

Captor Therapeutics

More reports validating TPD technology

- **TPD technology market-new reports:** In June 2021, Kymera Therapeutics (KYMR US) published partial results from a Phase I clinical trial of the degrader KT-474, in which the compound confirmed the mechanism for efficient and selective degradation of the molecular target IRAK4. The high efficacy of molecular target degradation demonstrated in the Kymera Therapeutics study and the breakthrough of the cancer resistance mechanism by compounds in the degrader class, as demonstrated by Arvinas, could significantly increase the attractiveness of TPD projects, including candidates under development by Captor, to potential market partners.

Status of CTX Projects:

- **CT-01 (Oncology area, indication: hepatocellular carcinoma):** In 1Q21, the Company continued the synthesis of additional lead series analogs and in vitro biological activity profiling along with the evaluation of the pharmacokinetic profile of these compounds (lead optimization stage). Planned start of Phase I clinical trials: 2023 r.
- **CT-02 (Area: Oncology/Inflammatory diseases, Indication: Hematological malignancies, SLE) CT-02** is in the lead optimization stage. Planned start of Phase I clinical trials: 2023 r.
- **CT-03 (area: oncology, indication: hematologic malignancies):** In 1Q21, the Company continued the synthesis of additional lead series analogs and in vitro biological activity profiling along with the evaluation of the pharmacokinetic profile of these compounds (lead optimization stage). Planned start of Phase I clinical trials: 2023 r.
- **CT-04 (Area: Oncology, Indication: Colorectal cancer, CRC):** Project CT-04 has reached the lead optimization stage in 2020. In parallel, the expansion of additional chemotypes (structures) with complementary pharmacological properties is ongoing. Estimated timing for initiation of clinical trials: 2024r.
- **CT-05 (area: autoimmune/inflammatory diseases; indication: RA, psoriasis):** in 2020, the project has reached the chemotype expansion phase for the emergence of a lead compound (hit-to-lead). The Company continues to work towards the identification of a lead compound.
- **Perspectives 2H21:** Captor may identify the first clinical candidates in 2H21 - we estimate that in 4Q21 the Company should be ready to submit the documentation for obtaining permission to conduct Phase I clinical trials in projects CT-01 and CT-02.
- We do not assume any one-time events in the results
- We expect a neutral market reaction to the results.

Buy

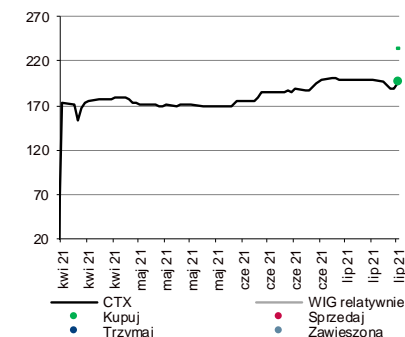
(Previous: Buy; 234.3 PLN)

Target price: 234.3 PLN
Current price: PLN 189
Growth Potential: 24%
Q2'21 Report
30.09.2021

COMPANY DETAILS		RECOMMENDATION HISTO	Date	Valuation
Ticker	CTX	Buy	16.07.2021	234,30
Sector	Biotech & MedTech			
Price (PLN)	189,0			
52-week min/max (PLN)	150 / 203			
Number of shares (million)	4,1			
Mkt Cap (PLNm)	780			
Free-float	45,6%			
3M Avg. turnover (PLNm)	0,57			
	1M	3M	1Y	
Price change	3,8%	13,4%	-	

P/E 12M vs EV/EBITDA 12M

CHART CTX AGAINST WIG



PLNm	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21E	y/y	q/q
Sales	0,0	b.d.	0,0	0,0	0,0	b.d.	0,0	0,4	0,4	-	0%
EBITDA	-0,8	b.d.	-3,4	0,2	-1,8	b.d.	-5,6	-3,4	-4,4	-	-
EBIT	-2,9	b.d.	-7,9	-1,3	-3,2	b.d.	-12,2	-5,2	-6,0	-	-
Net profit	-3,1	b.d.	-8,3	-1,4	-3,4	b.d.	-12,7	-5,3	-6,2	-	-
P/E12M trailing	-	-	-	-	-	-	-	-	-	-	-
EV/EBITDA 12M trailing	-	-	-	-	-	-	-	-	-	-	-
year-on-year change in re margin EBITDA	-	-	-100%	-	-	-	-	-	-	-	-
EBIT margin	-	-	-	-	-	-	-	-	-	-	-
net margin	-	-	-	-	-	-	-	-	-	-	-

PLNm	2018	2019	2020	2021E	2022E	2023E
Sales	0,0	0,0	0,0	3,4	4,5	0,0
EBITDA	-1,5	-3,4	-5,6	-14,7	-17,4	-22,3
EBIT	-4,1	-7,9	-12,2	-22,9	-30,0	-33,7
Net profit	-4,4	-8,3	-12,7	-23,4	-30,6	-34,3
EPS (PLN)	-1,52	-2,31	-3,54	-5,37	-7,02	-7,87
DPS (PLN)	0,00	0,00	0,00	0,00	0,00	0,00
P/E (x)	-	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-	-
P/BV (x)	160,0	158,6	-675,8	6,0	7,8	11,5
DY (%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

Changes in forecasts PLN m	2021E			2022E			2023E		
	New	Old	Change	New	Old	Change	New	Old	Change
Revenues	3	4	-15%	5	5	0%	0	b.d.	-
EBITDA	-15	-15	-	-17	-20	-	-22	b.d.	-
EBIT	-23	-20	-	-30	-30	-	-34	b.d.	-
Net profit	-23	-21	-	-31	-30	-	-34	b.d.	-
P/E (x)	-	-	-	-	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-	-	-	-	-
P/BV (x)	5,7	-	-	7,4	-	-	10,9	-	-
DY (%)	0,0%	-	-	0,0%	-	-	0,0%	-	-

Market ratios	2019	2020	2021E	2022E	2023E
P/E (x)	-	-	-	-	-
P/E adj. (x)	-	-	-	-	-
P/BV (x)	158,6	-675,8	6,0	7,8	11,5
EV/EBITDA (x)	-	-	-	-	-
EV/EBITDA adj. (x)	-	-	-	-	-
EV/Sales (x)	-	-	211,5	168,9	-
FCFF Yield (%)	0,5%	-0,1%	-6,7%	-5,1%	-5,6%
DY (%)	0,0%	0,0%	0,0%	0,0%	0,0%

Financial indicators	2019	2020	2021E	2022E	2023E
EPS (PLN)	-2,3	-3,5	-5,4	-7,0	-7,9
EPS adj. (PLN)	-2,3	-3,5	-5,4	-7,0	-7,9
DPS (PLN)	0,0	0,0	0,0	0,0	0,0
BVPS (PLN)	1,2	-0,3	31,3	24,3	16,5

Operational indicators	2019	2020	2021E	2022E	2023E
Gross margin on sales (%)	-	-	0,0%	0,0%	-
margin EBITDA adj. (%)	-	-	-	-	-
margin EBIT (%)	-	-	-674,0%	-667,4%	-
net margin adj. (%)	-	-	-689,3%	-679,4%	-

ROE (%)	-215,5%	-775,4%	-34,5%	-25,2%	-38,6%
ROA (%)	-38,3%	-49,7%	-25,3%	-21,2%	-30,2%
CAPEX/Sales (%)	-	-	739,6%	444,4%	-
CAPEX/Amortization (x)	-	-	-	-	-
Net Debt/equity (x)	-0,5	-1,8	-0,8	0,2	0,2
Net Debt/EBITDA (x)	0,6	-0,3	7,2	3,6	-

Cash conversion cycle (days)	-	-	-19	87	-
Inventory turnover cycle (days)	-	-	0	0	-
Rotation cycle of trade receivables (days)	-	-	329	353	-
Trade payables cycle (days)	-	-	348	266	-

Profit and loss account (PLNm)	2018	2019	2020	2021E	2022E	2023E
Revenues	0,0	0,0	0,0	3,4	4,5	0,0
Revenues from research and development se	0,0	0,0	0,0	3,4	4,5	0,0
Revenue from partnering agreements	0,0	0,0	0,0	0,0	0,0	0,0
Profit on sales	0,0	0,0	0,0	3,4	4,5	0,0
Operating expenses	13,3	23,8	33,5	48,1	62,1	71,8
Other operating income (grants)	9,9	16,0	21,6	21,9	27,6	38,2
Other operating expenses	0,7	0,0	0,4	0,0	0,0	0,0
EBITDA	-1,5	-3,4	-5,6	-14,7	-17,4	-22,3
EBITDA adj.	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
EBIT	-4,1	-7,9	-12,2	-22,9	-30,0	-33,7
Result on financial activity	-0,3	-0,5	-0,5	0,0	0,0	0,0
Gross profit	-4,4	-8,3	-12,7	-23,4	-30,6	-34,3
Income tax	0,0	0,0	0,0	0,0	0,0	0,0
Minority profit	0,0	0,0	0,0	0,0	0,0	0,0
Net profit	-4,4	-8,3	-12,7	-23,4	-30,6	-34,3
Net profit adj.	-4,4	-8,3	-12,7	-23,4	-30,6	-34,3

Balance sheet (PLNm)	2018	2019	2020	2021E	2022E	2023E
Non-current assets	11,3	10,6	12,5	35,5	48,7	65,3
Current assets	-	-	-	-	-	-
Inventories	0,0	0,0	0,0	0,0	0,0	0,0
Trade receivables	4,0	1,9	1,8	4,4	4,4	4,4
Cash	2,4	12,3	10,7	118,0	75,4	26,6
Assets	18,1	25,3	25,8	159,1	129,6	97,5
Equity	3,4	4,3	-1,0	136,6	106,0	71,7
Minority capitals	0,0	0,0	0,0	0,0	0,0	0,0
Long-term liabilities	7,4	5,8	6,8	6,4	6,4	7,4
Long-term interest-bearing liabilities	7,4	5,7	6,7	6,3	6,3	7,4
Short-term liabilities	7,2	15,2	20,0	16,1	17,2	18,3
Short-term interest-bearing liabilities	3,5	4,6	5,7	5,7	5,7	6,6
Trade payables	2,8	3,0	3,2	3,3	3,3	3,3
Liabilities	18,1	25,3	25,8	159,1	129,6	97,5

Statement of cash flows (PLNm)	2018	2019	2020	2021E	2022E	2023E
Cash flows from operating activities	-2,1	4,4	-0,6	-19,9	-16,9	-22,8
Net profit (loss)	-4,4	-8,3	-12,7	-23,4	-30,6	-34,3
Depreciation	2,6	4,5	6,6	8,2	12,6	11,3
Cash flows from investing activities	-0,1	-0,2	-0,2	-25,1	-20,0	-20,0
CAPEX	0,1	0,2	0,2	25,1	20,0	20,0
Cash flows from financing activities	3,1	5,7	-0,9	152,4	-5,8	-6,0
Dividend	0,0	0,0	0,0	0,0	0,0	0,0
Net cash flow	0,9	9,9	-1,7	107,4	-42,6	-48,7
Cash and at the beginning of period	1,6	2,4	12,3	10,7	118,0	75,4
Cash at end of period	2,4	12,3	10,7	118,0	75,4	26,6