Double Bond Pharma

Mangold Insight –Commissioned research - Update - 2023-06-20

Exciting times

Double Bond Pharma is in an interesting stage where its drug candidate SI-053 for treatment of glioblastoma, a severe type of brain tumor, is entering the clinical phase. The company also states that it has come a long way in negotiations with a partner, which is crucial to be able to conduct the Phase 1 study. The company's path to this stage of development was longer than intended but moving forward the company faces its most exciting time so far.

Phase 1 studies will be initiated

Double Bond Pharma bought rights for Temodex in 2015 from Belarus and has since developed the product for the local treatment of brain tumors. In preclinical studies, SI-053 has shown to be superior to competitors. SI-053 is intended to be used as an adjunct to standard care which is not sufficient. Although the tumor is removed by surgery, some cancer cells can remain and form new tumors, which can lead to relapse. By using SI-053 this can be avoided, which can prolong the life of patients with glioblastoma.

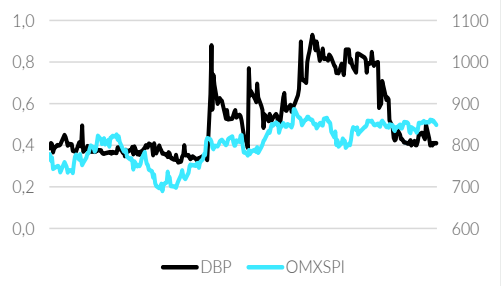
Upside in the share

Mangold has chosen to value Double Bond Pharma based on its project SI-053 with conservative assumptions in a risk adjusted DCF model (rNPV). In a Base case we see a launch in 2030. In a positive Bull scenario, the company can start selling the product through an Early Access program in 2025 significantly increasing the company's value. In our Base case, target price for the share is SEK 0.80, which corresponds to an upside of more than 90 percent. Key triggers for value growth include securing an agreement with a partner and Phase 1 study start.

Information	
Target Price (SEK)	0,80
Risk	Hög
Price (SEK)	0,41
Market value (MSEK)	39
No. of shares (million)	96,4
Free float	90%
Ticker	DBP B
Next earnings report	2023-08-25
Website	doublebp.com
Analyst	Jan Glevén

* issue of shares not included

Ownership structure	Shares	Capital
Igor Lokot	9,7	10,0%
Per Ahlström	4,9	5,1%
KSDR Hamberg	4,6	4,8%
Investentia	2,5	2,6%
Avanza Pension	2,3	2,4%
Magnus Hamberg	1,5	1,6%
Obain	1,2	1,2%
Rejo	1,1	1,1%
Carl Carvalho	1,0	1,0%
Johan Åberg	0,9	0,9%



Price Performance %	1m	3m	12m
DBP B	-4,7	-45,0	6,5
OMXSPI	1,0	6,5	14,0

Key Ratios (MSEK)	2021	2022	2023E	2024E	2025E
Revenue (Incl Grants)	956	1 243	1 491	2 000	5 000
EBIT	-9 256	-15 161	-20 730	-13 950	-12 535
Profit b. tax	-9 257	-15 161	-20 754	-13 994	-12 579
EPS, adj	-0,10	-0,16	-0,22	-0,15	-0,13
EV/S	nm	nm	nm	nm	nm
EV/EBITDA	neg	neg	neg	neg	neg
P/E	neg	neg	neg	neg	neg
P/E	neg	neg	neg	neg	neg

Double Bond Pharma - Investment case

Rare potential from the east

Mangold initiate a Buy-rating in pharmaceutical developer Double Bond Pharma (DBP) with a target price SEK 0.80 within a twelve-month perspective. That means a potential upside of over 90 percent. Double Bond Pharma plans to conduct a phase 1 study with SI-053 targeting a severe type of brain tumor called glioblastoma. The company develops a drug based on a previously known substance temozolomide used in the chemotherapy treatment of brain tumors.

Target price 0.80 SEK in Base case

DBP has purchased rights for Temodex (the prototype of SI-053) from the Research Institute of Physical and Chemical Preparations at Belorussian State University. Temodex is intended to be launched on the global market excluding Eurasia. FurthermoreTemodex is already authorized for the treatment of brain tumors in Belarus.

Temodex approved in Eurasia

Need for re-treatment

Not all cancer cells can be removed during surgery, and in some cases, the entire tumor cannot be removed, requiring additional treatment. Recurrence in glioma, the most common form of brain cancer is common. SI-053 is developed for use in tumor removal as an adjunct to standard therapy. With topical application, the concentration of the active substance temozolomide increases. This has been proven in the past with Temodex, which is considered more effective than standard care, chemotherapy and radiotherapy applied at a later stage.

Complementary therapy needed for glioma

Market may increase to more types of brain tumors

Mangold takes the patient population for severe type of brain tumor known as glioblastoma in to count peak sales for SI-053. Based on this population, we have applied a conservative treatment cost that represents the market opportunity for DBP. Mangold estimates that DBP can take 15 percent of this market. If the company can use SI-053 for more indications, the potential for the company increases.

Takes 15 percent of the market

Early Access can generate revenue from 2024

SI-053 is expected to reach the market In 2030. If the company obtains Early Access, outside Europe, the company can generate revenue in the fourth quarter of 2024. In our Bull Case, we anticipate revenue for SI-053 to start as early as 2025.

Revenue can be received from 2024

Agreement and start of phase 1 study constitute triggers in the share

To obtain a fair value of the company, Mangold has chosen to carry out a risk adjusted DCF valuation. The high risk associated with drug development has been considered through probability calculations and a high yield requirement. For the value to materialize, Mangold emphasizes the importance of securing a license agreement with a partner and starts phase 1 studies successfully and that the patient-recruitment is not delayed.

Risk adjusted value

Double Bond Pharma – Background

About SI-053

Double Bond Pharmaceuticals (DBP) develops the drug candidate SI-053, using Temodex as the prototype, which includes the cell-killing substance temozolomide. SI-053, a gel, is administered locally in the brain when treating patients with severe brain tumor (glioblastoma) in conjunction with standard care. SI-053 is placed where the tumor has been and ensures effective treatment of the remaining cancer and protects the brain from cancer recurrence without damaging healthy organs.

SI-053 is applied topically for treatment of glioblastoma

The survival rate for glioblastoma is low with only 25 percent of adults surviving for one year. The purpose of SI-053 is to produce an effective treatment with fewer side effects and to extend the survive of the patient. Temodex has demonstrated effectiveness at the treatment site and increases survival by approximately 9 months compared to standard care. Treatment with temozolomide gives a systemic effect, affecting the whole or large parts of the body and can cause side effects. Standard care consists of surgery followed by radiotherapy and chemotherapy (temozolomide). Even if the tumor is removed by surgery, this alone is not enough to remove all the cancer cells. Some cancer cells may remain and form new tumors, which can lead to relapse.

SI-053 is more effective and has fewer side effects

Market for glioblastoma is increasing

The market for glioblastoma was $950 million in 2022. It is expected to grow at an average annual rate of 12.7 percent and to be worth $2.3 billion by 2029, according to iHealthcareAnalyst. Factors that drive the development are an aging population, increased number of new cases of the disease and the development of new drugs that are expected to improve treatment of glioblastoma. Glioblastoma has an incidence of two to three per 100 000 adults per year and represents 52 percent of all brain tumors.

Glioblastoma accounts for about half of all types of brain tumors

Initiating Phase 1 studies

Phase 1 studies with SI-053 are expected to start in the second half of 2023 and will be carried out in several clinics in Germany at the University Hospital in Rotterdam in the Netherlands. SI-053 will be used as an adjunct to standard care for newly diagnosed cases of glioblastoma.

Plans to start phase 1 studies in the second half of the year

DOUBLE BOND PHARMA - TIMEPLAN SI-053

Start Phase 1	2023
End data SI-053	2024
Start Phase 2	2024
Launch/Early Access	2024

Source: DBP

Double Bond Pharma – Phase 1 studies

New studies on a known substance

Phase 1 - patients with glioblastoma

The objective of the Phase 1 study is to determine the optimal dose, investigate toxicity and pharmacokinetics (PK) in patients. Phase 1 studies are usually conducted in healthy volunteers in smaller patient groups to study the safety of the drug. However, cancer drugs need to be tested on patients already during phase 1. The study will include 27 patients and will follow an open-label dose escalation and extension study to estimate the maximum tolerated dose (MTD). It also intends to identify dose-limiting toxicities (DLT) and the recommended Phase 2 dose of SI-053. As SI-053 is developed after a proven drug Temodex that is already on the market, the risk level in this study is considered lower than that of an entirely new substance. However, clinical trials are always associated with risk and uncertainty.

Less risky study

DOUBLE BOND PHARMA - STUDY DESIGN SI-053

Phase 1 study	In patients with diagnosed glioblastoma
Location	The Netherlands and Germany,
Patients	N=27
Treatment	1 dose of SI-053 (no placebo)
Endpoint	PK parameters, plasma concentration of TMZ and its metabolite

Source: Clinicaltrials

Need for better treatment

Need for better treatment

DBP is intended to supplement standard care for patients with glioblastoma. After surgery, chemotherapy such as Temodar/Temodal (temozolomide) is used (marketed by Merck & Co). Avastin can also be included in the treatment where studies have shown tumor shrinkage. However, Avastin has not shown increased survival in glioblastoma patients.

Gliadel Wafers a competitor

Gliadel Wafers (Gliadel) is the only medicine for glioblastoma that is distributed locally, like SI-053. Gliadel is an implant of carmustine (used for chemotherapy associated with brain tumors) placed where the tumor was located. According to a scientific paper by Bregy et al, Gliadel has a marginal effect on increased survival in the treatment of GBM (2-2.5 months). Gliadel is marketed by the pharmaceutical company Arbor Pharmaceuticals; Gliadel sold for $34.5 million in 2021.

OVERVIEW TREATMENT GLIOBLASTOMA

Temozolomide/Temodar	Standard Therapy
Beavacizumab /Avastin	Alternative addition to standard therapy with temozolomide and radiotherapy
Lomustine	Alternative addition to standard therapy with temozolomide and radiotherapy
Gliadel Wafer	Implant containing carmustine (chemotherapy)
Immunotherapy	Cancer drugs
TTF — Tumor Treating Field	Electrical impulse therapy

Source: DBP

Double Bond Pharma – Finance

Capital to improve negotiation position

Agreement critical for Phase 1 studies

Preliminary Phase 1 studies have been delayed for DBP. The studies with SI-053 were scheduled to start in 2022, but the search for partners and capital has contributed to a delay.

Discussions with potential partner

DBP has had discussions about a collaboration for a long time, which is crucial for starting phase 1 studies. DBP has extensive discussions with a potential partner interesed in the project. The company assumes that a contract will be in place during the second half of 2023.

New share issue completed

Has raised capital

To strengthen the negotiating position, the company has completed a share issue. This was subscribed to 75 percent and the company raised SEK 11.8 million. Mangold was an advisor of the issue.

Warrants of series TO3B may give an additional SEK 7.9 million and be available for subscription from 27 May 2024 until 10 June 2024.

In connection with the company's quarterly report, the cash position amounted to SEK 1 million. Mangold believes that DBP depends on the conclusion of an agreement to conduct phase 1 studies using SI-053. The capital now raised is needed for the following parts of the business:

DOUBLE BOND PHARMA - DISTRIBUTION EMISSION	
Clinical development of SI-053 and iron succinate	44%
Operations	17%
Reimbursement of bridge loan	13%
Production	11%
Preclinical development	9%
Marketing	6%

Source: DBP

Early Access

Early Access

Subject to the company conducting phase 1 studies according to the planned schedule, it is possible to reach out to patients through an Early Access program during the fourth quarter of 2024. Early Access is a potential route for patients diagnosed with a severe disease to access a trial drug for treatment outside a clinical trial when no comparable or satisfactory alternative treatment options are available. In these cases, a patient's physician may request an investigational product before authorizing the drug in accordance with local legislation.

Early Access can generate revenue from 2024

Double Bond Pharma – Deals

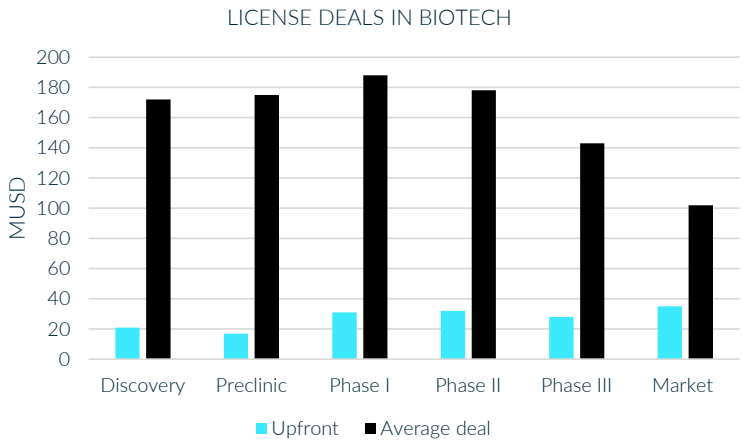
Biotechnology and deals - signs of improvement

Improved sentiment in the biotechnology sector

Licensing deals are one of the most important aspects of biotechnology. The sentiment in biotechnology and capital raising worsened during the pandemic and post-COVID has not accelerated due to increased borrowing costs. The number of IPOs in biotechnology in 2022 also decreased significantly compared to 2021. In 2023, sentiment has improved. The number of transactions (M&A) has increased significantly according to reports from Stifel, Venture Valuation and others. The big pharmaceutical companies (Big Pharma) have large funds and need to replenish projects because of large patent expirations in the coming years. This suggests more licensing agreements in the biotechnology sector in the future. A number of buy-outs have also occurred in 2023, with Pfizer buying Seagen for $43 billion and Novartis buying Chinook for $3.2 billion. DBP is to start phase 1 studies and it is in this phase that the largest license deals often are made. Of all biotechnology deals, the US accounts for 56 percent and Europe for 26 percent. The chart below shows the average value of worldwide license deals in biotechnology in different phases of development between 2010 and 2020.

More deals in pharma

Many deals are done in the early stages of development



Källa: Venturevaluation

License deals in biotechnology and pharma

License deals in biotechnology and pharma

Mangold estimates that a license deal with Double Bond Pharma could provide an upfront payment of up to $10 million. One example is the pharmaceutical company Novartis which bought a preclinical cancer project from Morphosys for $23 million. In 2023, several major licensing deals have been conducted in biotechnology as shown in the table:

LICENSE DEALS 2023

Company	Target	Therapeutic area	Upfront (MUSD)	Total value
Moderna	CytomX Therapeutics	Oncology	35	1200
Voyager Therapeutics	Neucrine Biosciences	Gene therapy	175	1500
Roche/Genentech	Kronos Bio	Cancer	20	554
Karuna Therapeutics	Goldfinch Bio	CNS	15	520

Source: Biospace

Double Bond Pharma – Valuation

Assumptions for SI-053

GMP patients only

Assumptions are based on patients with glioblastoma (GMP) and uses the company's estimate of the number of GMP patients, which amounts to around 40 000 patients in the US, Japan, and major EU countries.

Superior to competitor

For market potential, we have chosen the price that Arbors Pharma use for Gliadel, which is 35 000 dollars in all cases. However, we believe that this is conservatively given that SI-053 is superior to Gliadel. Furthermore, SI-053 is valued solely on the glioblastoma market. SI-053 is likely to have a wider use of other types of brain cancer, which could double the market. We assume that the company will take 15 percent of the glioblastoma market.

Mangold has assumed a general percentage for the company's expected profit-share from future sales of 14 percent (PACME - Profit After Costs and Marketing Expenses). To calculate free cash flows for projected sales, Mangold has chosen to use a discount rate of 18 percent in the Base case. This is based on the recommendations of several life-science consultants.

MANGOLD - ASSUMPTIONS SI-053	
Incidence (number of patients in GMP)	40 000
Market GMP MUSD	1 400
Treatment Cost USD	35 000
Market share	15%
Launch	2030
PACME	14%
Peak sales MUSD	225
LoA	13,3%

Source: Mangold Insight

Risk adjusted value based on Likelihood of Approval (LoA)

LoA based on non NME

For selection of LoA (Likelihood of Approval), Mangold refers to studies from Biotechnologies Innovation Organizations Clinical Development Success Rates. The company develops SI-053 based on a known substance (non NME) which increases the probability of approval and is set at 13.3 percent. Generally, substances that have not been previously approved by the FDA, new molecular entity (NME), a low success rate in cancer (5.3%). Temodex is a well-known product in Russia and the surrounding area. The substance temozolomide was approved as a drug by the FDA (the US Medicines Agency) in 1999 and for glioblastoma in 2005.

Double Bond Pharma – Valuation

SOTP valuation

SOTP-valuation and the project SI-053 is valued to reach a fair value

Mangold value DBP based on the project SI-053. Other projects are in the early preclinical phase and require further trials to be conducted for evaluation. Nor do we value Drugsson in this analysis. To obtain a fair value of the company, we use SOTP-valuation. For biopharma-developing companies, rNPV is used. We use a discount rate of 18 percent and a success rate (LoA) at 13,3 percent. We have chosen not to include license agreements in our valuation. We expect full dilution of the number of shares. A fair value for the company amounts to SEK 0.78 per share in Base case. Mangold chooses to set a target price of SEK 0.80 per share.

Fair value is SEK 0,78 per share

DOUBLE BOND PHARMA - SOTP VALUATION

SI-053 EV (MSEK)	476
rNPV (risk adjusted)	65
Net cash	10
Fair Value	75
Diluted Shares (M)	95,4
Fair Value per share (SEK)	0,78

Source: Mangold Insight

Scenario analysis

Early Access is Bull case

Mangold have chosen a Base case, to value DBP, that considers the value of SI-053 with launch 2030. In our Bull case DBP receives Early Access from 2024 where we assume revenue in 2025. In our Bear case, the launch is delayed until 2031. The table below shows how the fair value of the company's share changes in different cases and yield requirements.

DOUBLE BOND PHARMA - SCENARIOANALYSIS

Yield	Bear (Launch 2031)	Base (Launch 2030)	Bull (Early Accsess)
16%	0,63	0,92	1,18
18%	0,55	0,78	1,12
20%	0,49	0,68	0,94

Source: Mangold Insight

Drug development carries high risk

A deal a trigger in the share

Mangold claims that early clinical biotechnology companies are high risk, but at the same time Temodex is already used as a treatment, which reduces the risk and increases the likelihood of marketing authorization. Since the last analysis, more shares have been added while we have selected other initial values in our DCF as number of patients, market share and time of launch. Trigger in the stock is mainly a license agreement and when the first patient is treated with SI-053. Success for Drugsson may also have a positive impact on the share.

Double Bond Pharma – Appendix

Glioblastoma - a common type of brain tumor

Glioblastoma a severe type of brain tumor

Brain tumors can be found in many different types. Most neoplasms that are malignant are glioma. Gliomas can be divided into groups according to how quickly they are likely to grow. There are four groups graduated from 1 to 4 after increased malignancy. Grade 4 is the most severe type of brain tumor with the worst outcome. It is also known as glioblastoma, formerly glioblastoma multiforme or GBM.

Surgery is first choice of treatment

About one third of those affected by malignant brain tumors are diagnosed with glioblastoma. The cause is unknown, and surgery is the first choice. Standard treatment consists of surgery followed by radiotherapy and chemotherapy with temozolomide (TMZ).

Low survival rate

The survival rate for this combination of treatment for glioblastoma is 10-16 months. Less than 10 percent survive five years from diagnosis. To reduce the number of people dying from glioblastoma, better treatment options are needed.

History

Temozolomide approved by FDA

Temozolomide was developed by Malcom Stevens of Aston University in Birmingham, England. The drug has been on the market in the United States since 1999. This chemotherapy stops cancer cells making DNA. If the cancer cannot produce DNA, the cancer cell cannot divide and multiply. Temozolomide is approved in Europe and the United States as first-choice treatment for glioblastoma multiforme (GBM or glioblastoma) and second choice treatment for astrocytoma.

Temodex - locally acting form of temozolomide

SI-053/Temodex is a locally active form of temozolomide. Temodex was developed by RI PCP (Research Institute of Physical and Chemical Problems) and approved as a pharmaceutical product in Belarus in 2015.

Increased survival rate with Temodex

Temodex has completed equivalent Phase 2 studies in Belarus, Minsk, between 2012 and 2015. A Phase 2 clinical study in 136 patients with glioma, including all patients receiving standard of care. The adverse reaction profile was similar between the two control groups and 41 patients treated with Temodex. Data from the study have shown that survival in patients treated with Temodex increased to 18.1 months compared with 9.7 months in the standard-of-treatment control group alone. Thus, the study has shown that survival is increased by about 9 months longer compared to standard treatment.

SI-053 is an improvement on Temodex

The purpose of developing SI-053 is to be able to give a higher concentration of temozolomide and thereby achieve better efficacy, while also enabling the healing agent to bypass the blood-brain barrier and thus avoid toxicity that may occur during systemic treatment. Since SI-053 complies with EU rules, there are good opportunities for approval in the United States.

Double Bond Pharma – Appendix

Preclinical studies with SI-053

SI-053 reduces tumor

DBP has carried out preclinical studies for SI-053 recieved so-called Proof-of-concept. Preclinical studies have shown that the active substance is effective, and that it reaches brain tissues without spreading to other organs. Doses with SI-053 have shown statistical significance in decreasing tumor volume. In combination with standard therapy (surgery, radiation, and chemotherapy treatment with temozolomide), efficacy has been enhanced in animal models.

The equivalent drug systemic temozolomide, needs to cross the blood-brain barrier something that SI-053 does not need. The brain is protected by the blood-brain barrier from harmful substances that may enter through the blood stream.

Apply topically to brain

Since SI-053 is applied locally in the brain, the availability of temozolomid increases inside the brain tissue. The brain is protected from toxic substances by the blood-brain barrier, which means that many drugs cannot be used to treat diseases of the brain. Some medicines need to be given at high doses, which can cause side effects to other parts of the body.

Better effectiveness and fewer side effects

SI-053 is administered in a safe and closed system immediately after removal of a tumor. Locally, SI-053 can be administered with a high dose that overloads the defensive mechanisms of the cancer cells, resulting in better efficacy and fewer side effects. The manufacturing process for SI-053 is GMP (Good Manufacturing Practice) certified in accordance with EU regulations.

Belogal platform

Technology that brings drugs to the right place

DBP has developed its own drug-delivery technology called BeloGal. Drug-delivery refers to methods, formulations, manufacturing, and techniques that are involved in transporting a drug substance to its target site to achieve a desired therapeutic effect. The technology, which is targeted, increases the chance of effective treatment, and reduces the number of side effects compared to systemic delivery. Targeted medicines can be of the type antibodies or small molecules. DBP has obtained patent approval in the United States for the Belogal platform. DBP's platform allows the direct delivery of substances to the liver or lungs.

Double Bond Pharma – Appendix

SA-033 — Hepatic cancer

SA-033 development of doxorubicin

Within the Belogal platform, DBP develops SA-033, treatment against liver cancer. SA-033 is in an early preclinical phase and the company is seeking collaboration for the project. SA-033 is the development of doxorubicin, a chemotherapy agent to treat cancer. SA-033 target hepatocellular carcinoma (HCC), primary liver cell cancer. Five-year survival amounts to 63 percent after diagnosis for this disease.

Should lead doxorubicin directly to the liver

Liver cancer treatment is usually surgery if the cancer is not spread and detected in the early stages. If surgery or liver transplant is not possible, chemotherapy (chemotherapy), radiation or transarterial chemoembolization (TACE) is used. TACE is the administration of high doses of chemotherapy such as doxorubicin, which is injected into the liver blood vessels during surgery. DBP aims to simplify this type of treatment by directing doxorubicin directly to the liver administered by intravenous injection. A Belogal-developed doxorubicin gives high concentrations only to the liver and has less influence on the heart.

Orphan drug

DBP intends to target hepatoblastoma, the most common malignant liver tumor in children. The company has received Orphan Drug Designation (ODD) from the EMA. An ODD implies market exclusivity for 10 years, which allows to operate without competitors.

The company is also developing SA-083, a formulation of SA-033 to direct doxorubicin to the lungs for treatment of lung cancer.

SA-042 — Pneumonia

SA-042 is on hold

The company has started a project (Belopenem) with Karolinska Institutet to treat serious bacterial pneumonia, now on hold. Preclinical studies have been carried out. A drug candidate SA-042 is designated and is an antibiotic (Meropenem) that is directed to the lungs to treat pneumonia. The company has begun an efficiency study. Resources have been directed to SI-053 which has meant that the project has not been prioritized.

Double Bond Pharma – Appendix

Drugsson a subsidiary

Drugsson has agreements for several products

DBP has revenue from the sale of approved products for distribution within its subsidiary Drugsson. Products for which Drugsson has agreements are: Pilseptin spray, Biospray, Biopad and Zoonos microbial disinfection products. Drugsson, has distribution agreements with French Laboratorie XO for Infofer in the Nordic countries and distribution rights for Russia and Belarus. A registration for Inofer on the Nordic market is being prepared and is expected to be obtained in 2023.

Temodex can generate revenue

DBP also intends to supply Temodex in selected markets via its subsidiary Drugsson. DBP has an agreement with a Turkish company for the distribution of Temodex in Turkey. Delivery of Temodex is expected in the third quarter of 2023. The company has previously received orders from Colombia for Temodex. Closter Pharma is responsible for the distribution of Temodex in Latin America. A registration of Temodex is also being prepared in China together with a partner (SYB).

Owns 20 percent of Bio Vito

DBP has licensed the rights of Inofer in the US, Japan, China and EU markets to Bio Vitos, a food supplement company, listed on AIM in London. DBP owns 20 percent of Bio Vito after the deal. A deal with Hemcheck in which its assets are transferred to Bio Vitos and listed in a new company is ongoing. Bio Vito is contractually obliged to pay a royalty to DBP of 5 percent of net sales of all products sold.

Income Drugsson

Revenues expected to increase

DBP had revenue of SEK 1.2 million (1.0) in 2022 consisting of sales within the subsidiary Drugsson. If sales of Inofer starts in 2023 on the Nordic market, revenues could increase. We estimate that Inofer will gradually increase in share of sales to 50 percent of revenues within a 5-year period.

DOUBLE BOND PHARMA - DRUGSSON SALES

MSEK	2022	2023E	2024E	2025E	2026E	2027E
Sales	1,2	1,5	2,0	5,0	7,0	9,0

Source: Mangold Insight

Inofer is expected to represent the majority of sales

Inofer is an iron succinate, a medicinal product, that can be taken orally in iron deficiency. Previous study with Skellefteå university has shown that Inofer significantly improves iron uptake, iron saturation and iron stores in patients with heart failure and iron deficiency. In patients with heart failure and iron deficiency, early-stage iron therapy has been recommended intravenously. Inofer, which can be administered more easily, is an alternative to Ferinject being injected. Sales of Ferinject globally reached $550 million in 2020. In the United States alone, sales amounted to $215 million. Inofer can take market shares from iron succinate given intravenously (Venofer, Ferinject, and Diafer. There are also oral iron supplements on the market such as Duroferon and Niferex.

Double Bond Pharma – SWOT

Strengths

- Unique drug candidates with potential
- Known substances — lower risk
- Competent team with experience in drug development

Weakness

- Early phase
- Few institutional owners
-Few drug candidates in clinical phase

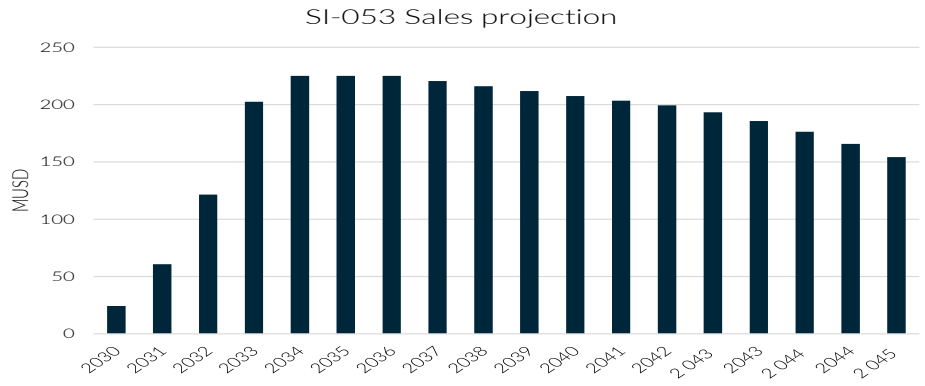
Opportunities

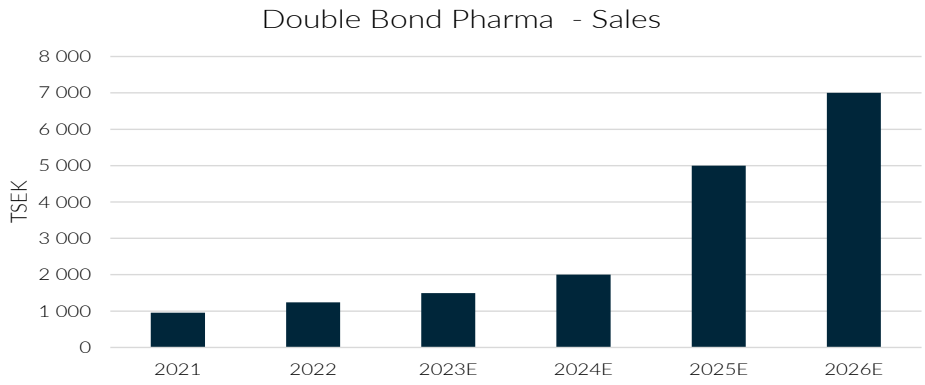
- Platform
- Collaboration with partners
- Acquiring candidates

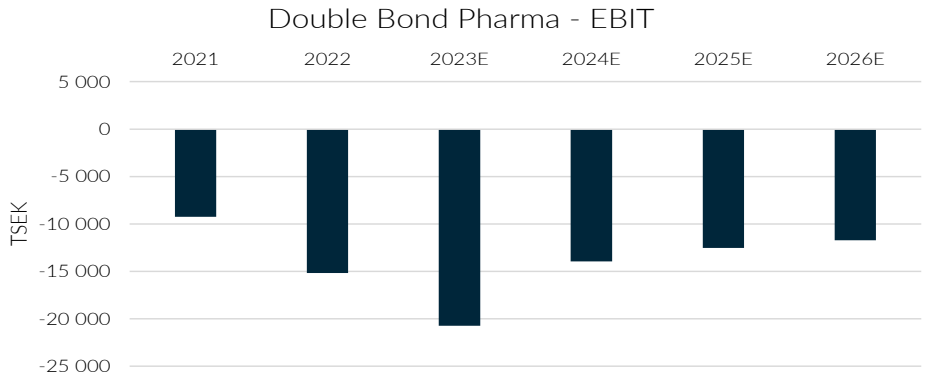
Threats

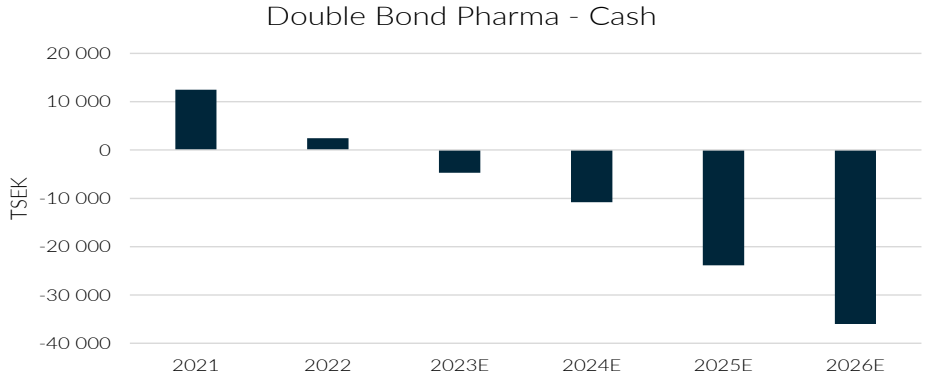
- Increased competition
- Lack of capital
- Dependence on key personnel

Double Bond Pharma – Appendix









Double Bond Pharma – Income Statement*

Income Statement (TSEK)	2021	2022	2023E	2024E	2025E	2026E
Revenues	**956**	**1 243**	**1 491**	**2 000**	**5 000**	**7 000**
Other revenues	9 848	-1 746	0	0	0	0
Gross profit	-211	-6 902	-5 966	1 200	3 000	4 200
Personnel costs	-3 698	-5 050	-4 875	-5 250	-5 625	-6 000
Other operating expenses	-5 176	-3 015	-10 000	-10 000	-10 000	-10 000
Depreciation	-171	-193	111	100	90	81
Operating result	**-9 256**	**-15 161**	**-20 730**	**-13 950**	**-12 535**	**-11 719**
Net interest income	-1	0	-23	-43	-43	-43
Profit after net fin. items	-9 257	-15 161	-20 754	-13 994	-12 579	-11 763
Taxes	0	0	0	0	0	0
Net profit	**-9 257**	**-15 161**	**-20 754**	**-13 994**	**-12 579**	**-11 763**

Balance Sheet (TSEK)	2021	2022	2023E	2024E	2025E	2026E
Assets						
Assets	12 483	2 460	-4 705	-10 791	-23 858	-36 013
Cash and bank	51	56	102	137	342	479
Trade receivables	3 877	3 982	4 101	4 224	4 351	4 481
Inventory	2 301	0	1 634	175	438	614
Fixed assets	9 086	8 893	-996	-897	-807	-726
Total assets	**27 798**	**15 390**	**136**	**-7 152**	**-19 533**	**-31 165**
Liabilities						
Account Payables	1 562	976	1 226	132	329	460
Liabilities	2 341	2 342	4 342	4 342	4 342	4 342
Total liabilities	3 902	3 318	5 568	4 474	4 671	4 803
Equity						
Restricted equity	33 152	27 232	30 482	38 282	38 282	38 282
Unrestricted equity	-9 257	-15 160	-35 914	-49 908	-62 486	-74 249
Total equity	23 895	12 071	-5 432	-11 626	-24 205	-35 967
Liabilities and Equity	**27 797**	**15 390**	**136**	**-7 152**	**-19 534**	**-31 165**

Source: Mangold Insight

*Not used to value the project SI-053

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Mangold Insight grades its share recommendations over a 12-month period, according to the following structure:
Buy – An upside in the share of at least 20%
Increase – An upside in the share of 10–20%
Neutral – An upside and downside in the share of 0–10%
Decrease – A downside in the share of 10–20%
Sell – A downside in the share of at least 20%