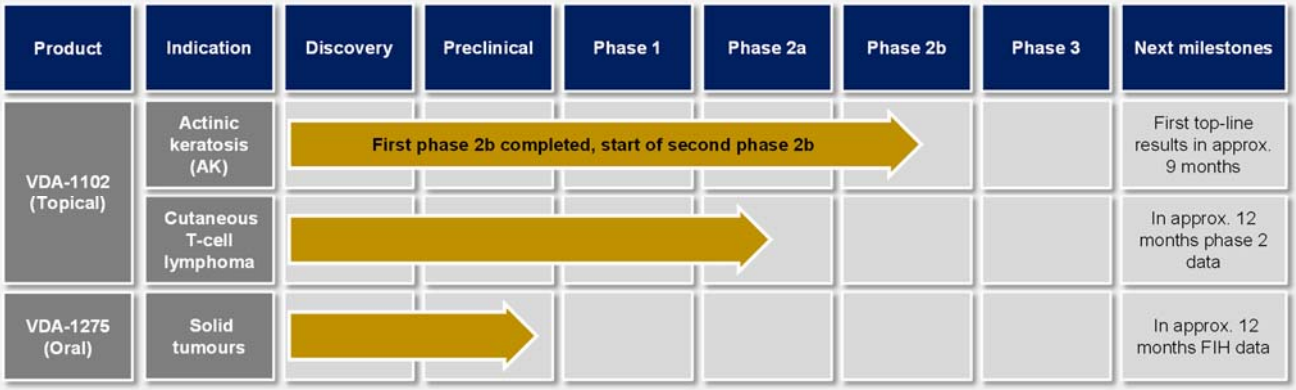
Although the Warburg Effect has been known as a central feature of cancer for 100 years, its suppression has not yet yielded any medical results. This is because blocking the active centres of the HK enzymes would also bring glycolysis to a standstill in healthy cells. Against this background, Vidac Pharma has developed a family of chemical agents that, according to the company, prevent HK2 from blocking the anion channels of the mitochondria without interrupting its function as a glycolysis catalyst. According to the company, natural molecules and new chemical entities created by the company are used that are able to modify HK2 in such a way that it cannot bind to its VDAC anchor, returns to the cytosol, and the cell's malignant metabolism returns toward normal functioning.

Vidac Pharma's targeted therapy: the toposteric effect

Vidac Pharma calls this mechanism the "toposteric effect". It is an analogy to allosteric regulation, which describes the regulation of the catalytic activities of enzymes by small molecules that do not bind in the active centre of the enzymes, but at other specific sites (allosteric sites), and change the conformation of the proteins. While in allosteric regulation molecules are bound to specific allosteric sites in order to increase or inhibit

enzyme activity, the Vidac molecules bind to a different site of the enzyme and physically prevent HK2—in this case—from attaching to the VDAC channels.

EXHIBIT 16: PRODUCT PORTFOLIO OF VIDAC PHARMA



SOURCE: COMPANY INFORMATION, SPHENE CAPITAL

Two products with three indications

Vidac Pharma's group of active chemical ingredients is based on an IP portfolio with seven patent families. According to the company, there are currently two products with three indications in the pipeline:

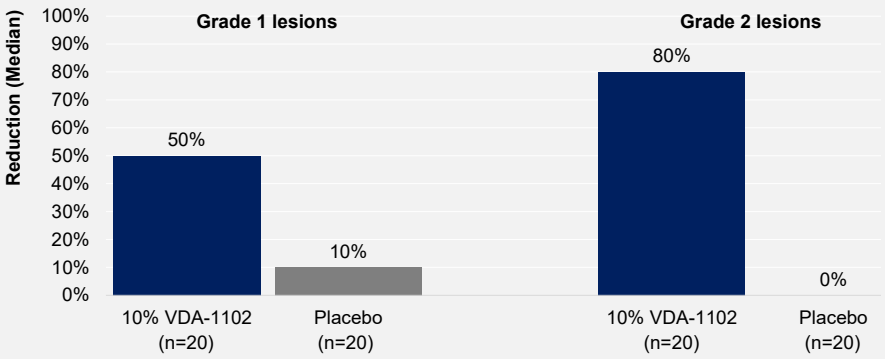
- VDA-1102-Actinic keratosis,
- VDA-1102-Cutaneous T-cell lymphoma, and
- VDA-1275.

VDA-1102-Actinic keratosis

The ointment medication has shown significant efficacy in actinic keratosis (AK) in both in-vitro and in-vivo models. Actinic keratosis refers to skin damage (lesions) caused by genetically modified keratin-forming cells, which usually present as reddish-brown, firmly adhering rough patches with slight, whitish scaling or keratinisation on the skin surface. They occur on areas of skin damaged by cumulative UV radiation on the so-called light terraces of the body, usually on the face, back of the hands, forearms, and hairless scalp. The extensive lesions are often not easily recognisable in the early stages but can be felt as rough patches ("similar to sandpaper"). Also known as non-melanoma skin cancer, untreated actinic keratosis can develop into—also invasive—cutaneous squamous cell carcinoma (cSCC). According to a review (source: George, C. D. et al, 2024 in BrJDermatol), the rate of progression from actinic keratosis to squamous cell carcinoma is ~0.075% lesion per year. According to data from the USA, 65% of primary squamous cell carcinomas and 36% of primary basal cell carcinomas developed in lesions clinically diagnosed as actinic keratosis.

Skin cancer is typically characterised by large amounts of HK2. This is triggered by mutations in the tumour suppressor genes P53 and PTEN.

EXHIBIT 17: RESULTS OF THE CLINICAL STUDY: REDUCTION IN LESIONS COMPARED TO PLACEBO CONTROL GROUP



In clinical phase 2a, it was shown with statistical significance (p=0.023) that VDA-1102 reduced grade 1 lesions in the test group (20 patients) by a median of 50%, while the median reduction in a placebo test group (also 20 patients) was only 10%. The results were even more significant for grade 2 lesions (p=0.0004): Here, there was a median reduction of 80%, while there was no change in the placebo test group.

SOURCE: COMPANY INFORMATION

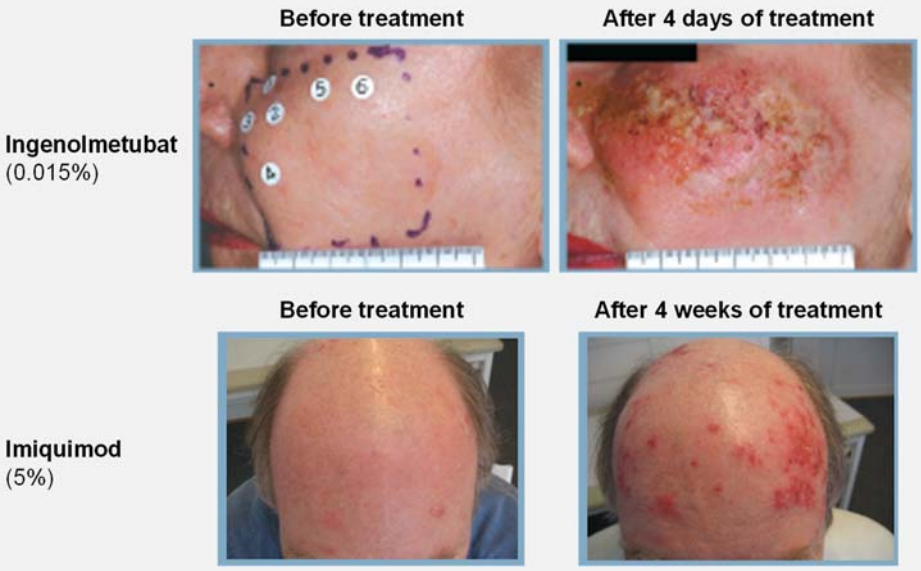
Alternative treatment methods with significant undesirable side effects

The Vidac Pharma Phase 2b clinical trial conducted in the USA showed a 40% complete elimination of the corresponding lesions in responding patients and an 80% reduction in lesions overall.

- VDA-1102 thus reduces the lesions that develop in actinic keratosis just as effectively as the currently marketed drugs **imiquimod** (available as a cream in Germany) and **ingenol mebutate** (no longer approved in the EU since 2020 due to its serious side effects), but unlike these treatments, it causes fewer undesirable side effects according to the studies, as the ointment selectively targets malignant tumour cells and has little effect on the surrounding healthy skin. In particular, VDA-1102 does not cause necrosis or strong inflammatory reactions, according to the company. A second phase 2b study will soon be started in patients with advanced actinic keratosis, as the first study showed a higher sensitivity in these patients than in patients with less severe forms of the disease.
- Another treatment option for AK is **fluorouracil**. In people with a deficiency or complete absence of the enzyme dihydropyrimidine dehydrogenase (DPD)—around 9.5% of the Caucasian population—treatment with fluorouracil-containing medicines can result in life-threatening side effects such as neutropenia.
- Topical use of **diclofenac** in hyaluronic acid gels is usually intended for a period of 60 to 90 days; it is less rated than fluorouracil based on recurrence rates, but has less side-effects.
- Alternative, non-drug treatment methods include **photodynamic therapy**, **cryotherapy**, **curettage,** or **surgical removal** of the lesions.

In a study, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) determined that a therapeutic effect from the use of ingenol mebutate is not permanent and that the risks outweigh the benefits. After three years, 6.3% of patients treated with ingenol mebutate (15 out of 240 people) developed skin cancer in the treated skin areas, in particular squamous cell carcinomas.

EXHIBIT 18: ALTERNATIVE TREATMENT METHODS FOR ACTINIC KERATOSIS



The most common adverse reactions observed in clinical studies with ingenol mebutate are local skin reactions at the application site, including erythema, scaling, crusting, swelling, vesicle or pustule formation, and erosion, or ulceration. The most common side effects of Imiquimod cream were large, localised reactions (33.7%).

SOURCE: COMPANY INFORMATION

VDA-1102-Cutaneous T-cell lymphoma

In view of the favourable results reported for VDA-1102 in actinic keratosis, the Austrian and Israel regulatory authorities have agreed to direct entry into a Phase 2 trial for the treatment of mycosis fungoides, the most common form of cutaneous T-cell lymphoma, or CTCL. Cutaneous lymphomas belong to the group of so-called extranodal non-Hodgkin's lymphomas; "extranodal" means that they develop outside the lymph nodes—namely in the skin. Cutaneous lymphomas are rare (approximately one new case per 100,000 inhabitants per year in Germany), so they are classified as an orphan disease, which allows for an accelerated authorisation procedure. In the majority of cases, cutaneous lymphomas are less aggressive than lymphomas of other organs. They originate from lymphocytes (part of the white blood cells), which serve the immune defence in the human body and thus, among other things, the defence against pathogens. Depending on the cell type involved, a distinction is made between T-cell and B-cell lymphomas as well as numerous other, usually very rare forms of cutaneous lymphomas.

The interim analysis of 50% of subjects with mycosis fungoides in an open-label, placebo-controlled study showed an objective response rate (ORR) of 56%, with 22% showing a complete response (CR) and 34% a partial response. The response was observed between 8 and 12 weeks. These results are comparable to the standard treatment with mechlorethamine, which has a CR of 13% and a much longer median duration of response of 26 weeks. Side effects were localised and of low severity, except in one case which was moderate. However, all patients recovered and none of the patients progressed during the four months of the study.

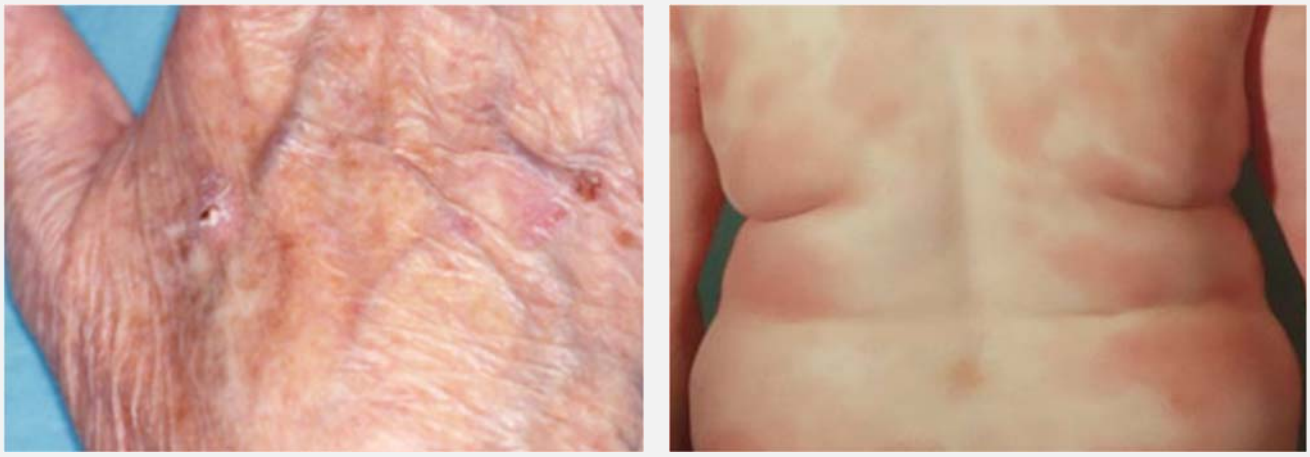
T-cell lymphomas are the most common form with approx. 73%, followed by B-cell lymphomas with approx. 22%. CTCL is caused by a mutation in the T-cells and initially manifests itself as non-specific skin changes (red spots) and itching and later in raised skin changes before the disease spreads throughout the body.

CTCL as an orphan disease an advantage for Vidac Pharma in the authorisation process

As CTCL is a rare disease (orphan disease), we believe that it may be eligible for an accelerated approval process. Vidac Pharma is currently in an open-label, vehicle-controlled Phase 2 study to evaluate the efficacy, safety, tolerability, and pharmacokinetics of topical ointment application of VDA-1102 in adult patients with relapsed stage 1 mycosis fungoides A. According to the company, interim results from

50% of subjects showed favourable results compared to standard therapy, which has a lower complete response rate and a significantly longer median response time.

EXHIBIT 19: ACTINIC KERATOSIS (LS) AND CUTANEOUS T-CELL LYMPHOMA (RS)



SOURCE: CLINIC FOR DERMATOLOGY AND DERMATOLOGICAL ALLERGOLOGY OF THE FRIEDRICH SCHILLER UNIVERSITY JENA (LS) AND PROF. DR A. COZZIO - CLINIC FOR DERMATOLOGY, VENEREOLOGY AND ALLERGOLOGY KANNTONSSPITAL ST. GALLEN (RS)

VDA-1275

VDA-1275 is being developed by Vidac Pharma as a systemic drug for the treatment of solid tumours. In in-vitro studies, VDA-1275 has been shown to be highly effective against a broad spectrum of tumour types. In February 2024, Vidac Pharma published good results from a clinical study in which solid tumours were evaluated in various mouse cancer and human cell organoid models. VDA-1275 showed statistically significant efficacy as a monotherapy and significant synergistic effects in combination with two standard cancer therapies. The study also showed that VDA-1275 itself triggers an immunological response. According to the company, first-in-human trials are expected to begin in Q1/2025.

Granting of a US patent

In 2021, Vidac Pharma was granted a patent in the USA for a new chemical family of compounds targeting the HK2-VDAC system. This will enable treatment methods for solid tumours that overexpress HK2, e.g. prostate and pancreatic cancer. The new chemical entities covered by the US patent are said to be unrelated to VDA-1102, which is currently in Phase 2 for the treatment of actinic keratosis and cutaneous T-cell lymphoma. However, they act via the same mechanism, i.e. preventing HK2 from binding to the VDAC channel in the mitochondria, thereby stopping the hyperglycolysis characteristic of cancer (Warburg Effect) and promoting the immunological response in the tumour environment.

UV radiation is the main cause of skin cancer. Sunlight, especially in the UV-B range, acts as a tumour initiator and tumour promoter and is capable of directly damaging DNA. Actinic keratosis (AK) is on the continuum of transformation from normal skin to SCC and is therefore often referred to as "SCC in situ". If AK is not treated, SCC can develop over time and metastasise to deeper tissues.

It is known from the Warburg Effect that the metabolism in tumour cells is often switched from oxidative phosphorylation to anaerobic glycolysis, which leads to an increased rate of glucose uptake and degradation (glycolysis). The first step of glycolysis is catalysed by hexokinases (HKs), which phosphorylate glucose to glucose-6-phosphate. There are four HK isozymes, two of which, HK1 and HK2, are the most abundant. While HK1 is expressed in most normal adult tissues, HK2 is expressed to a very limited extent in the majority of normal tissues but is highly expressed in many cancers—again related to the higher metabolic rates of tumour cells. Moreover, the subcellular distribution of HK1 and HK2 is different under normal conditions: while HK1 is mainly associated with the mitochondria, HK2 is predominantly found in the cytoplasm.

In normal cells, HK2 is a cytosolic enzyme that does not bind to the mitochondria. Only in cancer cells HK2 bind to the VDAC1 channel on the outer mitochondrial membrane “looking” for an energy source (ATP). The VDAC1 channel allows the two way passage of amino acids, monosaccharides, ions, and metabolites such as adenosine triphosphate (ATP), nicotinamide adenine dinucleotide, cytochrome c—an apoptosis regulator –, and Ca2þ, enabling metabolic exchange between the mitochondria and the rest of the cell. Since HK2 is a very big enzyme, it literally corks the VDAC1 channel and thus blocks, among others, the exit of the apoptosis regulator cytochrome c.

Company history and management

Vidac Pharma Ltd. was founded in 2012. The company is headquartered in Israel and became a wholly owned subsidiary of Vidac Pharma Holding plc headquartered in UK in 2021. The acquisition of Vidac Pharma Ltd. in 2021 gave the non-operational holding company an operational business: pharmaceutical development. On 27 March 2023, the shares of Vidac Pharma Holding were admitted to trading on the unregulated markets of the Hamburg and Stuttgart stock exchanges. Vidac Pharma's reporting is in English, reporting is in accordance with IFRS.

TABLE 11: KEY POINTS OF THE COMPANY'S HISTORY

2012	Foundation of Vidac Pharma Ltd. in Israel
2012	Corporate financing by private investors, founders, and VCs
2015	Start of the first clinical phase for VDA-1102 for the treatment of actinic keratosis
2016	Series A financing in the amount of USD 9 mn
2016	Start of clinical phase 2a for VDA-1102 for the treatment of actinic keratosis
2016	Completion of phase 1a of the VDA-1102 treatment
2017	Positive ("completely non-irritating") results of phase 2a of the VDA-1102 proof-of-concept treatment of actinic keratosis
2018	Start of clinical 2b for VDA-1102 for the treatment of actinic keratosis
2019	Repurchase of all shares held by VC by Max Herzberg and Yochai Richter as part of a management buy-out
2021	Inclusion of the first patient in a placebo-controlled phase 2 trial for early forms of cutaneous T-cell lymphoma
2021	Capital commitment of EUR 20 mn from GEM Global Yield LLC SCS
2021	Acquisition of Vidac Pharma Ltd. by Vidac Pharma Holding Plc with audited valuation of GBP 48.0 mn
2021	Granting of a US patent for a new family of active ingredients based on the VDA-HK2 system
2021	Authorisation to extend the clinical trial to the entire spectrum of CTCL diseases
2023	Listing on the Stuttgart and Hamburg stock exchanges for broader corporate financing
2024	Publication of a positive phase 2a interim analysis of VDA-1102 in CTCL
2024	Announcement of study results for the drug candidate VDA-1275
2024	Grant of a patent for the manufacturing process of VDA-1102 for AK and cutaneous T-cell lymphoma (CTCL) with a term of 2041
2024	Authorisation to start the second phase of a Phase 2a clinical trial for VDA-1102 in CTCL
2024	Notice of allowance of the patent Use of Hexokinase 2/Mitochondria-Detaching compounds for activating immune responses

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL

Management team with many years of industry experience

The Board of Directors of Vidac Pharma Holding Plc currently consists of three people:

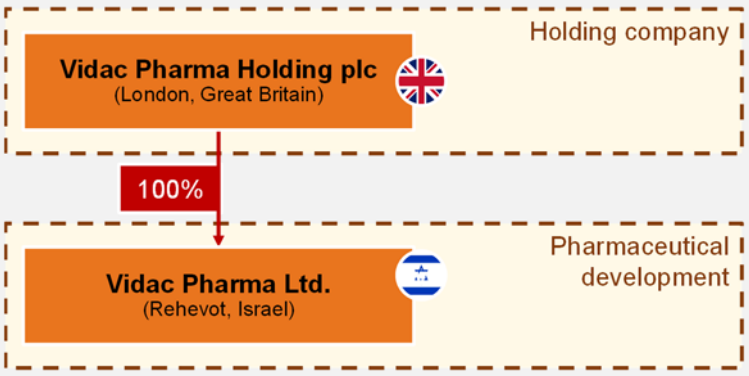
- **Dr Max Herzberg (>30 years of industry experience)** is Chief Executive Officer and Chairman of the company. He founded the company in 2021. With more than 100 scientific publications, he is considered one of the founding fathers of Israeli biotechnology. He is an angel investor with numerous successful exits and co-founder of PixCell Medical Technologies and founder of Orgenics and the EagerBio Group, among others. From 2001 to 2011 he was Chairman of the European Molecular Biology Laboratory Enterprise Management in Heidelberg.
- **Shuki Cohen (>30 years of professional experience)** is Chief Financial Officer of Vidac Pharma. During his more than 30-year career, he has worked for numerous biotechnology companies in Israel as head of finance and accounting.

- **Dr Yuval Sagiv** is the company's Chief Technology Officer (CTO). He is a scientist and expert in CMC and preclinical regulatory affairs. He has many years of experience in drug development—from early stage clinical research to drug approval. Previously, Dr Sagiv was VP R&D at Nanocarry Therapeutics and Director of Preclinical and New Products at the publicly listed Kamada Ltd.

The Executive Board is supported by a **Board of Directors**. In addition to Dr Max Herzberg, the Board includes the following persons:

- **Christian Policard** is a former member of the Global Executive Committee and Executive Vice-President of Sanofi, where he was responsible for Diagnostics, Agro-Veterinary, and Capital Development. He is a former Executive Vice-President of Institut Pasteur, where he was responsible for technology transfer, and former Chairman of Cellectis. He currently serves on the boards of several biotechnology companies and non-profit healthcare organisations in France, Israel, Belgium, and the USA.
- **Joseph Tenne** serves as a financial advisor to Itamar Medical Ltd. and is on the Board of Directors of AudioCodes Ltd, MIND CTI Ltd, OPC Energy Ltd, Sapir Corp Ltd, Highcon Systems Ltd., and Electreon Wireless Ltd. Previously, Joseph served as VP Finance and CFO of Itamar Medical Ltd, CFO of Ormat Technologies, Inc., and CFO of Treofan Germany GmbH & Co KG. Mr Tenne holds a B.A. in Accounting and Economics and an M.B.A. from Tel Aviv University. He is a certified public accountant in Israel.
- **Oren M. Becker, PhD,** Board member in Vidac Pharma Ltd. only, served as CEO of Vidac Pharma Ltd. from 2013 to 2019. He brought to the company more than 20 years of experience as an entrepreneur and executive in the biopharmaceutical industry, with expertise in the discovery and development of innovative new medicines. Dr Becker has been a founder, director, and chief science officer of several biotech companies.
- **Yochai Richter** is the founder and most recently Chairman of the Board of Orbotech, a company recently sold for more than USD 4 bn. He previously founded SeeRun Corp. and also served on the board of Photon Dynamics, Inc.

EXHIBIT 20: SCOPE OF CONSOLIDATION OF VIDAC PHARMA



Vidac Pharma Ltd., based in Israel, was acquired on 6 July 2021.

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL

Organisation chart of Vidac Pharma

Below the listed holding company Vidac Pharma Holding plc, there is only one investment: the wholly owned operating subsidiary Vidac Pharma Ltd., which is active in pharmaceutical development (see exhibit 20 above)

Stock exchange listing and shareholder structure

Since the listing on 27 March 2023 on unregulated markets at the Hamburg and Stuttgart stock exchanges, the share capital of the company has been GBP 53.4 mn. It currently consists of 51,625,062 ordinary shares with a nominal value of EUR 1.00 per share. Two financial investors, who are also founders, hold more than 70% of the shares. The management team participates in the company's success through a share option programme, which in our view ensures that management and shareholder interests are aligned. The company has been purely internally financed since its share registrations; no capital increases were carried out either at the time of the share registration or afterwards.

Listing on the Hamburg and Stuttgart stock exchanges
On 27 March 2023, the shares of Vidac Pharma Holding plc were admitted to trading on the Hamburg stock exchange. The shares are also traded on the Stuttgart stock exchange.

The nominal value per share is GBP 1.00.

TABLE 12: CORNERSTONES OF CORPORATE FINANCING

08/2021	Capital increase to GBP 22,222 from GBP 20,000 or to 44,444 from 40,000 outstanding shares
12/2021	Capital increase to GBP 50,000 from GBP 22,222 or to 100,000 from 44,444 outstanding shares
05/2022	Capital increase to GBP 51,625,062 from GBP 100,000 or to 51,625,062 from 100,000 outstanding shares

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL

Unregulated market at the Hamburg and Stuttgart stock exchanges
Vidac Pharma shares are traded over the counter on the Hamburg and Stuttgart stock exchanges under the ticker symbol T9G. The Hamburg stock exchange is one of the six so-called regional stock exchanges in Germany, alongside the stock exchanges in Hanover, Düsseldorf, Munich, Stuttgart, and Berlin. Three of them, the Hamburg, Hanover, and Düsseldorf stock exchanges, are grouped together under BÖAG Börsen AG, a joint operating company. In broker-supported trading on the Hamburg stock exchange, regular trading sessions are from 8:00 to 22:00, in the electronic trading system LS Exchange (market maker) from 7:30 to 23:00.

In Hamburg, the shares were included in the so-called High Risk Market. This is a special trading segment in the over-the-counter market of the Hamburg stock exchange in which securities are listed that are generally not included in trading on any other domestic or foreign stock exchange. The listing is usually not linked to a public offer of the securities, so that there is usually no securities prospectus approved by the Federal Financial Supervisory Authority or the authority of another country. The **admission obligations** of a company whose shares are listed on the High Risk Market of the Hamburg stock exchange include the following criteria:

- An application for inclusion to be submitted to BÖAG Börsen AG, the operator of the unregulated unofficial market of the Hamburg stock exchange, by an

investment services company admitted to the Hanseatic Stock Exchange Hamburg (HWH);

- A freely tradable share capital of at least EUR 0.25 mn;
- A current extract from the commercial register, the issuer's articles of association, and—if available—a current annual financial statement;

The follow-up obligations include the fulfilment of the following points:

- Publication of the annual report for the individual company and, if applicable, for the group within six months after the end of the financial year.
- Publication of an unaudited interim report for the first half of the year within three months after the end of the second quarter of a financial year.
- Publication of insider information that could influence the share price ("ad hoc publicity").
- Publication of a company calendar.
- Publication of an annually updated company profile.

Disadvantages of the OTC listing
The rules otherwise applicable to inclusion in the unregulated unofficial market, such as

- a minimum nominal amount of EUR 0.10 per share or, in the case of no-par value shares, a notional value of the minimum nominal amount of EUR 0.10 per share,
- a sufficiently broad distribution of at least 25% of the total nominal value of the shares to be cancelled, or
- an approved and currently valid value prospectus

are not explicitly required in the high risk market, but are merely target regulations.

From our point of view, these low-grade admission requirements are not sufficient for a company of Vidac Pharma's quality. Especially as trading and price fixing are based solely on supply and demand; the lead brokers are not obliged to quote for the shares listed in this segment, which can result in considerable bid-ask spreads in the share quotation.

IFRS reporting despite over-the-counter listing
Although the company has so far "only" been listed on the unregulated OTC market, where financial reporting is only mandatory in accordance with the German Commercial Code (HGB), Vidac Pharma has decided in favour of voluntary reporting in accordance with IFRS.

Vidac Pharma has not yet voluntarily published a report on the first and third quarters that is not mandatory on the open market of the Hamburg and Stuttgart stock exchanges. Since we consider management to be outspoken investor-friendly, we expect that Vidac Pharma will initiate quarterly reporting during the course of this fiscal year.

51,625,062 shares outstanding

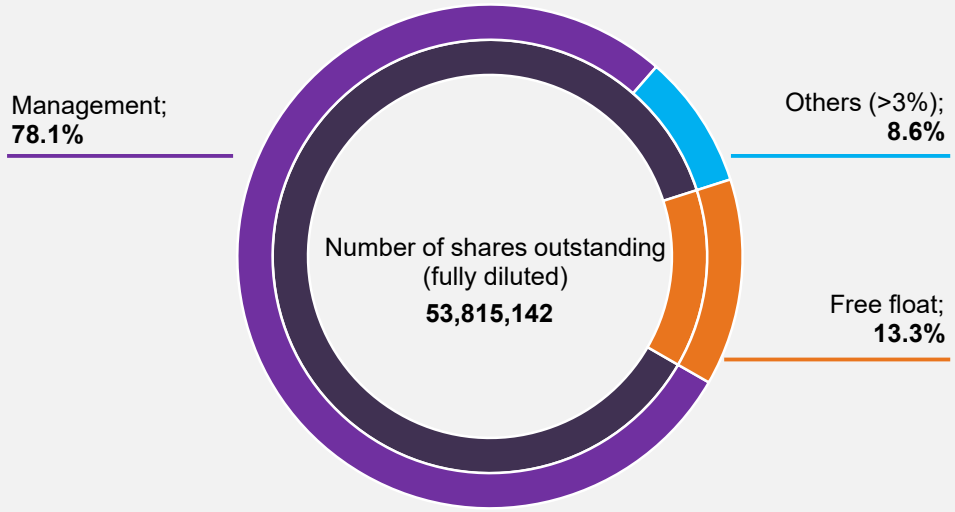
Currently, there are 51,625,062 shares outstanding (basic count). Fully diluted, the number of shares is 53,815,142.

34.9% and 32.7% of the shares (fully diluted) are held by the founders Yochai Richter and Dr Max Herzberg, respectively. In total, 78.1% of the shares are held by the current board. At the current share price of EUR 0.18, the market capitalisation is approximately EUR 9.3 mn.

We calculate a free float of the shares (excluding investors with more than 3% of the shares) of 13.3%. The market capitalisation of the free float is therefore EUR 1.2 mn.

According to their own statements, the investment companies see themselves as long-term investors. No reallocations have been announced to date and we do not expect any.

EXHIBIT 21: SHAREHOLDER STRUCTURE (AS AT MAY 2024)



SOURCE: COMPANY INFORMATION, SPHENE CAPITAL

Strengths and weaknesses, opportunities and risks

We have identified the following company-related **strengths** of Vidac Pharma:

Strengths

- **Pipeline with two products:** Vidac Pharma has a pipeline of two products targeting different skin diseases or tumour types. One of these, actinic keratosis, is a common, potentially premalignant skin disease with a current estimated global prevalence of between 13% and 14% and is one of the main risk factors for squamous cell carcinoma with a progression rate of up to 0.075% per lesion per year. Should Vidac Pharma be able to approve a treatment for this disease, we estimate that it would have an addressable global market volume of up to USD 2.029bn per year (for details, see the section entitled "Forecast of key earnings and balance sheet figures"). Assuming a market share of 18.0%, this corresponds to a sales volume of USD 365.2m for Vidac Pharma.
- **Pioneer in the treatment of actinic keratosis through the "toposteric effect":** After Vidac Pharma was granted a patent in the USA in 2021 for a new chemical family of compounds that target the HK2-VDAC system, we believe the company is a pioneer in the field of allosteric regulation, which describes the regulation of catalytic activities of enzymes, binding activities of transport proteins or regulatory proteins by small molecules. The active substances developed by Vidac Pharma selectively attack cancer cells and enable targeted cancer therapy via systemic modification of the anchoring capacity of the overexpressed enzyme HK2—without, according to the company, serious negative side effects. In our opinion, Vidac Pharma is currently the only company that will be able to offer a practicable and virtually side-effect-free treatment option for actinic keratosis with this approach within a few years.
- **Expansion into new products and segments:** In recent years, Vidac Pharma has built up a domain of knowledge around the so-called Warburg Effect, which could be extended to other applications in the coming years. The knowledge gained from preventing HK2 from binding to the VDAC channel in the mitochondria could also be applied to other tumours that overexpress HK2. Solid tumours such as prostate and pancreatic cancer come to mind.
- **Highly profitable company:** If the market entry with VDA-1102-AK succeeds in 2027e as we expect, we assume that the company will achieve profitability ratios like comparable pharmaceutical companies in a very short time. According to our estimates, Vidac Pharma should thus become independent of equity financing from external sources.
- **Revaluation of the share necessary:** Following the recent grant of a patent in the USA (Use of Hexokinase 2/Mitochondria-Detaching compounds for activating immune responses) and the main product VDA-1102-AK currently in phase 2b, we consider a revaluation of the share to be obvious. After a loss in value of -69.5% (YTD), the share price in our view does not reflect the market and earnings potential arising from the treatment of a skin disease that is becoming increasingly widespread, not only for demographic reasons.
- **Well above-average IR work:** Vidac Pharma's shares were admitted to trading on the non-regulated OTC markets of the Hamburg and Stuttgart stock exchanges in March 2023. In the non-regulated unofficial market, companies do not have to fulfil the same strict admission requirements and follow-up obligations as on a regulated

stock exchange. For example, companies can prepare their financial reports in accordance with the German Commercial Code (HGB), which represents a transparency hurdle for foreign investors in particular. Vidac Pharma avoids this hurdle by voluntarily reporting in accordance with IFRS.

- **Vidac Pharma as a potential takeover candidate:** As a debt-free small cap that is also on the verge of market approval, we believe that the company is fundamentally a takeover target for large, globally active pharmaceutical groups that are constantly on the lookout for approved, patent-protected drugs.
- **Stable shareholder structure without the influence of venture capital companies:** For the foreseeable future, we believe that Vidac Pharma will remain primarily financed by the two company founders Herzberg and Richter on an as-needed basis. The external influence of VC companies was already reduced in 2019 as part of an MBO. This means that the company is not exposed to the influence of external investors, who may push for a quick but hasty market entry.
- **Low volatility of the share:** According to our calculations, the Vidac Pharma share is a remarkably low-risk security with a beta of -0.47 since the IPO. However, this data is not statistically significant.

We have identified the following company-related **weaknesses** at Vidac Pharma:

Weaknesses

- **Loss carry forward of GBP 24.7 mn:** At the end of the first half of 2023, Vidac Pharma reported an accumulated loss of around GBP 24.7 mn, mainly due to research and development expenses. Vidac Pharma is currently in the clinical trial phase and has therefore not yet proven that it has a business model that can be operated profitably on a sustainable basis.
- **Risks from the upscaling of the business model:** The transformation of Vidac Pharma from a company focused on clinical research into an operationally active, internationally oriented product company striving to make a profit harbours organisational risks that could jeopardise the fundamental profitability of the company.
- **Organisational risks:** Vidac Pharma may not be able to cope with the complexity of organisational growth and the resource-intensive research and development work required for all new applications. At present, Vidac Pharma is a very small company with less than ten employees.
- **Regulated business model:** Vidac Pharma's future earnings situation is at least partly dependent on the level of reimbursement by public health authorities, private health insurers, and managed care organisations. It is currently uncertain whether and to what extent cost reimbursements will be agreed.
- **Uncertainty over approval:** Although Vidac Pharma is making progress in our view with regard to market access for VDA-1102-AK in Europe and the US, there is no guarantee of approval. Should approval be denied in either market, Vidac Pharma would lose a significant portion of our total revenue estimate, which would result in a significant discount to our price target.
- **In competition with well-funded companies:** Particularly with regard to the treatment of actinic keratosis, Vidac Pharma is in competition with established products from well-funded pharmaceutical companies ("Big Pharma") with far greater financial resources.

- **Translation risks from currency translation:** According to our estimates, Vidac Pharma will generate a significant proportion of its sales in EUR or USD for the foreseeable future. The company, which reports in GBP, is therefore exposed to FX translation risks from currency translation.
- **Listing on unregulated OTC markets:** As a company listed on unregulated OTC markets, Vidac Pharma is not required to publish financial reports for the first and third quarters. As a pure research company, Vidac Pharma does not generate sales, which means that quarterly figures can be dispensed with if necessary from an investor's point of view. However, we recommend that the company should switch to a regulated stock exchange in order to optimise its capital market approach, at the latest if drug research is successful as expected; this is also because trading and pricing on the High Risk Market of the Hamburg Stock Exchange are based exclusively on supply and demand, which can result in considerable bid-ask spreads in the share quotation.

Opportunities

The following **opportunities** affect every company that operates in the same industries as Vidac Pharma:

- **Vidac Pharma benefits equally from three macro trends:** With its portfolio of active ingredients, Vidac Pharma is benefiting **(1)** from a gradual increase in demand for age-related and solar-induced skin diseases, **(2)** from a much higher tolerability with fewer side effects compared to competitor products, and **(3)** from a general need within the healthcare sector to save costs for serious secondary diseases.
- **High prevalence of actinic keratosis:** Actinic keratosis (AK) is one of the most common dermatological diagnoses and, according to our estimates, affects 147 million people in the USA, Europe and Australia alone. Current studies determine a worldwide prevalence of 14%, which—according to the authors of the study—results in an excessively high number of around 1.1 billion people affected worldwide. The high importance of diagnosis and treatment is primarily due to the consequential costs of untreated actinic keratosis in the event of progression to invasive squamous cell carcinoma (cSCC).
- **Regulatory requirements:** The increasing regulatory requirements form the basis for structural and sustainable market growth. In addition, the regulated nature of the industry means that the barriers to entry for potential competitors are high.
- **Non-cyclical product portfolio:** The products developed by Vidac Pharma are fundamentally non-cyclical and are not subject to economic and seasonal fluctuations.
- **High barriers to market entry:** The high research intensity of the business model and the need for global authorisation create high barriers to market entry.

Risks

The following **risks** affect every company that operates in the same industries as Vidac Pharma:

- **Typical risks of a pharmaceutical research company:** Vidac Pharma is subject to the typical risks of a pharmaceutical research company. These include **(1)** the high research and development costs for the development of a new medical product, **(2)** the long average time to market authorisation of 12 to 13 years and regulatory reviews, **(3)** the limited patent terms, **(4)** the threat of generics, and **(5)** the risk of a lack of acceptance after market entry.

Worldwide prevalence and treatment

Actinic keratosis is a common, potentially premalignant disease of the skin. Its occurrence is considered one of the main risk factors for squamous cell carcinoma (cSCC). The rate of progression from actinic keratosis to squamous cell carcinoma is ~0.075% per lesion per year. Furthermore, according to US data, 36% of basal cell carcinomas developed in lesions clinically diagnosed as actinic keratosis. Actinic keratosis is therefore a growing public health problem. Age, (male) gender, skin type, and cumulative sun exposure are considered to be the most important independent risk factors. However, the disease also affects the emotional state and quality of life of affected patients. Despite this, the epidemiological data is still rather limited. A first Europe-wide study revealed a provisional overall prevalence in Europe of 13.3%. An equally recent meta-analysis of around 60 worldwide studies arrived at a similar prevalence of 14%. Based on a global population of around 8 billion, this would result in around 1.1 billion people suffering from actinic keratosis. However, the authors of the study caveat that the calculated figure is very likely significantly too high, as the underlying surveys were mainly conducted with white people.

Strong and prolonged sun exposure is decisive for worldwide prevalence

Actinic keratoses appear as dry, highly keratinised—hyperkeratotic—plaques caused by long-term and often cumulative exposure of the skin to the sun. This explains the increasing prevalence in older people, usually from the age of 50 upwards, and in immunocompromised individuals, as well as the potentially higher risk in people with outdoor employment who are exposed to frequent and high levels of UV radiation, and in very fair to fair-skinned people.

Actinic keratoses are also known as solar keratoses. The most important risk factors are cumulative UV exposure and older age. However, the categorisation of skin colour and ethnicity varies between the studies to date, which makes it difficult to make statements about the prevalence in individual groups of people.

EXHIBIT 22: COUNTRIES WITH SIGNIFICANT STUDIES ON ACTINIC KERATOSIS

SOURCE: GEORGE CD ET AL BJD OCT 2023, SPHENE CAPITAL

However, according to a recent meta-analysis (George et al, BrJDermatol 2024), there is little information available on the prevalence of actinic keratosis in people with darker skin types. Overall, there is also insufficient data on the epidemiology of actinic keratosis (Oncology guideline programme, S3 guideline on actinic keratosis and squamous cell carcinoma of the skin, March 2020).

Partially higher case numbers in regions at lower latitudes

Some studies see a correlation between prevalence and latitude, which is also attributed to the intensity of sun exposure. According to individual studies and meta-analyses of various study results, the worldwide prevalence of actinic keratosis is highest in people with light skin types who live at low latitudes and are exposed to sunlight all year round. The highest numbers of cases were measured in some regions of Australia, with a total population share of 40% (Green, Karger 2015), and the prevalence is estimated at 40-60% in the over-40s across Australia. In more temperate, northern regions, the range of estimated prevalence is between 11% and 26%. In contrast, some studies report comparatively lower prevalence in East Asian populations, which could be a reason for further studies.

A potential explanation for the sometimes weak data situation can be found in the prevalence study by Svyatenko et al. for Ukraine: A lack of dermatooncologists, a lack of dermatologists' knowledge in the field of dermato-oncology, a lack of oncological vigilance, the low attendance of oncologists and dermatologists and the more frequent attendance of cosmetologists who do not register and report the detected skin lesions are seen as potential reasons why no clinically diagnosed case of actinic keratosis was reported in Ukraine between 2013-2015.

TABLE 13: PREVALENCE OF ACTINIC KERATOSIS

Source	Year	Country	Study participants	Age	Preval. w (%)	Preval. m (%)	Preval. m/f (%)	Total population (%)
Palmisano, 2023	2009-2018	Europe	Euromelanoma campaign, 355,255 participants, standardised questionnaire, prevalence per country	Ø 45			13.3	
Flohil, 2013	2010-2012	NED	Rotterdam study, 2,061 inhabitants, non-selective sample aged 45 and over	from 45 Ø 72	28	49	38	23.5 ≥50y
George, 2023	2023	NED	Update Rotterdam study, 8,239 inhabitants	from 40 Ø 65			22.4	
Harvey, 1996	1988-1992	GBR	South Wales Skin Cancer Study, 1,034 inhabitants	from 60	n/a	n/a	23	
Naldi, 2006	2003-2004	ITA	PRAKTIS, 12,483 inhabitants, representative, stratified random sample	from 45	n/a	n/a	1.4	
Schäfer et al, 2013	2002-2008	GER	Cohort 1: Company skin cancer screenings, 90,880 people	all	1,45	3,85	2.7	
			Cohort 2: Secondary data analysis, 496,870 SHI-insured persons	all	3,95	6,61	1.8	
Tizek, L, 2019	2016	GER	Munich Oktoberfest Screening, cross-sector study, 9 days, random selection, 2,701 visitors	from 18 Ø 52	n/a	n/a	26.6	
Grandahl, 2019	2016	DEN	Intersectoral study "Occupational skin cancer", 234 indoor and outdoor workers	Ø 48	Outdoor: 10.3	Indoor 5 .1	8.5	
Bernard, 2008	2008	FRA	Cross-sector study, representative sample, 215 dermatologists, 78,300 patients	n/a	n/a	n/a	4.7	

SOURCE: AC GREEN KARGER KOMPASS DERMATOL 2015, GEORGE ET AL BJD OCT 2023, SC FLOHIL ET AL JOURNAL OF INVEST DERMATOL 2013, FORS ET AL BMC DERMATOLOGY 2020, FROST ET AL JOURNAL OF INVESTIGAT. DERMATOL. 2000, MARKS ET AL MED J AUST 1983, GRANDAHL K PHOTODERMATOL PHOTOIMMUNOL PHOTOMED 2019, WARINO ET AL DERMATOL SURG. 2006, SUZUKI ET AL JOURNAL OF DERMAT. SCIENCE 1997, SCHÄFER ET AL JEADV 2013, PALMISANO ET AL EADO CONGRESS 2023, P. BERNARD ET AL, DERMATOLOGY 2008, LEE ET AL RI MED. JOUNRNAL 2021, T SVYATENKO ET AL INT. JOURNAL OF DERMATOLOGY 2017, L TIZEK ET. AL JOURN. OF THE EUROP. ACAD. OF DERMAT. AND VENER. 2019, DA WHITING S AF. MED. J 1978, P ZHAO ONLINE PUBLICATION 2010, Y ZHAO BR J DERMATO 2016, A STRATIGOS ET AL J EUR ACAD DERMATOL VENEROL 2007, A DARJANI ET AL DERMATOL RES PRACT 2013, P DZIUNYCZ ET AL DERMATOLOGY 2018, PS ISHIY ET AL AN BRAS DERMATOL 2014, A MASSA ET AL ATA MED PORT 2000

TABLE 13: PREVALENCE OF ACTINIC KERATOSIS (CONTD.)

Source	Year	Country	Study participants	Age	Preval. w (%)	Preval. m (%)	Preval. m/f (%)	Total population (%)
Stratigos, 2007	2000-2004	GRC	Euromelanoma Screening Day Campaign, 9,723 people	71% >50	n/a	n/a	14.4	
Massa, 2000	1994	PRT	Population of Freixo de Espada à Cinta (north-east Portugal), 1,037 participants	all 60+	n/a	n/a	9.6 30.6	
Dziunycz, 2018	n/a	CHE	2,844 patients in 59 general practices. Practices	n/a	19	33	25.3	
Svyatenko, 2017	n/a	UKR	Selective screenings, 70 people in a retirement home	from 54	20.8	22.7	21.4	
He et al, 2011	1971-1975	USA	8,000 participants with a light skin tone	25-74	n/a	n/a	17	
Lee et al, 2021	2015-2019	USA	Screening event Rhode Island, 2,354 participants, 597 on appointment, 196 reached later by phone	n/a	n/a	n/a	17.3	
Warino et al, 2006	n/a	USA	Data from Medicare	n/a	n/a	n/a	5.2	
Fors et al, 2020	<2019	ECU	Simple random sample, 254 inhabitants in rural areas around Quito	from 40 Ø 61	23.6	19.4	22.4	
Frost et al, 2000	from 1992	AUS	Nambour, Queensland, 1,626 randomly selected residents	25-75	36	52	43	
Marks et al, 1983	1982	AUS	Maryborough, Victoria, 2,131 adults	from 45	68	49	57	
Whiting, n.d.	1968-1975	ZAF	White patients of a dermatological practice in the southern Transvaal, 15,000 people over 7 years of age	n/a	n/a	n/a	10	
Hsieh, 2016	2003-2011	TWN	Retrospective cohort analysis based on NHIRD data	n/a	n/a	n/a	2.27-3.75 p. 10,000 PE p.a.	
Suzuki, 1997	1993-1995	JPN	Kasai City, Hyogo, Japan, population 4,736	n/a	n/a	n/a	8.7-29.1 p. 10,000 PE p.a.	
Ishioka, 2009	2006	BRA JPN	Bauru, São Paulo province, 567 people with Japanese ancestors	Ø 69	n/a	n/a	13.4	
Ishiy, 2014	2012-2013	BRA	Survey of current and retired employees University Campus Botucatu, 515 persons	from 18	n/a	n/a	1.2	
Darjani, 2013	2013	IRN	Cross-sectoral study Northern Iran with 440 patients in dermatological treatment centres	from 60	n/a	n/a	24.3	
Zhao et al, 2016	2008-2012	CHN	Two teaching hospitals Beijing and Xi'an: 1,590,817 patients, cross-sector study: 72,437 patients	n/a	n/a	n/a	0.52-1.05	
Zhao et al, 1998	1998	CHN	Study on healthy persons, Northeast China (Mongolia), 470 persons	from 18	n/a	n/a	0	

SOURCE: AC GREEN KARGER KOMPASS DERMATOL 2015, GEORGE ET AL BJD OCT 2023, SC FLOHIL ET AL JOURNAL OF INVEST DERMATOL 2013, FORS ET AL BMC DERMATOLOGY 2020, FROST ET AL JOURNAL OF INVESTIGAT. DERMATOL. 2000, MARKS ET AL MED J AUST 1983, GRANDAHL K PHOTODERMATOL PHOTOIMMUNOL PHOTOMED 2019, WARINO ET AL DERMATOL SURG. 2006, SUZUKI ET AL JOURNAL OF DERMAT. SCIENCE 1997, SCHÄFER ET AL JEADV 2013, PALMISANO ET AL EADO CONGRESS 2023, P. BERNARD ET AL, DERMATOLOGY 2008, LEE ET AL RI MED. JOUNRNAL 2021, T SVYATENKO ET AL INT. JOURNAL OF DERMATOLOGY 2017, L TIZEK ET. AL JOURN. OF THE EUROP. ACAD. OF DERMAT. AND VENER. 2019, DA WHITING S AF. MED. J 1978, P ZHAO ONLINE PUBLICATION 2010, Y ZHAO BR J DERMATO 2016, A STRATIGOS ET AL J EUR ACAD DERMATOL VENEROL 2007, A DARJANI ET AL DERMATOL RES PRACT 2013, P DZIUNYCZ ET AL DERMATOLOGY 2018, PS ISHIY ET AL AN BRAS DERMATOL 2014, A MASSA ET AL ATA MED PORT 2000

Growing disease burden due to increasing number of affected patients

In recent years, an increasing number of patients have been diagnosed with actinic keratosis. The estimated global prevalence is currently 14%. (George et al, BrJDermatol 2024). With a global population of 8 billion people, this would result in more than 1.1 billion people affected by actinic keratosis, the increasing number of which is presumably due to demographic factors but not to them alone. However, the authors of the study note that the calculated number is very likely far too high, as the underlying studies were mainly conducted with white people. Most studies also focus on countries where actinic keratosis and its potential progression in squamous cell carcinoma has been recognised as a health problem. Over the past three decades, the number of cases of squamous cell carcinoma diagnosed in the USA has tripled (source: US Skin Cancer Foundation, 2023), and similar trends can be seen in various European countries.

A systematic review has shown that the rate of progression from actinic keratosis to squamous cell carcinoma is ~0.075% per year per lesion. According to data from the USA, 65% of primary squamous cell carcinomas and 36% of primary basal cell carcinomas developed in lesions clinically diagnosed as actinic keratosis. (Werner et al, BrJDermatol. 2013, Criscione et al, Cancer 2009).

TABLE 14: CONVERSION OF PREVALENCE OF ACTINIC KERATOSIS INTO ESTIMATED CASES

Country	Age	Prevalence (%)	Total population (million)	Population in old age (million)	Affected parties (million) estimated*	People affected (million) according to study
Europe	all	Total: 13.3 Central/Northern Europe: 11.2 Southern Europe: 7.1	742	n/a	99	n/a
NED	≥50	23,5	17.6	approx. 7.0*	1.7	1.4 (2011)
GB-ENG GB-WLS	≥60	23	59.6	14.5	3.3	n/a
ITA	≥45	1,4	58.9	28,5	0.4	n/a
GER	all	2,7	84.7	n/a	2.3	n/a
USA	n/a	Estimates: Men: 26.5 Women: 10.2	m: 162.7 w: 168.8	n/a	m: 43.1 w: 17.2	5.2 (consultations p.a.) 40 (new cases p.a.)
AUS	≥40	43-57	25.4	12.3	5.3-7.0	

SOURCE: AS ABOVE, SC FLOHIL ET AL JOURNAL OF INVEST DERMATOL 2013, EUROSTAT, GOV.UK, A CHIA AUST. FAMILY PHYSICIAN 2007, WARINO ET AL DERMATOL SURG 2006, DEXIMED, WORLDOMETERS.INFO, AMERICAN ACADEMY OF DERMATOLOGY ASSOCIATION, J.M. SPENCER MEDSCAPE 2021, *SPHENE CAPITAL ESTIMATE

Diagnostic support through imaging techniques and AI

In the meantime, the diagnosis of skin diseases is supported by non-invasive imaging techniques such as line-field confocal optical coherence tomography (LC-OCT). Here, individual cells are imaged in high resolution with a penetration depth of up to 500µm, which enables faster and more accurate diagnostics. Finally, machine learning algorithms have been developed to automatically assess the categorisation of actinic keratosis based on LC-OCT images. A pilot study comparing AI-based assessment with visual assessment by experts showed an agreement of 71.3% for the analysed lesions (Daxenberger et al., online publication 2023). According to the authors, this shows that the AI-supported classification is very comparable with the visual score, although the AI-based assessment is significantly faster. The technology could therefore not only

help to improve the accuracy and speed of actinic keratosis diagnoses—according to the study authors—but also, in our opinion, increase the willingness to attend screening appointments and ultimately improve the overall data situation.

Comparison of alternative AK therapies

The majority of people affected are unaware of their condition. It is estimated that the proportion of undiagnosed cases of actinic keratosis is more than 50%, particularly as those affected do not attend appointments for a skin examination. In our view, this is in shocking contrast to the reported incidence of this potentially pre-malignant disease. Actinic keratosis is considered one of the main risk factors for squamous cell carcinoma. The rate of progression from actinic keratosis to invasive squamous cell carcinoma is ~0.075% per year per lesion. According to US data, 36% of basal cell carcinomas develop into lesions clinically diagnosed as actinic keratosis. Actinic keratosis thus represents a growing public health problem. However, the disease also affects the emotional well-being and quality of life of affected patients.

In addition to treatment, long-term follow-up and preventive strategies are recommended to reduce symptomatic actinic keratosis and control the (long-term) risk of progression to squamous cell carcinoma.

The available therapies include

- **Lesion-directed therapies** that target individual lesions in their form of intervention, including **cryotherapy, surgical procedures, and photodynamic therapies.** They are primarily (but not exclusively) suitable for the targeted treatment of individual, well-defined and isolated lesions, whereby surgical procedures also allow skin samples to be taken for histopathological examinations. In addition, as shown in table 15 below, the methods are often less expensive from an insurer's perspective.
- **Field-directed therapies** for the primary (but not exclusive) treatment of multiple, more extensive and also subclinical actinic keratosis. The forms of treatment that target the entire sun-damaged skin area include **topical medication, peelings, dermabrasion, photodynamic therapies, and ablative laser procedures**. The basic disadvantages of photodynamic therapies in particular include pain during treatment and longer and more frequent visits to medical practices. With medicinal treatments, on the other hand, patient loyalty is the most important critical success factor, as stressful side effects such as blistering, erosion, crusting, burning, discomfort, pain, itching, redness, oedema, etc. regularly lead to non-compliance with or discontinuation of treatment regimes

The limited tolerability of most current treatments considerably reduces the willingness of patients to undergo treatment. Diclofenac sodium is the only therapy available that is well tolerated. However, it must be used daily over a prolonged period of time, has the same contraindications and potential side effects as non-steroidal anti-inflammatory drugs and its long-term efficacy is still unknown. As a result, AK patients often decide against treatment and only seek medical help when their lesions have become aesthetically intolerable or have developed into invasive cSCC tumours.

In contrast to existing field-directed therapies, we believe that VDA-1102 has the potential for a much more favourable risk-benefit ratio. According to the company's data, the formulation does not trigger necrosis or an inflammatory reaction. VDA-1102 could

therefore reduce treatment avoidance and the frequent need for re-treatment of the chronic, recurring skin disease.

TABLE 15: FORMS OF THERAPY FOR ACTINIC KERATOSIS

Procedure	Intervention	Duration of therapy			Costs per cycle (EUR)	Side effects
		<1 W	1-6 W	>6 W		
Cryosurgery	Lesion-directed	X			<100	Pain, blistering, depigmentation, scarring, bleeding
Surgical procedures	Lesion-directed	X			<100 to 500	Minor side effects with superficial ablation, risk of superficial removal
Photodynamic therapy	Lesion-directed Field-orientated	X			100 to >500	Redness, stinging and burning, itching, (head) pain
Peelings	Field-orientated	X			<100 to 500	Pain, scarring
Dermabrasion/mechanical ablation	Field-orientated	X			100 to 500	Pain (local anaesthesia), wound healing disorders, scarring
Topical medicinal procedures						
Diclofenac sodium 3%	Field-orientated			X	<100 to 500	Contact dermatitis, erythema, rash, pain or blistering, no sun-UV radiation during treatment
5-Fluorouracil 5% cream	Field-orientated		X		<100 to 500	Dryness, redness, oedema, erosion, pain, burning, itching, uncertain effectiveness in severe lesions
5-Fluorouracil with salicylic acid	Lesion-directed			X	<100	Redness, burning, inflammation, crusts, itching
Ingenol mebutate	Field-orientated	X			<100	Redness, erosion, crusts, swelling or blisters and pustules, itching, sensitivity to pressure pain (dormant authorisation possible risk of increased skin cancer development)
Imiquimod cream	Field-orientated		X		100 to 500	Redness, erosions, oedema, crusts
Ablative laser procedures	Field-orientated	X			<100 to 500	Redness, oedema, infections, crust formation, pain, itching, hypopigmentation

SOURCE: HOWELL ET AL IN NIH 2024, GUIDELINE PROGRAMME ONCOLOGY S3 GUIDELINE ACTINIC KERATOSIS AND SQUAMOUS CELL CARCINOMA OF THE SKIN 2020

Forecast of key earnings and balance sheet figures

Our financial forecast is currently based exclusively on the current lead product VDA-1102-AK, in whose market approval we believe management is aligning its capital allocation. We have not modelled VDA-1102-Cutaneous T-cell lymphoma and VDA-1275.

As a pure research company, Vidac Pharma does not currently generate any revenues. In the past fiscal year, we estimate operating losses (EBITDA) of around GBP -1.0 mn. We expect similar, albeit increasing, losses in the upcoming years until, according to our forecast, regulatory approval will be granted in 2026e, and market entry will take place in 2027e.

As the company at present is neither financed by banks nor by venture capital investment companies, we believe that these losses will be borne exclusively by the two company founders Herzberg and Richter; the capital market is available as an alternative source of financing, although the major shareholders are unlikely to be diluted at the current share price level.

Assumptions of our sales forecasts in detail

Our sales forecasts are based on the following summarised assumptions:

Vidac Pharma reports in accordance with IFRS.

TABLE 16: ASSUMPTIONS OF OUR SALES FORECASTS

	Period
Research and approval phase VDA-1102-AK	
End of the 2nd clinical phase	2024e
End of the 3rd clinical phase	2026e
Market entry	**2027e**
Complete global market coverage	**2033e**

SOURCE: SPHENE CAPITAL FORECASTS

The Management Board is not pushing for rapid market entry

Statistically speaking, around 50% of drugs in phase 3 fail to gain marketing authorisation. We believe that VC investors, who often push for rapid entry into phase 3, are partly responsible for this high percentage. We do not see this risk at Vidac Pharma for two reasons: firstly, because the shares of external VC investors were bought back by the current management years ago, and secondly, because we consider the Management Board to be too experienced to be "persuaded" to take any hasty steps.

Studies by the US Food and Drug Administration (FDA) and the Pharmaceutical Research and Manufacturers of America (PhRMA) show that the success rates in phase 3 clinical trials are in a range of 50-60%. This means that around 40-50% of drugs fail in this phase.

In this respect, we assume that the Executive Board of Vidac Pharma will strive for more than one phase 2:

- A **phase 2a**, in which only initial observations are to be made,
- An **initial phase 2b**, which serves to gain general knowledge, and

- A **second phase 2b**, which is more general and in which discussions with key opinion leaders are sought in order to bring a treatment option to the market, possibly only for certain lesions.

Pricing at a premium to current alternative products

We have based our financial model on what we consider to be an achievable base case scenario.

Due to the high level of specification, the medications developed by Vidac Pharma will not be marketed as OTC drugs. In our opinion, the pricing of VDA-1102 should be in line with products already available on the market, imiquimod and ingenol mebutate, whereby we assume a price premium due to the lower undesirable side effects. On balance, we expect a sales price of up to USD 1,000 per treatment. Products based on diclofenac and fluorouracil, some of which are less effective and are associated with varying degrees of undesirable side effects, are likely to become less important in our view.

With regard to the treatment of rare cutaneous T-cell lymphomas (CTCL), we believe that a definitive market access strategy has not yet been found. Market access through direct sales as well as through co-development with upfront and milestone payments could be discussed. Due to the foreseeable lower side effects compared to the current reference products, we also expect CTCL to be priced higher than the currently available products. We have not included the product in our sales forecast for the time being.

We expect sales to increase to GBP 7.2 mn by 2027e

We divide Vidac Pharma's sales forecast into two phases. In the first phase, we assume sales of GBP 7.2 mn for the year of the product launch based on our estimate of the Total Addressable Markets (TAM) data. We have differentiated between the three main markets of Europe, the USA, and Australia; other regions are not included in our sales forecast due to a lack of comprehensive prevalence data.

We have also assumed that

- that the proportion of people affected with AK and treated is 15.0%,
- that the average treatment costs are between USD 750 (USA and Australia) and 1,000 (Europe),
- that only one treatment per patient needs to be carried out,
- that 90% of AK patients are not treated with topical medication, but with ablative procedures (surgical procedures, cryosurgery, chemical peelings, etc.), and
- that Vidac Pharma will take an 18% share of the topical treatment market.

TABLE 17: MARKET SIZE AND SALES FORECAST IN THE LAUNCH YEAR OF VDA-1102-AK

		Total addressable market	thereof Europe	thereof USA	thereof Australia
Inhabitants	mn	1,098.900	742.000	331.500	25.400
Prevalence AK	%	n/a	13.3%	17%	24.0%
Caucasian share of population	%	n/a	100%	75%	100%
Prevalence AK	mn	147.366	99.000	42.266	6.100
Prevalence AK p.a.	%	2.5%	2.5%	2.5%	2.5%
Prevalence AK p.a.	mn	3.684	2.475	1.057	0.153
Share of treated patients	%	15.0%	15.0%	15.0%	15.0%
Number of patients treated	mn	0.553	0.371	0.158	0.023
Costs per treatment	USD	833.33	1,000.00	750.00	750.00
Number of treatments		1	1	1	1
Market volume	**USD mn**	**507.3**	**371.3**	**118.9**	**17.2**
Share of topical therapies	%	10.0%	10.0%	10.0%	10.0%
Market volume topical therapies	mn	50.7	37.1	11.9	1.7
Market share Vidac Pharma	%	18.0%	18.0%	18.0%	18.0%
Annual sales volume Vidac Pharma	**USD mn**	**9.1**	**6.7**	**2.1**	**0.3**
Annual sales volume Vidac Pharma	**GBP mn***	**7.2**	**5.3**	**1.7**	**0.2**

SOURCE: SPHENE CAPITAL FORECASTS

* FX GBPUSD=0.7860

Market volume totalling USD 365.2 mn

After the launch, Vidac Pharma will gradually approach the total volume of the addressed market in the second phase. We assume that this total market volume, which is relevant for Vidac Pharma, will be reached within a period of seven years.

TABLE 18: TOTAL MARKET VOLUME OF VDA-1102-AK

		Total addressable market	thereof Europe	thereof USA	thereof Australia
Inhabitants	mn	1,098.900	742.000	331.500	25.400
Prevalence AK	%		13.3%	17%	24.0%
Caucasian share of population	%		100%	75%	100%
Prevalence AK	mn	147.366	99.000	42.266	6.100
Share of treated patients	%	15.0%	15.0%	15.0%	15.0%
Number of patients treated	mn	22.105	14.850	6.340	0.915
Costs per treatment	USD	833.33	1,000.00	750.00	750.00
Number of treatments		1	1	1	1
Market volume	**USD mn**	**20,291.2**	**14,850.0**	**4,755.0**	**686.3**

SOURCE: SPHENE CAPITAL FORECASTS

TABLE 18: TOTAL MARKET VOLUME OF VDA-1102-AK (CONTD.)

		Total addressable market	thereof Europe	thereof USA	thereof Australia
Share of topical therapies	%	10.0%	10.0%	10.0%	10.0%
Market volume topical therapies	mn	2,029.1	1,485.0	475.5	68.6
Market share Vidac Pharma	%	18.0%	18.0%	18.0%	18.0%
Annual sales volume Vidac Pharma	**USD mn**	**365.2**	**267.3**	**85.6**	**12.4**
Annual sales volume Vidac Pharma	**GBP mn***	**287.1**	**210.1**	**67.3**	**9.7**

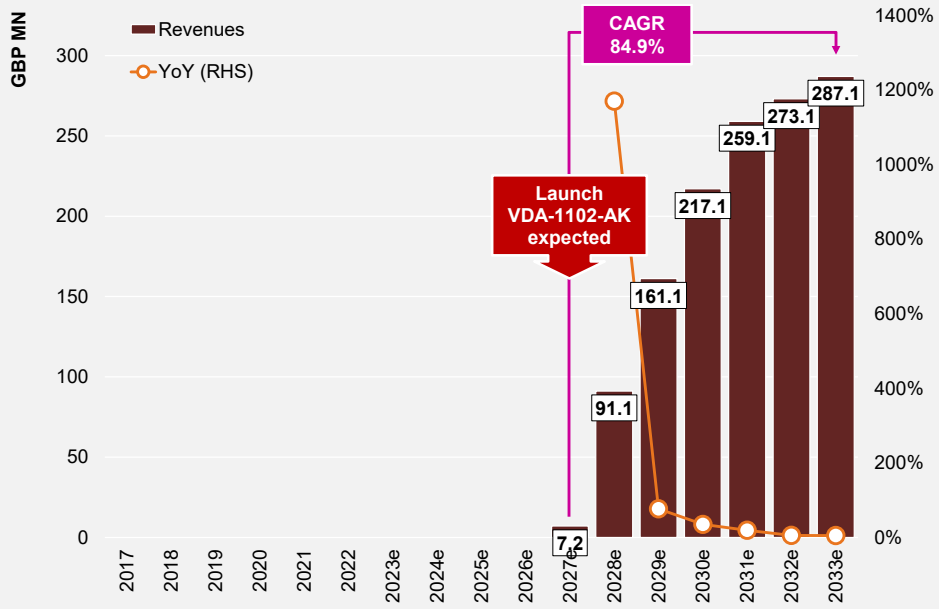
SOURCE: SPHENE CAPITAL FORECASTS

* FX GBPUSD=0.7860

Sales forecast until 2033e

For the period 2027e (market entry with VDA-1102-AK) to 2033e (full market penetration), we have modelled a typical progression in the sense of a product life cycle with decreasing annual growth rates. On a baseline basis, this corresponds to an expected compound annual growth rate (CAGR) of 84.9% for the period 2027e-33e.

EXHIBIT 23: TURNOVER AND TURNOVER GROWTH RATE, 2017-2033E



After market entry with VDA-1102-AK in 2027e, we expect Vidac Pharma to significantly expand its business activities and achieve sales growth rates that can also be observed at other pharmaceutical companies. In our forecast, we expect Vidac Pharma to generate revenues of GBP 287.1 mn by 2033e, which marks the end of our detailed planning phase. This corresponds to a compound annual growth rate (CAGR) in group revenues of 84.9% for the period 2027e-2033e.

SOURCE: COMPANY FIGURES, SPHENE CAPITAL FORECASTS

No capitalisation of development expenses

While research expenditure must generally be treated as an expense for accounting purposes, development costs can be capitalised under IFRS if a company can demonstrate that the asset under development will be commercially viable in the future. Although we believe that this is the case for Vidac Pharma, Vidac Pharma has not yet made use of the option to capitalise and amortise development expenses, but instead recognises R&D expenses in the income statement.

We expect Vidac Pharma to become profitable in 2027e

In the past year 2023e, Vidac Pharma generated EBITDA of GBP -1.2 mn according to our estimates. In our view, earnings were burdened by considerable expenses from product development. We assume that the negative earnings situation will continue until market entry, which we have modelled for 2027e. We only expect a significant improvement in EBITDA from 2027e onwards. In the long term, we believe that EBITDA margins of nearly 60% are achievable.

TABLE 19: EBITDA AND EBIT, 2024E-2030E

		2024e	2025e	2026e	2027e	2028e	2029e	2030e
EBITDA	**GBP mn**	**-1.2**	**-1.4**	**-1.7**	**2.4**	**53.7**	**95.8**	**128.7**
YoY	%	17%	20%	21%	n/a	n/a	78%	34%
in % of total output	%	n/a	n/a	n/a	33.5%	58.9%	59.5%	59.3%
Depreciation and amortisation	GBP mn	0.0	0.0	0.0	0.0	-0.5	-1.2	-1.8
Amortisation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**GBP mn**	**-1.2**	**-1.4**	**-1.7**	**2.4**	**53.2**	**94.6**	**126.9**
YoY	%	17%	20%	21%	n/a	n/a	78%	34%
YoY	GBP mn	-0.2	-0.2	-0.3	4.1	50.9	41.3	32.3
in % of total output	%	n/a	n/a	n/a	33.0%	58.4%	58.7%	58.4%

SOURCE: COMPANY FIGURES, SPHENE CAPITAL FORECASTS

Parallel development of EBIT expected

Depreciation and amortisation do not play a role for the currently non-capital-intensive business model. Only later we expect that investments in property, plant, and equipment will be necessary to prepare for market entry. We therefore expect the operating result (EBIT) to develop in line with EBITDA up to and including 2027e. We expect EBIT to increase from GBP -1.0 mn (2023e) to GBP 126.9 mn (2030e). The EBIT margin should rise to up to 58.7% in this period.

No sales and earnings guidance to date

Since the share registration in the unregulated market in August 2023, Vidac Pharma has not published any guidance on targets or ranges for the expected development of sales and earnings or selected key balance sheet figures, either at group or segment level. We assume that the Executive Board will publish a guidance appropriate for a company in this asset class in the future.

Only little capital tied up in working capital

The capital tied up in property, plant, equipment, and working capital is currently negligible for Vidac Pharma. In our opinion, this should only change with the market entry in 2027e.

TABLE 20: WORKING CAPITAL, 2024E-2030E

		2024e	2025e	2026e	2027e	2028e	2029e	2030e
Inventories	GBP mn	0.0	0.0	0.2	0.3	0.3	0.3	0.3
Receivables from L. & L.	GBP mn	0.0	0.0	0.0	2.2	27.1	47.4	63.2
Liabilities from L. & L.	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advance payments received	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Working capital	**GBP mn**	**0.0**	**0.0**	**0.2**	**2.4**	**27.3**	**47.7**	**63.5**
Change in working capital	GBP mn	0.0	0.0	0.2	2.2	24.9	20.3	15.9
Change in working capital	%	n/a	n/a	n/a	1101.5%	1037.9%	74.4%	33.2%
WC intensity	x	n/a	n/a	n/a	55.0%	27.9%	39.7%	43.8%
WC-Turnover	x	n/a	n/a	0.0%	551.4%	612.8%	429.5%	390.4%

SOURCE: COMPANY FIGURES, SPHENE CAPITAL FORECASTS

No distributions expected in the foreseeable future

As a loss-making and research-intensive growth company, Vidac Pharma will not be distributing any dividends in the coming years.

We do not expect any dividend payments to be made until 2028e.

P&L statement, 2020-2026e

IFRS (31.12.)		2020	2021	2022	2023e	2024e	2025e	2026e
Gross revenues	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
YoY	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Changes in inventories	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total output	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
YoY	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Material costs	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gross profit	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
YoY	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Overhead expenses	GBP mn	0.0	-0.4	-0.6	-1.0	-1.2	-1.4	-1.7
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other operating expenses	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.1**	**-0.1**
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA	**GBP mn**	**0.0**	**-0.4**	**-0.6**	**-1.0**	**-1.2**	**-1.4**	**-1.7**
YoY	%	n/a	n/a	50%	67%	17%	20%	21%
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Depreciation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**GBP mn**	**0.0**	**-0.4**	**-0.6**	**-1.0**	**-1.2**	**-1.4**	**-1.7**
YoY	%	n/a	n/a	50%	67%	17%	20%	21%
YoY	GBP mn	0.0	-0.4	-0.2	-0.4	-0.2	-0.2	-0.3
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Income from participations	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	GBP mn	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.4
Extraordinary items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**GBP mn**	**0.0**	**-0.4**	**-0.6**	**-1.0**	**-1.3**	**-1.7**	**-2.1**
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Income taxes	GBP mn	0.0	0.0	0.0	0.0	0.2	0.2	0.3
In % of EBT (implied tax rate)	%	n/a	0.0%	0.0%	0.0%	-14.3%	-12.8%	-12.7%
Other taxes	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**GBP mn**	**0.0**	**-0.4**	**-0.6**	**-1.0**	**-1.2**	**-1.4**	**-1.8**
In % of total output	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Profits to be transferred due to profit transfer agreement	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income after minorities	**GBP mn**	**0.0**	**-0.4**	**-0.6**	**-1.0**	**-1.2**	**-1.4**	**-1.8**
No. of shares (basic)	mn	0.0	0.0	0.0	51.6	51.6	51.6	51.6
thereof ordinary shares	mn	0.0	0.0	0.0	51.6	51.6	51.6	51.6
thereof preferred shares	mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
No. of shares (diluted)	mn	0.0	0.0	0.0	53.8	53.8	53.8	53.8
EPS (basic)	**GBP**	**n/a**	**n/a**	**n/a**	**-0.02**	**-0.02**	**-0.03**	**-0.04**
EPS (diluted)	**GBP**	**n/a**	**n/a**	**n/a**	**-0.02**	**-0.02**	**-0.03**	**-0.03**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

P&L statement, 2027e-2033e

IFRS (31.12.)		2027e	2028e	2029e	2030e	2031e	2032e	2033e
Gross revenues	**GBP mn**	**7.2**	**91.1**	**161.1**	**217.1**	**259.1**	**273.1**	**287.1**
YoY	%	n/a	n/a	76.8%	34.7%	19.3%	5.4%	5.1%
Changes in inventories	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total output	**GBP mn**	**7.2**	**91.1**	**161.1**	**217.1**	**259.1**	**273.1**	**287.1**
YoY	%	n/a	n/a	76.8%	34.7%	19.3%	5.4%	5.1%
Material costs	GBP mn	-1.4	-18.4	-32.5	-43.9	-52.3	-55.2	-58.0
In % of total output	%	-20.0%	-20.2%	-20.2%	-20.2%	-20.2%	-20.2%	-20.2%
Gross profit	**GBP mn**	**5.7**	**72.7**	**128.6**	**173.2**	**206.8**	**217.9**	**229.1**
YoY	%	n/a	n/a	76.8%	34.7%	19.3%	5.4%	5.1%
In % of total output	%	80.0%	79.8%	79.8%	79.8%	79.8%	79.8%	79.8%
Overhead expenses	GBP mn	-2.8	-11.4	-18.6	-24.4	-28.9	-30.5	-32.2
In % of total output	%	-38.5%	-12.5%	-11.5%	-11.2%	-11.1%	-11.2%	-11.2%
Other operating expenses	**GBP mn**	**-0.6**	**-7.7**	**-14.2**	**-20.1**	**-25.2**	**-27.9**	**-30.8**
In % of total output	%	-8.0%	-8.4%	-8.8%	-9.3%	-9.7%	-10.2%	-10.7%
EBITDA	**GBP mn**	**2.4**	**53.7**	**95.8**	**128.7**	**152.7**	**159.5**	**166.1**
YoY	%	n/a	n/a	78%	34%	19%	4%	4%
In % of total output	%	33.5%	58.9%	59.5%	59.3%	58.9%	58.4%	57.8%
Depreciation	GBP mn	0.0	-0.5	-1.2	-1.8	-2.3	-2.6	-2.7
Amortisation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**GBP mn**	**2.4**	**53.2**	**94.6**	**126.9**	**150.4**	**156.9**	**163.3**
YoY	%	n/a	n/a	78%	34%	19%	4%	4%
YoY	GBP mn	4.1	50.9	41.3	32.3	23.5	6.5	6.4
In % of total output	%	33.0%	58.4%	58.7%	58.4%	58.0%	57.5%	56.9%
Income from participations	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial result	GBP mn	-0.4	-0.2	0.0	0.0	0.0	0.0	0.0
Extraordinary items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**GBP mn**	**1.9**	**53.0**	**94.6**	**126.9**	**150.4**	**156.9**	**163.3**
In % of total output	%	27.1%	58.2%	58.7%	58.4%	58.0%	57.5%	56.9%
Income taxes	GBP mn	0.3	0.3	-28.4	-38.1	-45.1	-47.1	-49.0
In % of EBT (implied tax rate)	%	16.4%	0.6%	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%
Other taxes	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**GBP mn**	**2.3**	**53.3**	**66.2**	**88.8**	**105.3**	**109.8**	**114.3**
In % of total output	%	31.6%	58.5%	41.1%	40.9%	40.6%	40.2%	39.8%
Profits to be transferred due to profit transfer agreement	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income after minorities	**GBP mn**	**2.3**	**53.3**	**66.2**	**88.8**	**105.3**	**109.8**	**114.3**
No. of shares (basic)	mn	51.6	51.6	51.6	51.6	51.6	51.6	51.6
thereof ordinary shares	mn	51.6	51.6	51.6	51.6	51.6	51.6	51.6
thereof preferred shares	mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
No. of shares (diluted)	mn	53.8	53.8	53.8	53.8	53.8	53.8	53.8
EPS (basic)	**GBP**	**0.04**	**1.03**	**1.28**	**1.72**	**2.04**	**2.13**	**2.21**
EPS (diluted)	**GBP**	**0.04**	**0.99**	**1.23**	**1.65**	**1.96**	**2.04**	**2.12**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance sheet (assets), 2020-2026e

IFRS (31.12.)		2020	2021	2022	2023e	2024e	2025e	2026e
Non-current assets	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Intangible assets	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Goodwill	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rights of use	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term assets	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Property	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plant and equipment	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid advances	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Participations	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans to affiliated companies	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid advances	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	**GBP mn**	**0.0**	**0.2**	**0.0**	**0.8**	**0.2**	**0.3**	**0.5**
Inventory	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.2
DIO	d	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Trade receivables	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DSO	d	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Receivables from affiliated companies	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables due from related parties	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-financial assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	GBP mn	0.0	0.1	0.0	0.8	0.2	0.3	0.3
thereof collateralised	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deferred items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity deficit	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	**GBP mn**	**0.0**	**0.2**	**0.0**	**0.8**	**0.2**	**0.3**	**0.5**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance sheet (assets), 2027e-2033e

IFRS (31.12.)		2027e	2028e	2029e	2030e	2031e	2032e	2033e
Non-current assets	**GBP mn**	**0.4**	**4.6**	**8.1**	**10.9**	**13.0**	**13.7**	**14.4**
Intangible assets	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Goodwill	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rights of use	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term assets	**GBP mn**	**0.4**	**4.6**	**8.1**	**10.9**	**13.0**	**13.7**	**14.4**
Property	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plant and equipment	GBP mn	0.4	4.6	8.1	10.9	13.0	13.7	14.4
Other long-term assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid advances	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Participations	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans to affiliated companies	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid advances	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	**GBP mn**	**2.2**	**45.4**	**108.1**	**194.1**	**297.2**	**406.4**	**520.0**
Inventory	GBP mn	0.3	0.3	0.3	0.3	0.4	0.4	0.4
DIO	d	63	5	3	3	3	3	3
Trade receivables	GBP mn	2.2	27.1	47.4	63.2	74.7	77.9	81.1
DSO	d	108	107	106	105	104	103	102
Receivables from affiliated companies	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables due from related parties	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-financial assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	GBP mn	-0.2	18.0	60.4	130.6	222.2	328.1	438.5
thereof collateralised	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deferred items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity deficit	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	**GBP mn**	**2.6**	**49.9**	**116.1**	**204.9**	**310.2**	**420.0**	**534.4**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance sheet (liabilities), 2020-2026e

IFRS (31.12.)		2020	2021	2022	2023e	2024e	2025e	2026e
Total shareholder's equity	**GBP mn**	**0.0**	**-0.1**	**-0.7**	**-1.3**	**-2.4**	**-3.9**	**-5.7**
Equity ratio	%	n/a	-64.5%	n/a	n/a	n/a	n/a	n/a
Share capital	GBP mn	0.0	0.1	51.6	53.4	53.4	53.4	53.4
Outstanding contribution	GBP mn	0.0	0.2	0.2	0.0	0.0	0.0	0.0
Capital reserve	GBP mn	0.0	48.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	GBP mn	0.0	0.4	0.2	0.0	0.0	0.0	0.0
Profit reserves	GBP mn	0.0	-25.1	-28.5	-29.4	-29.4	-29.4	-29.4
Other accumulated equity	GBP mn	0.0	-23.2	-23.7	-24.3	-25.3	-26.5	-27.9
Profit/loss of period	GBP mn	0.0	-0.4	-0.6	-1.0	-1.2	-1.4	-1.8
Equity deficit	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own shares	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible bond	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit participation capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit participation capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**GBP mn**	**0.0**	**0.3**	**0.8**	**2.1**	**2.6**	**4.2**	**6.2**
Bank debt	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit participation capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Silent participation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term lease liabilities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DPO	d	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Advance payments received	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	GBP mn	0.0	0.1	0.4	0.1	0.1	0.2	0.2
Liabilities due to related parties	GBP mn	0.0	0.2	0.4	2.0	2.5	4.0	6.0
Non-current liabilities	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Bank debt	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit participation capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Silent participation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term lease liabilities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deferred items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities and shareholder's equity	**GBP mn**	**0.0**	**0.2**	**0.0**	**0.8**	**0.2**	**0.3**	**0.5**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance sheet (liabilities), 2027e-2033e

IFRS (31.12.)		2027e	2028e	2029e	2030e	2031e	2032e	2033e
Total shareholder's equity	**GBP mn**	**-3.4**	**49.9**	**116.1**	**204.9**	**310.2**	**420.0**	**534.4**
Equity ratio	%	-122.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Share capital	GBP mn	53.4	53.4	53.4	53.4	53.4	53.4	53.4
Outstanding contribution	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital reserve	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit reserves	GBP mn	-29.4	-29.4	-29.4	-29.4	-29.4	-29.4	-29.4
Other accumulated equity	GBP mn	-29.8	-27.5	25.9	92.0	180.9	286.1	396.0
Profit/loss of period	GBP mn	2.3	53.3	66.2	88.8	105.3	109.8	114.3
Equity deficit	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own shares	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible bond	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit participation capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit participation capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**GBP mn**	**6.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Bank debt	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit participation capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Silent participation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term lease liabilities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DPO	d	0	0	0	0	0	0	0
Advance payments received	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	GBP mn	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities due to related parties	GBP mn	6.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**GBP mn**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Bank debt	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit participation capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Silent participation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term lease liabilities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deferred items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities and shareholder's equity	**GBP mn**	**2.8**	**49.9**	**116.1**	**204.9**	**310.2**	**420.0**	**534.4**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance sheet (assets, normalised), 2020-2026e

IFRS (31.12.)		2020	2021	2022	2023e	2024e	2025e	2026e
Non-current assets	%	**n/a**	**7.0%**	**10.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Intangible assets	**%**	**n/a**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Goodwill	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intangible assets	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rights of use	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term assets	**%**	**n/a**	**7.0%**	**10.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Property	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plant and equipment	%	n/a	2.9%	10.6%	0.0%	0.0%	0.0%	0.0%
Other long-term assets	%	n/a	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid advances	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial assets	**%**	**n/a**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Participations	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other long-term assets	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans to affiliated companies	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid advances	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred tax assets	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current assets	**%**	**n/a**	**93.0%**	**89.4%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Inventory	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	38.5%
Trade receivables	%	n/a	21.5%	17.0%	0.0%	0.0%	0.0%	0.0%
Receivables from affiliated companies	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables due from related parties	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other financial assets	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-financial assets	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash and cash equivalents	%	n/a	71.5%	72.3%	100.0%	100.0%	100.0%	61.5%
thereof collateralised	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other deferred items	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity deficit	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	**%**	**n/a**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance sheet (assets, normalised), 2027e-2033e

IFRS (31.12.)		2027e	2028e	2029e	2030e	2031e	2032e	2033e
Non-current assets	%	**12.9%**	**9.1%**	**6.9%**	**5.3%**	**4.2%**	**3.3%**	**2.7%**
Intangible assets	**%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Goodwill	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intangible assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rights of use	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term assets	**%**	**12.9%**	**9.1%**	**6.9%**	**5.3%**	**4.2%**	**3.3%**	**2.7%**
Property	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plant and equipment	%	12.9%	9.1%	6.9%	5.3%	4.2%	3.3%	2.7%
Other long-term assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid advances	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial assets	**%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other long-term assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loans to affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid advances	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred tax assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current assets	**%**	**87.1%**	**90.9%**	**93.1%**	**94.7%**	**95.8%**	**96.7%**	**97.3%**
Inventory	%	9.0%	0.6%	0.3%	0.2%	0.1%	0.1%	0.1%
Trade receivables	%	77.3%	54.2%	40.8%	30.8%	24.1%	18.5%	15.2%
Receivables from affiliated companies	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables due from related parties	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash and cash equivalents	%	0.9%	36.1%	52.0%	63.7%	71.6%	78.1%	82.1%
thereof collateralised	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	**%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance sheet (liabilities, normalised), 2020-2026e

IFRS (31.12.)		2020	2021	2022	2023e	2024e	2025e	2026e
Total shareholder's equity	**%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Share capital	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Outstanding contribution	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital reserve	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Currency adjustments	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Profit reserves	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other accumulated equity	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Profit/loss of period	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Equity deficit	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Own shares	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Convertible bond	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Profit participation capital	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Profit participation capital	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Special items	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	**%**	**n/a**	**164.4%**	**1691.5%**	**258.4%**	**1493.3%**	**1458.3%**	**1193.8%**
Bank debt	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bond	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term lease liabilities	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Advance payments received	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current liabilities	%	n/a	61.0%	744.7%	9.3%	57.4%	52.7%	38.5%
Liabilities due to related parties	%	n/a	103.4%	946.8%	249.1%	1435.8%	1405.6%	1155.2%
Non-current liabilities	**%**	**n/a**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Bank debt	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bond	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term lease liabilities	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-current liabilities	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	n/a	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Other deferred items	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total liabilities and shareholder's equity	**%**	**n/a**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Balance sheet (liabilities, normalised), 2027e-2033e

IFRS (31.12.)		2027e	2028e	2029e	2030e	2031e	2032e	2033e
Total shareholder's equity	**%**	**-122.6%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Share capital	%	n/a	107.0%	46.0%	26.1%	17.2%	12.7%	10.0%
Outstanding contribution	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital reserve	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Currency adjustments	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit reserves	%	n/a	-58.8%	-25.3%	-14.3%	-9.5%	-7.0%	-5.5%
Other accumulated equity	%	n/a	-55.1%	22.3%	44.9%	58.3%	68.1%	74.1%
Profit/loss of period	%	81.4%	106.8%	57.0%	43.3%	33.9%	26.1%	21.4%
Equity deficit	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Own shares	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Convertible bond	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current liabilities	**%**	**222.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bond	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term lease liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Advance payments received	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other current liabilities	%	7.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liabilities due to related parties	%	215.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-current liabilities	**%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Bank debt	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bond	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit participation capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Silent participation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term lease liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-current liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other deferred items	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total liabilities and shareholder's equity	**%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Cash flow statement, 2020-2026e

IFRS (31.12.)		2020	2021	2022	2023e	2024e	2025e	2026e
Net income	GBP mn	n/a	-0.4	-0.6	-1.0	-1.2	-1.4	-1.8
Depreciation	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Income from sale of assets	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Inventory	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	-0.2
Δ Trade receivables	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other receivables	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred tax assets	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Provisions	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other long-term provisions	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other short-term provisions	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Trade payables	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Special items	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred liabilities/deferred taxes	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	GBP mn	n/a	0.4	-0.2	-0.2	0.0	0.0	0.0
Other operational adjustments	GBP mn	n/a	-0.5	0.0	0.0	0.0	0.0	0.0
Operating cash flow	**GBP mn**	**n/a**	**-0.4**	**-0.5**	**-1.5**	**-1.1**	**-1.4**	**-2.0**
Investments in financial assets	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Investments in intangible assets	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Investments in tangible assets	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing	**GBP mn**	**n/a**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Free cash flow	**GBP mn**	**n/a**	**-0.4**	**-0.5**	**-1.5**	**-1.1**	**-1.4**	**-2.0**
Δ Share capital	GBP mn	n/a	0.1	51.6	1.8	0.0	0.0	0.0
Δ Capital reserves	GBP mn	n/a	48.2	-48.0	-0.2	0.0	0.0	0.0
Δ Convertible	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bank debt	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bank debt	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bond	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Profit participation (Debt)	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Silent participation	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other interest-bearing debt	GBP mn	n/a	0.2	0.3	1.6	0.5	1.5	2.0
Less prior-year dividend	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Less dividend payments to minority shareholders	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	GBP mn	n/a	-0.1	-3.4	-0.8	0.0	0.0	0.0
Financing cash flow	**GBP mn**	**n/a**	**48.4**	**0.4**	**2.3**	**0.5**	**1.5**	**2.0**
Net cash inflow	GBP mn	n/a	48.0	-0.1	0.8	-0.6	0.1	0.0
Currency adjustments	GBP mn	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Net cash opening balance	GBP mn	n/a	-47.8	0.1	0.0	0.8	0.2	0.3
Net cash closing balance	**GBP mn**	**n/a**	**0.1**	**0.0**	**0.8**	**0.2**	**0.3**	**0.3**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Cashflow-Statement, 2027e-2033e

IFRS (31.12.)		2027e	2028e	2029e	2030e	2031e	2032e	2033e
Net income	GBP mn	2.3	53.3	66.2	88.8	105.3	109.8	114.3
Depreciation	GBP mn	0.0	0.5	1.2	1.8	2.3	2.6	2.7
Income from sale of assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Inventory	GBP mn	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Δ Trade receivables	GBP mn	-2.2	-24.9	-20.3	-15.8	-11.5	-3.2	-3.2
Δ Other receivables	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred tax assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Provisions	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other long-term provisions	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other short-term provisions	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Trade payables	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Special items	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred liabilities/deferred taxes	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating cash flow	**GBP mn**	**0.1**	**28.7**	**47.1**	**74.8**	**96.1**	**109.1**	**113.9**
Investments in financial assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in intangible assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in tangible assets	GBP mn	-0.4	-4.7	-4.7	-4.6	-4.4	-3.3	-3.4
Other operational adjustments	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing	**GBP mn**	**-0.4**	**-4.7**	**-4.7**	**-4.6**	**-4.4**	**-3.3**	**-3.4**
Free cash flow	**GBP mn**	**-0.3**	**24.0**	**42.4**	**70.2**	**91.7**	**105.9**	**110.4**
Δ Share capital	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Capital reserves	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Convertible	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bank debt	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bank debt	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bond	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Profit participation (Debt)	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Silent participation	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other interest-bearing debt	GBP mn	0.0	-6.0	0.0	0.0	0.0	0.0	0.0
Less prior-year dividend	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less dividend payments to minority shareholders	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational adjustments	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing cash flow	**GBP mn**	**0.0**	**-6.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Net cash inflow	GBP mn	-0.3	18.0	42.4	70.2	91.7	105.9	110.4
Currency adjustments	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash opening balance	GBP mn	0.3	0.0	18.0	60.4	130.6	222.2	328.1
Net cash closing balance	**GBP mn**	**0.0**	**18.0**	**60.4**	**130.6**	**222.2**	**328.1**	**438.5**

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

One View I, 2020-2026e

IFRS (31.12.)		2020	2021	2022	2023e	2024e	2025e	2026e
Key data								
Sales	GBP mn	0	0	0	0	0	0	0
Gross profit	GBP mn	0	0	0	0	0	0	0
EBITDA	GBP mn	0	0	-1	-1	-1	-1	-2
EBIT	GBP mn	0	0	-1	-1	-1	-1	-2
EBT	GBP mn	0	0	-1	-1	-1	-2	-2
Net income	GBP mn	0	0	-1	-1	-1	-1	-2
No. of employees		0	4	2	2	4	7	7
Per share data								
Price high	EUR	n/a	n/a	n/a	1.64			
Price low	EUR	n/a	n/a	n/a	0.31			
Price average/last	EUR	n/a	n/a	n/a	0.61			
Price average/last	EUR	n/a	n/a	n/a	0.63	0.18	0.18	0.18
EPS	GBP	n/a	n/a	n/a	-0.02	-0.02	-0.03	-0.04
BVPS	GBP	n/a	n/a	n/a	-0.02	-0.05	-0.07	-0.11
CFPS	GBP	n/a	n/a	n/a	-0.03	-0.02	-0.03	-0.04
Dividend	GBP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profitability ratios								
EBITDA margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-tax margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FCF margin	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ROE	%	n/a	n/a	86.0%	82.2%	47.6%	37.2%	32.0%
NWC/Sales	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Revenues per head	GBPk	n/a	0	0	0	0	0	0
EBIT per head	GBPk	n/a	0	0	-1	0	0	0
Capex/Sales	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Growth rates	**%**							
Sales	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gross profit	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA	%	n/a	n/a	49.6%	66.8%	17.1%	19.7%	21.4%
EBIT	%	n/a	n/a	49.6%	66.8%	17.1%	19.7%	21.4%
EBT	%	n/a	n/a	58.4%	62.7%	28.8%	22.6%	25.9%
Net profit	%	n/a	n/a	58.4%	62.7%	10.3%	24.8%	26.1%
EPS	%	n/a	n/a	n/a	n/a	10.3%	24.8%	26.1%
CFPS	%	n/a	n/a	n/a	n/a	-26.5%	23.1%	41.4%

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

One View I, 2027e-2033e

IFRS (31.12.)		2027e	2028e	2029e	2030e	2031e	2032e	2033e
Key data								
Sales	GBP mn	7	91	161	217	259	273	287
Gross profit	GBP mn	6	73	129	173	207	218	229
EBITDA	GBP mn	2	54	96	129	153	160	166
EBIT	GBP mn	2	53	95	127	150	157	163
EBT	GBP mn	2	53	95	127	150	157	163
Net income	GBP mn	2	53	66	89	105	110	114
No. of employees		18	103	185	207	260	270	280
Per share data								
Price high	EUR							
Price low	EUR							
Price average/last	EUR							
Price average/last	EUR	0.18	0.18	0.18	0.18	0.18	0.18	0.18
EPS	GBP	0.04	1.03	1.28	1.72	2.04	2.13	2.21
BVPS	GBP	-0.07	0.97	2.25	3.97	6.01	8.14	10.35
CFPS	GBP	0.00	0.56	0.91	1.45	1.86	2.11	2.21
Dividend	GBP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	**EUR**							**4.90**
Performance to price target	**%**							**2622.2%**
Profitability ratios								
EBITDA margin	%	33.5%	58.9%	59.5%	59.3%	58.9%	58.4%	57.8%
EBIT margin	%	33.0%	58.4%	58.7%	58.4%	58.0%	57.5%	56.9%
Pre-tax margin	%	27.1%	58.2%	58.7%	58.4%	58.0%	57.5%	56.9%
Net margin	%	31.6%	58.5%	41.1%	40.9%	40.6%	40.2%	39.8%
FCF margin	%	-4.1%	26.3%	26.3%	32.3%	35.4%	38.8%	38.5%
ROE	%	-66.4%	n/a	57.0%	43.3%	33.9%	26.1%	21.4%
NWC/Sales	%	33.5%	30.0%	29.6%	29.3%	29.0%	28.7%	28.4%
Revenues per head	GBPk	0	1	1	1	1	1	1
EBIT per head	GBPk	0	1	1	1	1	1	1
Capex/Sales	%	5.5%	5.1%	2.9%	2.1%	1.7%	1.2%	1.2%
Growth rates	**%**							
Sales	%	n/a	n/a	76.8%	34.7%	19.3%	5.4%	5.1%
Gross profit	%	n/a	n/a	76.8%	34.7%	19.3%	5.4%	5.1%
EBITDA	%	n/a	n/a	78.3%	34.4%	18.6%	4.5%	4.1%
EBIT	%	n/a	n/a	77.6%	34.2%	18.5%	4.3%	4.1%
EBT	%	n/a	n/a	78.3%	34.2%	18.5%	4.3%	4.1%
Net profit	%	n/a	n/a	24.1%	34.2%	18.5%	4.3%	4.1%
EPS	%	n/a	n/a	24.1%	34.2%	18.5%	4.3%	4.1%
CFPS	%	n/a	n/a	64.2%	58.9%	28.4%	13.6%	4.3%

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

One View II, 2020-2026e

IFRS (31.12.)		2020	2021	2022	2023e	2024e	2025e	2026e
Balance sheet ratios								
Fixed assets	GBP mn	0	0	0	0	0	0	0
Current assets	GBP mn	0	0	0	1	0	0	1
Equity	GBP mn	0	0	-1	-1	-2	-4	-6
Liabilities	GBP mn	0	0	1	2	3	4	6
Equity ratio	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gearing	%	n/a	-49.5%	-54.9%	-94.1%	-95.9%	-96.1%	-100.0%
Working capital	GBP mn	0	0	0	0	0	0	0
Capital employed	GBP mn	0	0	0	0	0	0	0
Asset turnover	x	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value								
No. of shares	mn	0.0	0.0	0.0	51.6	51.6	51.6	51.6
Market cap. high	EUR mn	n/a	n/a	n/a	84.7	n/a	n/a	n/a
Market cap. Low	EUR mn	n/a	n/a	n/a	16.0	n/a	n/a	n/a
Market cap. Average	EUR mn	n/a	n/a	n/a	31.5	n/a	n/a	n/a
Market cap. Last	EUR mn	n/a	n/a	n/a	32.5	9.3	9.3	9.3
Net debt	GBP mn	0.0	0.1	0.4	1.2	2.3	3.7	5.7
Pension reserves	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-operating financial assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV high	GBP mn	n/a	n/a	n/a	73.1	n/a	n/a	n/a
EV low	GBP mn	n/a	n/a	n/a	14.8	n/a	n/a	n/a
EV average	GBP mn	n/a	n/a	n/a	27.9	n/a	n/a	n/a
EV last	GBP mn	n/a	n/a	n/a	28.8	10.2	11.6	13.6
Valuation ratios								
EV/sales high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/B last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/CF last	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FCF yield	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dividend-yield	%	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

One View II, 2027e-2033e

IFRS (31.12.)		2027e	2028e	2029e	2030e	2031e	2032e	2033e
Balance sheet ratios								
Fixed assets	GBP mn	0	5	8	11	13	14	14
Current assets	GBP mn	2	45	108	194	297	406	520
Equity	GBP mn	-3	50	116	205	310	420	534
Liabilities	GBP mn	6	0	0	0	0	0	0
Equity ratio	%	-122.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gearing	%	n/a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Working capital	GBP mn	2	27	48	64	75	78	82
Capital employed	GBP mn	3	32	56	74	88	92	96
Asset turnover	x	2.6	1.8	1.4	1.1	0.8	0.7	0.5
Enterprise Value								
No. of shares	mn	51.6	51.6	51.6	51.6	51.6	51.6	51.6
Market cap. high	EUR mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market cap. Low	EUR mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market cap. Average	EUR mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market cap. Last	EUR mn	9.3	9.3	9.3	9.3	9.3	9.3	9.3
Net debt	GBP mn	6.0	-18.0	-60.4	-130.6	-222.2	-328.1	-438.5
Pension reserves	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-operating financial assets	GBP mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV high	GBP mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV low	GBP mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV average	GBP mn	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV last	GBP mn	13.9	-10.1	-52.5	-122.7	-214.3	-320.2	-430.6
Valuation ratios								
EV/sales high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/sales last	x	1.9	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBITDA last	x	5.9	n/a	n/a	n/a	n/a	n/a	n/a
EV/EBIT last	x	7.1	n/a	n/a	n/a	n/a	n/a	n/a
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P/E last	x	3.5	0.1	0.1	0.1	0.1	0.1	0.1
P/B last	x	n/a	0.2	0.1	0.0	0.0	0.0	0.0
P/CF last	x	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF yield	%	n/a	304.2%	537.0%	889.6%	1162.0%	1341.9%	1399.9%
Dividend-yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: COMPANY INFORMATION, SPHENE CAPITAL FORECASTS

Discounted cash flow valuation

IFRS (31.12.)		2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	TY
Revenues	GBP mn	**0.0**	**0.0**	**0.0**	**7.2**	**91.1**	**161.1**	**217.1**	**259.1**	**273.1**	**287.1**	**301.1**	**315.5**	**330.7**	**346.6**	**363.2**	**380.6**
YoY	%	n/a	n/a	n/a	n/a	1170.0%	76.8%	34.7%	19.3%	5.4%	5.1%	4.9%	4.8%	4.8%	4.8%	4.8%	4.8%
EBIT	GBP mn	**-1.2**	**-1.4**	**-1.7**	**2.4**	**53.2**	**94.6**	**126.9**	**150.4**	**156.9**	**163.3**	**171.3**	**179.5**	**188.2**	**197.2**	**206.7**	**216.6**
EBIT margin	%	n/a	n/a	n/a	33.0%	58.4%	58.7%	58.4%	58.0%	57.5%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%	50.0%
Taxes	GBP mn	0.2	0.2	0.3	0.3	-17.6	-31.2	-41.8	-49.6	-51.7	-53.9	-56.5	-59.2	-62.0	-65.0	-68.1	-71.4
Tax rate (τ)	**%**	16.2%	14.9%	15.3%	-13.5%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Adjusted EBIT(1-τ)	GBP mn	**-1.0**	**-1.2**	**-1.5**	**2.7**	**35.7**	**63.4**	**85.0**	**100.8**	**105.2**	**109.5**	**114.8**	**120.3**	**126.1**	**132.2**	**138.5**	**145.2**
Reinvestment	GBP mn	0.0	0.0	-0.2	-2.6	-5.6	-7.1	-8.7	-9.4	-4.0	-4.4	-4.6	-4.8	-5.0	-5.3	-5.5	-71.1
FCFF	GBP mn	**-1.0**	**-1.2**	**-1.7**	**0.1**	**30.1**	**56.3**	**76.3**	**91.4**	**101.2**	**105.0**	**110.2**	**115.5**	**121.1**	**126.9**	**133.0**	**74.1**
WACC	%	22.5%	22.5%	22.5%	21.3%	20.4%	19.6%	18.7%	18.7%	18.7%	18.7%	16.4%	14.2%	12.0%	9.8%	9.8%	
Discount rate	%	122.5%	150.0%	183.7%	46.1%	38.3%	32.0%	27.0%	22.7%	19.2%	16.2%	13.9%	12.1%	10.8%	9.9%	9.0%	
Present value of free cash flows	**GBP mn**	**-1.2**	**-1.8**	**-3.1**	**0.1**	**11.5**	**18.0**	**20.6**	**20.8**	**19.4**	**17.0**	**15.3**	**14.0**	**13.1**	**12.5**	**12.0**	
PD in terminal value	%	7.9%															
Capital costs in terminal value	%	16.4%															
Present value of terminal value	GBP mn	47.6															
in % of Enterprise Value	%	22.0%															
PV FCFF Detailed planning phase	GBP mn	101.3															
in % of Enterprise Value	%	46.9%															
PV FCFF rough planning phase	GBP mn	66.9															
in % of Enterprise Value	%	31.0%															
Enterprise Value	**GBP mn**	**215.8**															
Financial debt	GBP mn	-2.0															
Excess Cash	GBP mn	0.8															
Value of equity	**GBP mn**	**214.5**															
Number of shares	mn	51.6															
Value of equity per share	**GBP**	**4.16**															
Value of equity per share	**EUR**	**4.90**															

SOURCE: SPHENE CAPITAL FORECASTS

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Date/Time of publication:	Price target/Current share price:	Rating/Validity:	Conflict of Interest (key)
12 06 2024/14:15 h	EUR 4.90/EUR 0.18	Buy, 36 months	1, 2; 8

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This report has been finalized on 12 06 2024 at 13:20h. Last price at the time of completion: EUR 0.18.