TRIGON

30 June 2025

Research

CEE | Equity Research

Bioceltix

On the path to market registration

Buy

Recent: Buy

Target price: 124 PLN
upside potential: +19%

From early 2025, BCX is continuing the registration process for two veterinary arthritis therapy projects—BCX-CM-J for dogs and BCX-EM for horses—and has completed clinical trials for its canine dermatitis therapy (BCX-CM-AD). In February 2025, Bioceltix published additional clinical data analyses from the BCX-EM project, confirming reductions in lameness, pain, and joint swelling without any adverse events. The results demonstrated strong therapeutic efficacy, with faster and more potent anti-inflammatory action compared to current standards of care. These findings allowed Bioceltix to submit the registration dossier to the EMA in April 2025; by June, the EMA raised no formal objections and commenced substantive review.

BCX also secured the anticipated grant from PARP for constructing a production facility—PLN 17.4m—thereby strengthening its internal funding for capital expenditures and extending its cash runway by approximately six months. A slight negative reaction in the share price occurred after EMA extended their response time to queries regarding the BCX-CM-J project. Despite an estimated six month delay in registration, we maintain our view that Bioceltix is positioned to deliver significant regulatory and clinical news in the coming months.

Next registration milestones are expected in the second half of 2025, with commercialization progressing through 2025–2026 as the EMA process nears completion. Business model assumptions: A distribution agreement with lower upfront payments and attractive high-teens royalties could deliver a more profitable long-term funding stream than an outright IP sale. Our recommendation remains Buy for Bioceltix shares, with a 12-month price target of PLN 124.0, reflecting an 18% upside.

BCX-EM: best in class? The additional data indicate that BCX EM shows strong efficacy over placebo in reducing lameness, swelling, and pain in horses with arthritis. Safety parameters are confirmed, with no injection-site reactions reported. We reiterate that BCX -EM could emerge as a best-in-class therapy, owing to its high efficacy, strong safety profile, and competitive pricing relative to existing products like Horstem.

Project timeline updates. In April 2025, BCX updated the timelines for its therapeutic candidates: 1) BCX-CM-J: EMA submission response will be delayed (extension); 2) BCX-CM-AD: Clinical data will be released partially in April and fully by end of May 2025, 3) BCX-EM: EMA dossier submission targeted by end of April 2025.

Impact of delays. The delay in BCX-CM-J shifts the expected registration from H2 2025 to H1 2026. Originally, responses to EMA queries were expected in mid-to-late 2025, with potential approval in 2025. We now estimate an approximately six-month extension. On the positive side, BCX-CM-AD is being positioned as an additional indication via an extension of BCX-CM-J, without requiring new manufacturing validation or involvement from the Polish Office for Registration. We therefore expect market authorization across both products in H1 2026, ahead of first distribution deal opportunities.

PARP production facility funding. In April 2025, BCX received favorable approval from PARP's "SMART Path" under the FENG program. Total net eligible costs are around PLN 49.6m, with PLN 17.4m in planned funding. This significantly reduces internal capex needs and minimizes dilution risk prior to commercialization and distribution agreements.

Regulatory and commercialization roadmap. Key upcoming events include: 1) BCX-CM -J: Distribution agreement and market launch expected in H2-2025/H1 2026, 2) BCX-CM-AD: Dossier submission to EMA window: H1–H2-2025, 3) BCX-EM: First EMA substantive feedback expected by Q4-2025.

Valuation. Using a sum-of-the-parts (SOTP) approach with risk-adjusted NPV models, we estimate a 12-month target price of PLN 124.0, indicating a +19% upside versus current levels. Compared to prior forecasts, we delayed BCX-CM-J registration to 2026 and increased success probabilities from 80% to 85% (BCX-CM--AD) and from 85% to 90% (BCX-EM).

Risk factors. Major risks include: development failures, delays in project timelines, regulatory and commercialization risks (lack of partnerships, weaker market sales), changes in clinical or market assumptions, royalty rates, or prolonged trial phases, increased competition. Further details can be found on page 11 of the full report.

FACT SHEET

Ticker			**BCX**
Sector			**Biotech & MedTech**
Price (PLN)			**104**
52wk Range (PLN)			**62 / 129**
Number of share (m)			**4.9**
Market Cap (mPLN)			**514**
Free-float			**61%**
Avg Vol 3M (mPLN)			1.2
Price performance	**1M**	**3M**	**1Y**
	-9%	4%	66%

RELATIVE SHARE PRICE PERFORMANCE

RECOMMENDATIONS	Date	Price
Buy	16.04.2025	135
Buy	05.12.2024	133
Buy	20.10.2024	129
Buy	29.07.2024	130

SHAREHOLDERS	Share %
Kvarko Group ASI	9.6%
PZU TFI	9.1%
Total FIZ	7.5%
Łukasz Bzdzion	7.4%
Alternative Solution ASI SA	5.2%
Others	61.2%

IMPORTANT DATES

1H25 report	30.09.2025
3Q25 report	27.11.2025

ANALYST

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Report prepared under the Wasaw Stock Exchange Analytical Support Program

Investment Summary

Very good safety and efficacy profile for the BCX-EM project. The clinical trial yielded expected and favorable results in the primary and all secondary endpoints, which, according to BCX, clearly confirms the safety and efficacy of the BCX-EM drug candidate both in the short and longer term after administration. Additional analyses (on day 84 ±5 from the day of administration of the investigational product or placebo) showed a reduction in lameness in horses by approximately 75%, complete resolution of joint swelling in about 50% of patients, no heat at the injection site, and pain minimization in response to pressure in over 96% of patients.

BCX-EM: best in class? The presented additional analyses practically confirm that BCX-EM results, compared to placebo, demonstrate the high potential of the product as an effective treatment for osteoarthritis in horses (reduction of lameness, swelling, joint pain). The safety parameters of the therapy were also confirmed (no local temperature increase at the injection site). We maintain the view that the project developed by BCX could achieve best-in-class status due to its high effectiveness in reducing lameness and pain, strong safety profile, and potential pricing advantage (e.g., compared to the currently available HorStem product).

Project timeline update – approx. 6-month delay in BCX-CM-J registration. In April 2025, BCX made the decision to update the timelines for the development of its drug candidates BCX-CM-J, BCX-CM-AD, and BCX-EM: For BCX-CM-J, the timeline for submitting responses to the EMA will be extended; For BCX-CM-AD, clinical trial results will be published partially in April and the remainder by the end of May 2025; For BCX-EM, submission of the registration dossier is planned by the end of April 2025. The reason for the delay is the overlap of tasks related to responding to the EMA and those resulting from the Regulation of the Minister of Health dated December 4, 2024 — which requires BCX to adapt its pharmaceutical quality system and production system to new guidelines, particularly regarding risk management systems and environmental cleanliness controls in manufacturing.

Delay in registering the lead drug candidate – increased risk for BCX projects? Due to changes in the registration schedule for BCX's leading project, the expected market authorization has shifted from 2H25 to 1H26. Initially, it was assumed that the company would submit responses to EMA in 1H/2H25, allowing a decision by the end of 2025. We now estimate that preparation of responses and EMA's review process could extend by approximately six months. At the same time, the registration path for BCX-CM-AD appears well-structured. The product will be submitted for registration as an extension of the indication for BCX-CM-J. In this approach, no revalidation of manufacturing or involvement from the Polish Chief Pharmaceutical Inspectorate (GIF) will be required, and EMA's review will focus only on the mechanism of action, safety, and efficacy. Additionally, despite the later submission date, BCX-CM-AD is expected to follow a fast-track registration pathway. Therefore, BCX should obtain market approval for its products in 1H26, and we identify the potential for signing the first distribution agreements prior to that milestone.

Receipt of PARP Funding for Construction of Manufacturing Facility. In April 2025, BCX received confirmation of a positive assessment from PARP in the "SMART Path" competition announced under the FENG program. The total value of eligible net expenditures is approximately PLN 49.6m, with the requested funding amounting to PLN 17.4m. This positive funding decision will reduce the need for BCX to allocate its own capital for preparing the production facility, thereby minimizing the risk of additional capital requirements before signing the first distribution agreements and launching commercial sales of BCX products.

New production facility Launch – 2H26. The current facility is expected to supply up to 30,000 therapeutic doses of the osteoarthritis product for dogs annually. This volume will be sufficient to conduct pilot sales in selected markets following the marketing authorization of the first product. The new plant will be located in Wrocław and is scheduled to begin operations in 2H26. It will occupy approximately 1,200 m². In its first full year of operation, the facility is expected to reach a production capacity of at least 100,000 therapeutic doses of the osteoarthritis product.

Key Bioceltix Newsflow – TDM Assumptions: BCX-CM-J: potential signing of a distribution agreement (2H25/1H26); marketing authorization (end of 1H26); BCX-CM-AD: completion of the dossier and submission of the registration application to EMA (1H25/2H25); BCX-EM: first scientific feedback from EMA (4Q25).

Valuation. We estimate a 12-month target price for Bioceltix shares at PLN 124.0 (+19% upside) using the sum-of-the-parts (SOTP) method based on rNPV valuations of individual R&D projects. Compared to the previous forecast update, we have postponed the registration date for BCX-CM-J to 2026 and increased the probability of successful registration for BCX-CM-AD from 80% to 85% and for BCX-EM from 85% to 90%.

Risk Factors. Key risk factors include: risk of development failure, delays in project execution, regulatory and commercialization risks (lack of partnership agreements, lower-than-expected market sales), changes in clinical success parameters, market share, royalty rates, and extension of clinical phases, increasing competition in the market. A more detailed description can be found on page 11.

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Valuation

GENERAL ASSUMPTIONS

1) The presented valuation of Bioceltix is based on the rNPV method (risk-adjusted net present value), which is the primary approach used to value biotech/medtech companies in the R&D development phase. This method modifies the DCF valuation by adjusting for the probability that a molecule/therapy will successfully progress to the next phase of clinical trials and ultimately achieve market approval.

2) We have adopted a forecast period from 2025 to 2040. We assume that for most of this period, BCX's projects will not be covered by patent protection. The company has adopted a strategy of not patenting key production processes in order to avoid disclosing the "state of the art." The manufacturing process of stem cell-based therapies is a complex technique characterized by a high entry barrier for the selected technology. However, we do not exclude the possibility that during the forecast period Bioceltix may face negative impacts from competition in the field of cell therapies, as well as from other competing solutions in selected therapeutic areas. Therefore, we have applied the assumption of a negative competitive impact occurring around 5 years after the market launch of BCX products, leading to a reduction in the target patient market and pressure on the therapy's cost (an estimated 30% reduction in these aspects from 2031 onward).

3) The final valuation is the sum of the partial valuations (SOTP) of R&D projects for specific therapeutic indications: 1) BCX-CM-J in canine osteoarthritis; 2) BCX -CM-AD in canine atopic dermatitis; 3) BCX-EM in equine osteoarthritis treatment.

4) Information on clinical success rates in veterinary indications is limited. In our valuation assumptions, we have used success probabilities based on published data for human clinical trials (Wong Chi et al. 2019, Estimation of Clinical Trial Success Rates and Related Parameters, Biostatistics (20); 2; 273–286) and industry reports (Cancer Drugs Are The Least Likely to Receive FDA Approval, www.fortune.com, May 2016 – clinical development). In our view, this approach results in more conservative and safer valuation assumptions. Any regulatory facilitation (EMA, FDA) regarding veterinary therapies would represent an additional upside potential for BCX's project valuations.

5) We assume that BCX's projects will be partnered at the stage of completed clinical trials, prior to registration in the EU market. In our assumptions, we do not include potential registration and sales in the US market due to the absence of an advanced regulatory process there. From the moment of signing a partnership agreement, we assume that the partner will take over the commercialization of the projects. BCX will remain responsible for the manufacturing of therapeutic doses (due to the complexity of the technology) and will be entitled to receive royalties from the market sales of the drugs.

6) We estimate total costs related to clinical trials and the development of the new production facility through the

end of 2026 at approximately EUR 14–16m. In our valuation assumptions, further R&D activities and the expansion of manufacturing capacity will be financed from funds already secured by BCX: 1) the current cash position (PLN 32m as of the end of Q1 2025); 2) financing from the PARP grant (PLN 18m); and 3) a potential license sale transaction of at least one project by H1 2026 (EUR 20–25m), which should ensure operational funding through the end of 2026.

7) In our sales forecasts for BCX's potential therapies, we use proprietary assumptions regarding the target patient population. These assumptions are based on statistical data about the number of dogs and horses in the EU, as well as market reports on the prevalence of osteoarthritis and atopic dermatitis in dogs and horses. The cost of a single therapeutic dose is based on the pricing of competitive therapies, taking into account the technological complexity of the manufacturing process (source material acquisition, therapeutic dosing). The cost of dose production is based on internal assumptions derived from other cell therapy manufacturing processes. The potential market share of BCX's therapies is based on historical sales levels of newly approved drugs in the veterinary and cell therapy markets (see Financial Assumptions section).

8) We assume the parameters of partnership agreements (upfront payments) at the level of 5–10% of the median total value of comparable veterinary therapy transactions (a discount relative to comparable transactions due to the company's lack of a track record in partnership agreements). The analyzed comparable transactions in veterinary therapies are mostly M&A deals—we assume that in a potential BCX-partner transaction, the structure may differ due to the manufacturing component remaining within BCX's business. Therefore, we assume a modest upfront payment (EUR 5–10m at the time of signing) and a significant double-digit royalty rate (20–25%).

9) Exchange rates: EUR/PLN = 4.3; USD/EUR = 0.89 (used to determine market size).

10) The project-specific risk premium is incorporated into the probability of successful completion of various clinical phases and is reflected in the FCF calculations.

11) The weighted average cost of capital (discount rate) is assumed at 18% (based on an analysis of biotech sector companies, New York Stern Database 2025).

12) The effective tax rate is assumed at 19%.

Valuation. We estimate Bioceltix's 12-month share price target at PLN 124.0 (representing a +19% upside) using the Sum-of-the-Parts (SOTP) method, with each R&D project valued using the risk-adjusted Net Present Value (rNPV) approach. Compared to our previous forecast update, we have postponed the expected market approval of the BCX-CM-J project to 2026, and we have increased the assumed probability of successful registration for the BCX-CM-AD project from 80% to 85%, and for BCX-EM from 85% to 90%.

BCX: valuation summary.

	Valuation			Valuation (PLNm)			Valuation (%)		
	PLNm	PLN/share	% of valuation	Deal value	Royalties	TV	Deal value	Royalties	TV
Clinical pipeline									
BCX-CM-J	271.8	55.2	55%	24.6	227.2	20.0	5%	46%	4%
BCX-CM-AD	145.7	29.6	29%	25.5	112.0	8.2	5%	23%	2%
BCX-EM	76.3	15.5	15%	18.0	53.4	4.9	4%	11%	1%
R&D pipeline valuation	**494**	**100**	**100%**	**68**	**393**	**33**	**14%**	**80%**	**7%**
R&D, SG&A, new lab costs 2025-2026	-50.3								
Net cash 2Q25E	32.6								
BCX valuation (1/1/2025)	**476**	**96.7**							
TP 12M =124 PLN/share									

Source: Trigon

BCX: summary of valuation assumptions.

Project	Target Animal Safety (TAS)	Proof of Concept study (PoC)	EMA registration	Market launch	Sales / royalties
BCX-CM-J	**Indication- canine osteoarthrosis**				
phase duration (years)			1	1	
end of phase development	2023	2024	2026	2027	2027
upfront payment & milestone (EURm)			5		24.5%
probability of success (%)*	100%	100%	90%	95%	
cum. probability of success. (%)	100%	100%	90%	86%	
BCX-CM-AD	**Indication- canine atopic dermatitis**				
phase duration (years)		2	1	1	
end of phase development	2023	2025	2026	2027	2027
upfront payment & milestone (EURm)			10		29.5%
probability of success (%)*	100%	60%	85%	95%	
cum. probability of success. (%)	100%	60%	51%	48%	
BCX-EM	**Indication- equine osteoarthrosis**				
phase duration (years)		1	1	1	
end of phase development	2023	2024	2026	2027	2027
upfront payment & milestone (EURm)			5		29.5%
probability of success (%)*	100%	80%	90%	95%	
cum. probability of success. (%)	100%	80%	72%	68%	

** source: Cancer Drugs Are The Least Likely to Receive FDA Approval, www.fortune.com, 2016; Wong Chi et al. 2019. Estimation of clinical trial success rates and related parameters. Biostatics (20); 2; 273–286*

Source: Trigon

COST ASSUMPTIONS

By the end of 2026, we assume that Bioceltix will invest approximately PLN 50–52m in the development of R&D projects and the preparation of a new production facility. The forecast includes the company's own assumptions of allocating around PLN 10m for R&D activities. However, from a forecasting risk perspective, we assume that this budget may increase by an additional PLN 2–3m due to growing inflationary pressure.

We assume approximately:

- PLN 4m for completing the clinical development of the BCX-CM-AD project in the area of canine atopic dermatitis,
- PLN 3m for the registration processes of the BCX-CM-J and BCX-EM projects, and
- PLN 2–3m for the development of other early-stage R&D projects.

Our cost assumptions also include the cash sources required to prepare the new production facility (PLN 25m), as well as SG&A costs (PLN 10–15m).

PEER VALUATION

In the group of comparable companies for Bioceltix, we identified a set of firms operating in the global pharmaceutical market, particularly in the area of veterinary product development and/or sales, as well as those developing cell therapies.

The comparative valuation includes:

- Valuation based on the median P/E ratio for 2025–2027E,
- Valuation based on the median EV/EBITDA ratio for 2025–2027E,
- Valuation based on the median EV/EBIT ratio for 2025–2027E.

The final comparative valuation is the average of the three methods above, with each assigned an equal weight of 33%. Each peer group contributes equally to the final valuation. Using the comparative valuation method, Bioceltix shares could be valued at approximately PLN 87 per share. However, due to significant differences in the business models of the comparable companies, we adopted the rNPV method as the primary approach for valuing BCX shares.

BCX share valuation using the comparative method.

Peer valuation	TICKER	MC (PLN)	P/E			EV/EBITDA			EV/EBIT		
			2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Bioceltix SA	BCX PW EQUITY	563	24.3	9.7	-	39.2	7.0	91.1	0.0	0.0	0.0
Zoetis Inc.	ZTS US Equity	288,800	26.2	25.8	22.5	18.5	18.0	18.4	23.5	22.1	21.8
Elanco Animal Health Inc.	ELAN US Equity	26,220	15.6	14.6	12.3	12.1	10.5	8.7	14.1	12.5	11.1
BioInvent International AB	BINV SS Equity	963	-	-	-	-	-	10.2	-	-	-
Santhera Pharmaceuticals Holdin	OCC AU Equity	853	-	51.3	26.7	-	12.9	9.4	-	-	-
Frontage Holdings Corp	868820 KS Equity	1,098	16.0	14.4	14.4	13.3	10.8	7.2	-	-	-
Fennec Pharmaceuticals Inc	SLN US Equity	890	43.9	10.1	5.6	13.5	7.7	-	-	-	-
Median			**16.0**	**20.2**	**18.4**	**13.3**	**11.9**	**9.4**	**18.8**	**17.3**	**16.5**
Premium / discount			*52%*	*-52%*	*-*	*195%*	*-41%*	*871%*	*-100%*	*-100%*	*-100%*
Implied equity per share (PLN)			**69**	**218**	**-18**	**40**	**166**	**25**	**45**	**222**	**19**
year weight			33%	33%	33%	33%	33%	33%	33%	33%	33%
ratio weight				33%			33%			33%	
Equity per share (PLN)							**87**				

Source: Trigon Brokerage House, Bloomberg

RISK-ADJUSTED NET PRESENT VALUE METHOD

BCX-CM-J

1) Main Therapeutic Area: Osteoarthritis in Dogs

2) Current Project Status: Registration procedure underway with the EMA

3) Number of Dogs in the EU in 2024: 106.8 million (source: statista.com)

4) Dog Incidence Rate in 2025: 20–25% of the total dog population (source: caninearthritis.co.uk/what-is-arthritis, 2024)

5) CAGR 2024–2030 (%) for the Canine Osteoarthritis Market: 4.8% (source: GMinsights report 2024)

6) Estimated Market Share of BCX Therapy: 3.0% market share(internal assumption)

7) Timeline and Probability of Clinical and Market Approval Completion: based on Wong Chi et al. 2019, Estimation of Clinical Trial Success Rates and Related Parameters, Biostatistics (20); 2; 273–286

Project valuation:

BCX-CM-J	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
milestone (EURm)	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
patients number (m)	0.632	0.663	0.695	0.728	0.763	0.799	0.838	0.865	0.892	0.921	0.950	0.981	1.012	1.045	1.078	1.112
prevalence dynamics (y/y)	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
annual dosage per patient	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
dosage price (EUR)	270.0	270.0	270.0	270.0	270.0	270.0	270.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0
BCX production capacity (m / year)	0.00	0.02	0.03	0.05	0.10	0.20	0.40	0.60	0.80	1.00	1.20	1.40	1.60	1.80	1.80	1.80
Total sales (EURm)	0	5	13	20	41	86	181	187	257	332	411	494	583	677	699	721
Single dosage production cost (EUR)	20.0	20.0	20.0	20.0	20.0	20.0	20.0	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7
Production costs / year (EURm)	0.0	0.3	0.7	1.0	2.0	4.0	8.0	16.0	21.3	26.7	32.0	37.3	42.7	48.0	48.0	48.0
Net revenues (EURm)	**0.0**	**3.8**	**8.5**	**12.5**	**25.0**	**50.0**	**100.0**	**92.0**	**122.7**	**153.3**	**184.0**	**214.7**	**245.3**	**276.0**	**276.0**	**276.0**
BCX royalties (%)	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%
BCX net revenues (EURm)	**0.0**	**5.9**	**2.1**	**3.1**	**6.1**	**12.3**	**24.5**	**22.5**	**30.1**	**37.6**	**45.1**	**52.6**	**60.1**	**67.6**	**67.6**	**67.6**
probability	100%	90%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%
milestone	0.0	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Royalties (EURm)	0.0	5.3	1.8	2.6	5.2	10.5	20.9	19.3	25.7	32.1	38.5	45.0	51.4	57.8	57.8	57.8
Total revenues probability adj. (EURm)	0.0	9.8	1.8	2.6	5.2	10.5	20.9	19.3	25.7	32.1	38.5	45.0	51.4	57.8	57.8	57.8
Total revenues (PLNm)	0.0	42.3	7.7	11.3	22.5	45.0	90.1	82.9	110.5	138.1	165.7	193.4	221.0	248.6	248.6	248.6
TOTAL (PLNm)	**0.0**	**42.3**	**7.7**	**11.3**	**22.5**	**45.0**	**90.1**	**82.9**	**110.5**	**138.1**	**165.7**	**193.4**	**221.0**	**248.6**	**248.6**	**248.6**
Tax	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
FCF (PLNm)	0.0	34.2	6.2	9.1	18.2	36.5	73.0	67.1	89.5	111.9	134.2	156.6	179.0	201.4	201.4	201.4
discount rate	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
discount factor	0.85	0.72	0.61	0.52	0.44	0.37	0.31	0.27	0.23	0.19	0.16	0.14	0.12	0.10	0.08	0.07
DFCF	0.0	24.6	3.8	4.7	8.0	13.5	22.9	17.9	20.2	21.4	21.7	21.5	20.8	19.8	16.8	14.3
DFCF sum (mln PLN)	**251.8**															
growth rate in TV	-10%															
Residual value (TV)	647.3															
Present TV	**20.0**															
Valuation (PLNm)	**271.8**															

Source: Trigon

BCX-CM-AD

1) Main Therapeutic Area: Atopic Dermatitis (AD) in Dogs

2) Current Project Status: Evaluation of therapeutic efficacy Number of Dogs in the EU in 2024: 105.4 million (source: statista.com)

3) Incidence Rate in Dogs in 2025: 15–20% of the total dog population (source: www.ncbi.nlm.nih.gov/pmc/articles/PMC10874193/)

4) CAGR 2024–2030 (%) for the Canine AD Market: 4.5% (source: CoherentMarketInsights report 2024)

5) Estimated Market Share of BCX Therapy: 2.5% (internal assumption)

6) Duration and Probability of Completion of Clinical Trials and Market Registration: based on Wong Chi et al. 2019,

7) Estimation of Clinical Trial Success Rates and Related Parameters, Biostatistics (20); 2; 273–286

Project valuation:

BCX-CM-AD	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
milestone (EURm)	0.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
patients number (m)	0.395	0.413	0.432	0.451	0.471	0.493	0.515	0.530	0.546	0.562	0.579	0.597	0.615	0.633	0.652	0.672
prevalence dynamics (y/y)	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
annual dosage per patient	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
dosage price (EUR)	540.0	540.0	540.0	540.0	540.0	540.0	540.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0
BCX production capacity (m / year)	0.00	0.00	0.01	0.05	0.10	0.15	0.20	0.25	0.30	0.35	0.40	0.45	0.50	0.55	0.60	0.65
Total sales (EURm)	0	0	5	27	54	81	108	90	108	126	144	162	180	198	216	234
Single dosage production cost (EUR)	80.0	80.0	80.0	80.0	80.0	80.0	80.0	106.7	106.7	106.7	106.7	106.7	106.7	106.7	106.7	106.7
Production costs / year (EURm)	0.0	0.0	0.8	4.0	8.0	12.0	16.0	26.7	32.0	37.3	42.7	48.0	53.3	58.7	64.0	69.3
Net revenues (EURm)	**0.0**	**0.0**	**4.6**	**23.0**	**46.0**	**69.0**	**92.0**	**63.3**	**76.0**	**88.7**	**101.3**	**114.0**	**126.7**	**139.3**	**152.0**	**164.7**
BCX royalties (%)	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
BCX net revenues (EURm)	**0.0**	**10.0**	**1.4**	**6.8**	**13.6**	**20.4**	**27.1**	**18.7**	**22.4**	**26.2**	**29.9**	**33.6**	**37.4**	**41.1**	**44.8**	**48.6**
probability	60%	51%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
milestone	0.0	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Royalties (EURm)	0.0	5.1	0.7	3.3	6.6	9.9	13.1	9.1	10.9	12.7	14.5	16.3	18.1	19.9	21.7	23.5
Total revenues probability adj. (EURm)	0.0	10.2	0.7	3.3	6.6	9.9	13.1	9.1	10.9	12.7	14.5	16.3	18.1	19.9	21.7	23.5
Total revenues (PLNm)	0.0	43.9	2.8	14.1	28.3	42.4	56.5	38.9	46.7	54.5	62.3	70.1	77.8	85.6	93.4	101.2
TOTAL (PLNm)	**0.0**	**43.9**	**2.8**	**14.1**	**28.3**	**42.4**	**56.5**	**38.9**	**46.7**	**54.5**	**62.3**	**70.1**	**77.8**	**85.6**	**93.4**	**101.2**
Tax	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
FCF (PLNm)	0.0	35.5	2.3	11.4	22.9	34.3	45.8	31.5	37.8	44.1	50.4	56.8	63.1	69.4	75.7	82.0
discount rate	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
discount factor	0.85	0.72	0.61	0.52	0.44	0.37	0.31	0.27	0.23	0.19	0.16	0.14	0.12	0.10	0.08	0.07
DFCF	0.0	25.5	1.4	5.9	10.0	12.7	14.4	8.4	8.5	8.4	8.2	7.8	7.3	6.8	6.3	5.8
DFCF sum (mln PLN)	**137.5**															
growth rate in TV	-10%															
Residual value (TV)	263.5															
Present TV	**8.2**															
Valuation (PLNm)	**145.7**															

Source: Trigon

BCX-EM

1) Main Therapeutic Area: Osteoarthritis in Horses

2) Current Project Status: Evaluation of therapeutic efficacy (patient recruitment phase completed)

3) Number of Horses in the EU in 2024: 7.1 million (source: eurogroupforanimals.org)

4) Incidence Rate in Horses in 2025: 25% of the total horse population (source: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9197312/)

5) CAGR 2024–2030 (%) for the Osteoarthritis Market in Horses: 3.9% (source: https://www.linkedin.com/pulse/global-horse-racing-market-report-size-growth-cagr-around-howard/)

6) Estimated Market Share of BCX Therapy: 4.0% (internal assumption)

7) Duration and Probability of Completion of Clinical Trials and Market Registration: based on Wong Chi et al. 2019, Estimation of Clinical Trial Success Rates and Related Parameters, Biostatistics (20); 2; 273–286

Project valuation:

BCX-EM	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
milestone (EURm)	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
patients number (m)	1.775	1.844	1.916	1.991	2.069	2.150	2.234	2.292	2.351	2.413	2.475	2.540	2.606	2.674	2.744	2.815
prevalence dynamics (y/y)	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
annual dosage per patient	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
dosage price (EUR)	900.0	900.0	900.0	900.0	900.0	900.0	900.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0
BCX production capacity (m / year)	0.00	0.00	0.00	0.01	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09	0.10	0.11	0.12
Total sales (EURm)	0	0	1	5	9	18	27	24	30	36	42	48	54	60	66	72
Single dosage production cost (EUR)	15.0	15.0	15.0	15.0	15.0	15.0	15.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Production costs / year (EURm)	0.0	0.0	0.0	0.1	0.2	0.3	0.5	0.8	1.0	1.2	1.4	1.6	1.8	2.0	2.2	2.4
Net revenues (EURm)	**0.0**	**0.0**	**0.9**	**4.4**	**8.9**	**17.7**	**26.6**	**23.2**	**29.0**	**34.8**	**40.6**	**46.4**	**52.2**	**58.0**	**63.8**	**69.6**
BCX royalties (%)	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
BCX net revenues (EURm)	**0.0**	**5.0**	**0.3**	**1.3**	**2.6**	**5.2**	**7.8**	**6.8**	**8.6**	**10.3**	**12.0**	**13.7**	**15.4**	**17.1**	**18.8**	**20.5**
probability	100%	72%	68%	72%	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%
milestone	0.0	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Royalties (EURm)	0.0	3.6	0.2	0.9	1.8	3.6	5.4	4.7	5.9	7.0	8.2	9.4	10.5	11.7	12.9	14.0
Total revenues probability adj. (EURm)	0.0	7.2	0.2	0.9	1.8	3.6	5.4	4.7	5.9	7.0	8.2	9.4	10.5	11.7	12.9	14.0
Total revenues (PLNm)	0.0	31.0	0.8	4.0	7.7	15.4	23.0	20.1	25.2	30.2	35.2	40.3	45.3	50.3	55.4	60.4
TOTAL (PLNm)	**0.0**	**31.0**	**0.8**	**4.0**	**7.7**	**15.4**	**23.0**	**20.1**	**25.2**	**30.2**	**35.2**	**40.3**	**45.3**	**50.3**	**55.4**	**60.4**
Tax	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
FCF (PLNm)	0.0	25.1	0.6	3.3	6.2	12.4	18.7	16.3	20.4	24.5	28.5	32.6	36.7	40.8	44.8	48.9
discount rate	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
discount factor	0.85	0.72	0.61	0.52	0.44	0.37	0.31	0.27	0.23	0.19	0.16	0.14	0.12	0.10	0.08	0.07
DFCF	0.0	18.0	0.4	1.7	2.7	4.6	5.9	4.3	4.6	4.7	4.6	4.5	4.3	4.0	3.7	3.5
DFCF sum (mln PLN)	**71.5**															
growth rate in TV	-10%															
Residual value (TV)	157.2															
Present TV	**4.9**															
Valuation (PLNm)	**76.3**															

Source: Trigon

Risk Factors

We identify several key risk factors directly related to the development of innovative therapies, such as the risk of project development failure, time delays in completing various development stages, regulatory and commercialization risks (lack of partnership agreements, risk of lower product sales in the market). We also highlight several factors related to the main assumptions of our valuation, such as changes in clinical success rates, market shares, royalty rates, and extensions of clinical phase durations (see the Sensitivity Analysis section of the valuation). Among other risk factors, we identify risks related to increased competition, grant-related aspects, loss of scientific staff, legal risks related to IP ownership, and macroeconomic factors.

Risk of failure in new drug development projects: The process of developing new drugs/therapies carries a high risk of failure. This is particularly significant in the case of developing new drugs/therapies whose mechanisms of action focus on new molecular targets or novel therapeutic schemes. Depending on the therapeutic area, the cumulative probability of transitioning from Phase 1 clinical trials to approval in human studies ranges from 5% to 12%, except for indications for rare diseases, for which the probability is 25% (Nature Drugs Review 2020, Fortune 2016). Due to BCX projects' commercialization plans at an advanced stage of market registration, Bioceltix bears significant clinical development and registration risk. We estimate the cumulative probability of clinical success between 16% and 50%, depending on the therapeutic indication of the project. By 2026, Bioceltix plans to spend EUR 4.2 million on R&D, imposing a substantial financial risk on the company's balance sheet. Our forecasts assume collaboration agreements will be signed at the market registration stage of the products. Therefore, the risk of project failure before reaching the assumed commercialization stage cannot be entirely ruled out.

Risk of registration of MSC-based therapies: Stem cells fall between existing legal classifications, being a biological product without a clear immunological mechanism and without unambiguous chemical/pharmaceutical characteristics. Development of new products largely occurs under undefined protocols. For new therapeutic solutions, especially cell therapies, regulators may be more skeptical in the issued guidelines and recommendations. At EMA, the Ad Hoc Expert Group on Veterinary Novel Therapies (ADVENT group) has prepared Q&A documents with partial advice. In 2016, four statements regarding stem cells were published for consultation, seeking expert opinions on the development of cell therapies. Three expert opinions were published in 2017, covering issues such as stem cell sterility, external factors, and the aspect of tumorigenesis. Specific safety questions related to the target animal concerning stem cell-based products are in the process of finalization. Several stem cell-based therapies have received negative opinions from regulators like the FDA or EMA (e.g., Horse Allo 20 in 2018). For this reason, the higher registration risk for cell therapy products compared to standard drugs is an important factor affecting the valuation aspect of cell therapy projects.

Risk of delays in new drug development projects: The development of innovative projects is a complex research task that, beyond designing the active substance, also requires extensive basic research to characterize the molecular target and biological pathways affected. Developing a therapy for

which there are no comparable compounds on the global pharmaceutical market may involve a longer process of optimizing the pharmaceutical form, manufacturing process, as well as planning and conducting clinical trials compared to well-known active substances. For this reason, delays in the clinical phases of BCX projects, as new therapies using MSC cells, cannot be excluded.

Risk of increased competition: Bioceltix competes with its programs against other players present in the veterinary market. BCX's therapies represent modern forms of treatment, which minimizes the risk related to earlier registration of drugs with identical forms or mechanisms of action. However, in selected therapeutic areas, Bioceltix may face significant competition from current market players (Zoetis, Boehringer Ingelheim, Elanco, Aratana, Nexvet). Potential market competition may also include companies developing other types of drugs for the same diseases, which could result in smaller market shares for Bioceltix's projects after the drug launch.

Risk of grant repayment: In 2023, Bioceltix received financial support in the form of funds from the European Funds for the Modern Economy program (FENG) for the product development pathway for atopic dermatitis in dogs, including coverage of costs related to clinical trials. The total value of eligible expenses in the project exceeds PLN 17.5 million, of which the requested grant amount is over PLN 10.5 million. Failure to comply with the requirements stipulated in the grant agreement may result in an obligation to return part or all of the grant, along with interest. A potential order to repay part or all of the granted funds could lead to loss of resources, which in the worst-case scenario could prevent further development of R&D projects. So far, the company's history shows no necessity to return significant grant funds.

Risk of declining biotech partnership trends: In 2021, the global pharmaceutical market saw a noticeable slowdown in the trend of a large number of partnership deals. After a surge in interest in global biotech assets during the COVID-19 pandemic, the pharma sector's appetite for investing in new biotech projects has clearly decreased, as has the value of IPO and VC transactions. Small biotech firms with business models focused on commercialization were the most affected by the downward trend in transaction funding. However, currently, both among Big Pharma and investors, sentiment has shifted, and since the second half of 2023, the global pharma market has seen a positive impact on the number of partnership agreements. It must be noted that the current macroeconomic and geopolitical environment may again lead to reduced R&D spending by global pharmaceutical corporations, and availability of funding through partnership agreements may be limited. Consequently, such risks may translate into reduced interest in Bioceltix's projects.

Risk related to the loss of scientific staff: BCX's operations depend on having a highly qualified scientific and managerial team with the necessary skills and experience in developing MSC-based therapies. The loss of key personnel may negatively impact research capabilities and ongoing clinical projects. At BCX, the risk of losing current staff cannot be entirely excluded. Considering plans to build a new production facility, the risk of difficulties in recruiting new employees or increased personnel costs to attract key staff must also be acknowledged. To minimize this risk, Bioceltix has implemented an Incentive Program for managers and employees.

Currency risk: The company incurs research costs both in Poland and abroad, thus incurring expenses denominated in both PLN and foreign currencies. In particular, the company settles with some research service providers in foreign currencies. Bioceltix also plans to sell its therapies in the EU market — a significant portion of revenues and costs will be denominated in foreign currencies, mainly EUR. Therefore, it cannot be ruled out that unfavorable PLN/EUR or PLN/USD exchange rates may negatively impact the company's cash flows.

Income statement (PLNm)

	2022	2023	2024	2025E	2026E	2027E
Revenues	**0.0**	**0.0**	**0.0**	**0.0**	**90.3**	**17.7**
Revenues from MSC-based therapies	0.0	0.0	0.0	0.0	90.3	17.7
Operating costs	9.7	15.8	18.8	12.5	10.4	16.6
COGS	0.0	0.0	0.0	0.0	1.3	6.4
Profit from sales	**-9.7**	**-15.8**	**-18.8**	**-12.5**	**79.9**	**1.0**
Other operating profits	0.8	1.8	3.8	10.8	9.0	0.0
Other operating costs	0.1	0.0	0.0	0.1	0.0	0.0
EBITDA	**-9.2**	**-15.4**	**-18.3**	**-10.4**	**83.2**	**4.8**
adj. EBITDA	**-9.2**	**-15.4**	**-18.3**	**-10.4**	**83.2**	**4.8**
D&A	0.4	0.4	0.6	2.2	3.3	3.8
EBIT	**-9.7**	**-15.8**	**-18.8**	**-12.5**	**79.9**	**1.0**
Net financial costs	0.1	0.4	0.7	0.6	0.6	0.6
EBT	**-9.0**	**-15.4**	**-18.2**	**-11.9**	**80.5**	**-5.8**
Income tax	0.0	0.0	0.0	0.0	16.6	-1.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**-8.9**	**-13.7**	**-18.1**	**-11.9**	**97.0**	**-4.7**
adj. Net profit	**-8.9**	**-13.7**	**-14.9**	**-1.6**	**70.6**	**-4.7**
sales margin	-	-	-	-	88.5%	5.9%
EBITDA adj. margin	-	-	-	-	92.2%	27.2%
EBIT margin	-	-	-	-	88.5%	5.9%
net profit adj. margin	-	-	-	-	78.2%	-
sales growth y/y	-	-	-	-	-	-80.4%
prfit on sales growth y/y	236.4%	-77.3%	-8.8%	481.0%	-	-
EBITDA adj. growth y/y	-	-	-	-	-	-94.2%
EBIT growth y/y	-	-	-	-	-	-98.7%
net profit adj. growth y/y	-	-	-	-	-	-

Source: Bioceltix-historical data, Trigon - forecasts

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25E
Revenues	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Revenues from MSC-based therapies	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	4.6	5.5	4.1	4.7	4.6	3.4
COGS	-4.6	-5.5	-4.1	-4.7	-4.6	-3.4
Profit from sales	**-4.6**	**-5.5**	**-4.1**	**-4.7**	**-4.6**	**-3.4**
Other operating profits	0.4	1.3	0.6	1.5	0.8	0.0
Other operating costs	0.0	0.0	0.0	0.0	0.1	0.0
EBITDA	**-4.1**	**-4.0**	**-3.3**	**-3.0**	**-3.6**	**-3.2**
adj. EBITDA	**-4.5**	**-5.4**	**-3.9**	**-4.5**	**-4.5**	**-3.2**
D&A	0.1	0.1	0.1	0.2	0.2	0.2
EBIT	**-4.2**	**-4.2**	**-3.5**	**-3.2**	**-3.8**	**-3.4**
Net financial costs	0.0	-0.1	0.0	0.2	0.0	0.0
EBT	**-4.2**	**-4.2**	**-3.4**	**-3.1**	**-3.8**	**-3.4**
Income tax	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**-4.2**	**-4.2**	**-3.5**	**-3.0**	**-3.8**	**-3.4**
adj. Net profit	**-4.6**	**-5.5**	**-4.1**	**-4.5**	**-4.6**	**-3.4**
gross margin	-	-	-	-	-	-
EBITDA adj. margin	-	-	-	-	-	-
EBIT margin	-	-	-	-	-	-
net profit adj. margin	-	-	-	-	-	-
sales growth y/y	-	-	-	-	-	-
gross profit growth y/y	-28.6%	-4.9%	-29.2%	90.7%	2434.0%	-
EBITDA adj. growth y/y	-	-	-	-	-	-
EBIT growth y/y	-	-	-	-	-	-
net profit adj. growth y/y	-	-	-	-	-	-

Source: Bioceltix-historical data, Trigon - forecasts

Balance sheet (PLN m)

	2022	2023	2024	2025F	2026E	2027F
Fixed assets	**1.6**	**1.5**	**2.4**	**28.2**	**30.8**	**34.1**
Tangible fixed assets	1.5	1.5	2.4	27.7	30.4	33.7
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Company's value	0.0	0.0	0.0	0.0	0.0	0.0
Long-term receivables	0.1	0.0	0.0	0.4	0.4	0.4
Long-term investments	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	**6.0**	**11.2**	**39.4**	**14.9**	**85.6**	**78.4**
Inventory	0.0	0.0	0.0	0.0	0.4	0.4
Trade receivables	0.2	1.9	5.0	5.2	5.5	5.7
Other	1.7	0.0	0.8	0.9	0.9	0.9
Cash	4.1	9.3	33.6	8.8	78.8	71.4
Assets	**7.7**	**12.7**	**41.9**	**43.1**	**116.4**	**112.5**
Equity	**5.2**	**10.5**	**38.4**	**36.8**	**107.4**	**102.7**
Share capital	0.3	0.4	0.5	0.5	0.5	0.5
Other	13.7	23.7	52.8	37.9	36.3	106.9
Net profit (loss)	-8.9	-13.7	-14.9	-1.6	70.6	-4.7
Minority capital	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Long-term liabilities	**0.4**	**0.4**	**0.5**	**0.6**	**0.6**	**0.6**
Interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.4	0.5	0.6	0.6	0.6
Short-term liabilities	**2.2**	**1.9**	**2.9**	**5.7**	**8.4**	**9.3**
Interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Trade liabilities	1.0	1.2	2.9	5.5	8.2	9.1
Other	1.2	0.7	0.0	0.2	0.2	0.2
Liabilities	**7.7**	**12.7**	**41.9**	**43.1**	**116.4**	**112.5**
Net working capital	-0.7	0.7	2.1	-0.3	-2.4	-2.9
Net debt	-4.1	-9.3	-33.6	-8.8	-78.8	-71.4
Net debt adj.	-4.1	-9.3	-33.6	-8.8	-78.8	-71.4
Net debt /EBITDA (x)	0.4	0.6	1.8	0.8	-0.9	-14.9
Net debt /equity (x)	-0.8	-0.9	-0.9	-0.2	-0.7	-0.7
ROE (%)	-	-	-	-	98%	-
ROA (%)	-	-	-	-	89%	-
Cash conversion cycle (days)	-	-	-	-	-5	-54
Inventory turnover (days)	-	-	-	-	1	8
Receivables turnover ratio (days)	-	-	-	-	22	116
Accounts payable turnover ratio (days)	-	-	-	-	28	179

Source: Bioceltix-historical data, Trigon - forecasts

Cash Flow (PLNm)

	2022	2023	2024	2025F	2026E	2027F
Cash flows from operating activities	**-7.9**	**-14.7**	**-17.6**	**2.6**	**75.8**	**-0.6**
Net profit (loss)	-8.9	-13.7	-14.9	-1.6	70.6	-4.7
Amortization	0.4	0.4	0.6	2.2	3.3	3.8
Changes in working capital	1.0	-1.1	-2.6	2.0	2.1	0.6
Inventory changes	0.0	0.0	0.0	0.0	-0.4	0.0
Trade receivables change	0.2	-1.5	-3.1	-0.8	-0.3	-0.3
Trade liabilities change	0.8	0.5	0.4	2.8	2.7	0.8
Deffered income and other	-0.4	-0.4	-0.6	0.1	-0.2	-0.2
Cash flows from operating activities	**-0.4**	**-0.5**	**-0.1**	**-27.0**	**-5.6**	**-6.6**
CAPEX	-0.4	-0.5	-0.2	-27.3	-6.0	-7.0
Other	0.0	0.0	0.2	0.3	0.4	0.4
Cash flows from financial activities	**6.3**	**20.4**	**42.0**	**-0.4**	**-0.2**	**-0.2**
Interest-bearing liabilities change	0.0	0.0	0.0	0.0	0.0	0.0
Revenues from shares emission	6.5	20.7	42.8	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.2	-0.3	-0.9	-0.4	-0.2	-0.2
Net cash flows	-1.9	5.2	24.3	-24.8	70.0	-7.5
Cash opening balance	6.1	4.1	9.3	33.6	8.8	78.8
Closing balance of cash	4.1	9.3	33.6	8.8	78.8	71.4

Source: Bioceltix-historical data, Trigon - forecasts

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Glossary of professional terms:
capitalisation – market price multiplied by the number of a company's shares
free float (%) – percentage of a company's shares held by shareholders with less than 5% of total voting rights attached to the shares, reduced by treasury shares held by the company
min/max 52 wks – lowest/highest share price over the previous 52 weeks
average turnover – average volume of share trading over the previous month

EBIT – operating profit
EBITDA – operating profit before depreciation and amortisation
adjusted profit – net profit adjusted for one-off items
CF – cash flow
CAPEX – sum of investment expenditures on fixed assets
OCF – cash generated through a company's operating activities
FCF – cash generated by a company after accounting for cash outflows to support its operations and maintain capital assets
ROA – rate of return on assets
ROE – rate of return on equity
ROIC – rate of return on invested capital
NWC – net working capital
cash conversion cycle – length of time it takes for a company to convert its cash investments in production inputs into cash revenue from sale of its products or services
gross profit margin – ratio of gross profit to net revenue
EBITDA margin – ratio of the sum of operating profit and depreciation/amortisation to net revenue
EBIT margin – ratio of operating profit to net revenue
net margin – ratio of net profit to net revenue
EPS – earnings per share
DPS – dividend per share
P/E – ratio of market price to earnings per share
P/BV – ratio of market price to book value per share
EV/EBITDA – ratio of a company's EV to EBITDA
EV – sum of a company's current capitalisation and net debt
DY – dividend yield, ratio of dividends paid to share price
RFR – risk free rate
WACC – weighted average cost of capital

Recommendations of the Brokerage House

Issuer – Bioceltix S.A.
BUY – we expect the total return on an investment to reach at least 15%
HOLD we expect the price of an investment to be largely stable, with potential upside of up to 15%
SELL – we expect negative total return on an investment of more than -0%

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Document prepared by: Katarzyna Kosiorek

Valuation methods used
The Discounted Cash Flow (DCF) method values a company by estimating its future cash flows and discounting them back to their present value.
- Advantages: future-oriented, flexible when it comes to assumptions, based on the intrinsic value of a company, widely accepted.
- Disadvantages: sensitivity to assumptions, complexity, subjectivity, doesn't consider market sentiment or short-term fluctuations.
The comparable valuation method values a company by comparing it to similar publicly traded companies.
- Advantages: simplicity, transparency, benchmarking, reflects current market valuations and investor sentiment.
- Disadvantages: lack of specificity, limited comparables, sensitive to market fluctuations, ignoring fundamental differences.
SOTP – sum-of-the-parts method, which consists in valuing a company by valuing its individual business lines separately and then summing them up.
Advantages: different valuation methods can be applied to diverse business lines; the approach is useful for assessing the value of a company e.g. in the case of planned acquisition or restructuring.
Disadvantages: the peer group for individual business lines is usually limited, the method does not adequately account for synergies between business segments.
Risk-adjusted net present value method (rNPV)
Advantages: accounting for probabilities assigned to future cash flows, providing a more realistic assessment of the present value of future cash flows and reflecting business-specific factors, especially in the case of innovative companies.
Disadvantages: subjectivity involved in the adoption of a discount rate, significant reliance on a number of assumptions, high level of complexity in the calculations and exclusion of qualitative factors from the valuation.
Discounted residual income method (DRI)
Advantages: valuation based on the excess of income over risk-adjusted opportunity cost to owners of capital, the method can be applied to companies that do not pay dividends or generate positive FCF.
Disadvantages: significant reliance on subjective judgements and assumptions, as well as sensitivity of the valuation to any changes in those variables.
Discounted dividend model (DDM)
Advantages: accounting for real cash flows to equity owners, the model works best for companies with a long history of dividend distribution.
Disadvantages: the method can be applied to dividend-paying companies only, it is not suitable for companies with a short history of dividend distribution.
Net asset value method (NAV)
Advantages: the approach is particularly relevant to holding companies with significant property, plant and equipment assets, the calculation of NAV is relatively straightforward.
Disadvantages: the method neglects future revenue or earnings potential and may not properly reflect the value of intangible assets.
Target multiple method
Advantages: the method can be applied to any company.
Disadvantages: it involves a high degree of subjectivity.
Replacement value method – it assesses the value of a company based on the costs of replacing its assets.
Advantages: the method is particularly relevant to companies with significant property, plant and equipment assets.
Disadvantages: it may be hard to capture the value of a company's intangible assets, reputation and market potential.

Liquidation value method – the sum of prices that the business would receive upon selling its individual assets on the open market.
Advantages: the method can capture the lowest threshold of a company's value.
Disadvantages: it may be hard to capture the value of a company's intangibles.
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