Closing share Price (07/01/2022)

EUR 5.60

Target valuation range

EUR 9.40 - 15.90

Risk	High
Reuters	ALVET.PA
Bloomberg	ALVET FP
Shares number (m)	3.22
Market cap. (m)	18
Cash Position 12/20 (m)	2
1 year price perf.	-30.9%
Diff. with Euro Stoxx	-48.7%
Volume (sh./day)	3;645
H/L 1 year	8.42 - 5.54
Free Float	40.2%
Neomed	23.0%
LSP	9.2%
PMV	8.4%
SFPI-FPIM	7.9%
Newton Biocapital	5.9%
GRAC	5.4%

Company description

TheraVet is a biotechnology company specializing in osteoarticular treatments for veterinaty use. The Company develops and markets treatments to improve the quality of life of pets and horses suffering from osteoarticular diseases.

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TheraVet

Revolutionizing the treatment of osteoarticular diseases

A growing market opportunity supported by strong drivers

The awareness around animal welfare has been growing significantly in Europe and North America with most owners considering their pets as a real family member. This trend drives demand for more sophisticated treatments and pain alleviation solutions. According to the North American Pet Health Insurance Association, the pet health insurance market has been growing at CAGR of c. 24% between 2016 and 2020. The growing number of pets – lately also influenced by the pandemic - combined with longer life expectancy and lifestyle evolution (i.e. sedentarity and overweight) further drive up the value of the animal health market expected to reach EUR 89bn by 2028, a 162% growth vs. 2020.

Game changers in the treatment of osteoarticular diseases

The veterinary orthopedics market (including implants) is expected to reach USD 930.1m by 2028 from USD 491.6m in 2020 (CAGR 8.3%). TheraVet is tackling this market with BIOCERA-VET and VISCO-VET. Both have the potential to revolutionize the treatment of osteoarticular diseases. BIOCERA-VET allows for significantly shorter surgery time (average reduction of 30-45min) hence reducing the cost of these interventions. Its excellent osteointegration properties and low complication rate make it a perfect substitute to autografts. By acting on pain, inflammation and the progression of the disease, VISCO-VET presents the same benefits as its competitors all-in-one, whereas competitive treatments need to be combined.

Encouraging clinical data combined with no regulatory obligations

TheraVet already published encouraging clinical data for both products and is currently conducting a pivotal trial with VISCO-VET in Europe. Commercial launch is expected by 2024. In the meantime, the company will commercialize MATRI-VET, an intra-articular injectable medical device. The latter will pave the way for the launch of VISCO-VET. BIOCERA-VET is already commercialized in Belgium, France and The Nertherlands with US launch expected in H1 22.

SoTP points towards an equity value range of EUR 9.4 to EUR 15.9, a 68% upside to the current share price

- Following IPO on Euronext Growth Paris and Brussels in June 21, cash position stood at EUR 7.25m end of June 21. We foresee cash runway until 2023e.
- Next key catalysts are the results of the safety and efficacy study with BIOCERA-VET in arthrodesis and fractures expected in H1 22, the interim results of the EU confirmatory study of VISCO-VET in canine osteoarthritis expected by H2 22 and the commercial launch of MATRI-VET and BIOCERA-VET-antibiotics foreseen by 2022e.
- The gross of our SoTP (88%) revolves around their injectable visco-regenerating gel VISCO-VET. Using a 45% probability of success for VISCO-VET, our SoTP points towards an equity value range of EUR 9.4 to EUR 15.9 per share.

Degroof Petercam

Table of contents

Company profile

TheraVet is a biotechnology company specializing in osteoarticular treatments for veterinary use. The Company develops and markets treatments to improve the quality of life of pets and horses suffering from osteoarticular diseases. TheraVet currently develops two product lines: BIOCERA-VET, a medical device and VISCO-VET, a pharmacological product. BIOCERA-VET is a synthetic bone substitute to be used in bone surgeries and osteosarcoma while VISCO-VET is an injectable visco-regenerating gel for the treatment of canine osteoarthritis, crania cruciate ligament deficiency (CCLD) and tendon and ligament injuries (TLI). The company was founded in 2017 and is headquartered in Gosselies, Wallonia with a US-based subsidiary.

Management team

	**Enrico Bastianelli - Founder and CEO** Mr. Bastianelli has 20 years of experience in the medtech and biotech sector with expertise in bone, joints and orthopedics. He is the founder and ex-CEO of Bone Therapeutics, a leading international biopharmaceutical company focused on innovative cell therapy products for the treatment of bone diseases. He notably led the company's IPO in 2015. Mr. Bastianelli started his career at McKinsey.
	**Julie Winand – Chief Corporate Officer** Ms. Winand has 8 years of experience in the pharma and biotech sector. She holds a Ph.D. in Biochemistry and Cellular Biology. Prior to joining TheraVet, she acquired experience in Product and Business Development at Bone Therapeutics and Novasep.
	**Sabrina Ena – Chief Operating Officer** Ms. Ena has 8 years of experience in the pharma and biotech sector and has worked along with Ms. Winand and Mr. Bastianelli at Bone Therapeutics as a Preclinical Research supervisor. Her expertise lies in the Preclinical, Clinical and Regulatory domain.
	**Julie Schurgers – Chief Commercial Officer** Ms. Schurgers has over 16 years of experience in veterinary products marketing and sales. Prior to joining TheraVet, she held various marketing and product manager positions, notably at MSD Animal Health, Elanco, Novartis.

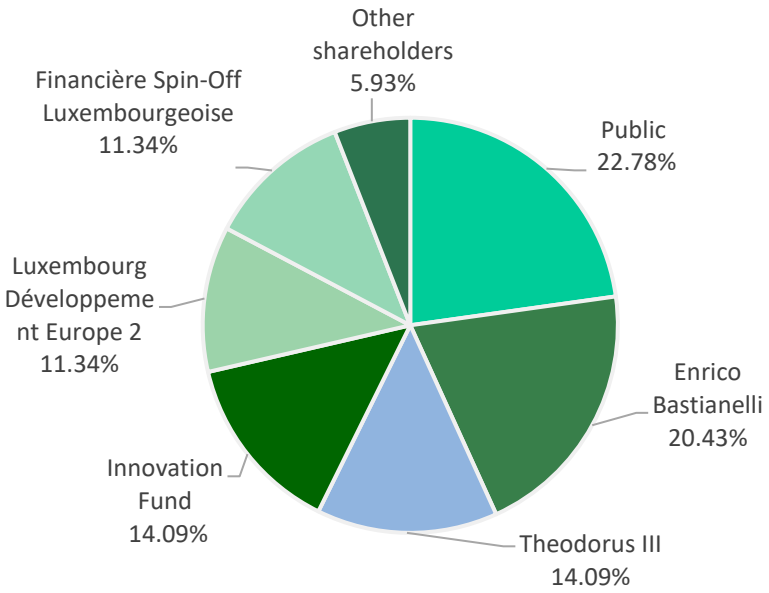
Board of Directors

Simon Wheeler	**Chairman of the Board** **Independent Director**	• PhD in Veterinary Medicine • 20 years of experience in major pharmaceutical groups • 10 years at Novartis Animal Health
Enrico Bastianelli	**CEO**	• 20 years of experience in medtech and biotech management • Ex-CEO and Founder of Bones Therapeutics
Jean-Philippe Mathieu	**Non-executive Director**	Investment manager at INVESTSUD
Nesya Goris	**Independent Director**	• PhD in Veterinary Sciences • Co-founder and Chief Development Officer at ViroVet
Julie Winand	**Executive Director**	• PhD in Biochemistry • 8 years of experience in the pharma and biotech sector • Previously worked at Bones Therapeutics
Christian Schirvel	**Independent Observer**	• 30 years of experience in leading pharmaceutical groups (e.g. Mérieux, Merial, Vétoquinol, Novartis and Elanco)

Shareholding structure

The majority of the company is held by the management together with historic shareholders (i.e. Theodorus III, Innovation Fund, Luxembourg Développement Europe and Financière Spin-off Luxembourgeoise). Free float represents c.22.8% of the shareholding structure.

Exhibit 1 Shareholding structure



Source: TheraVet

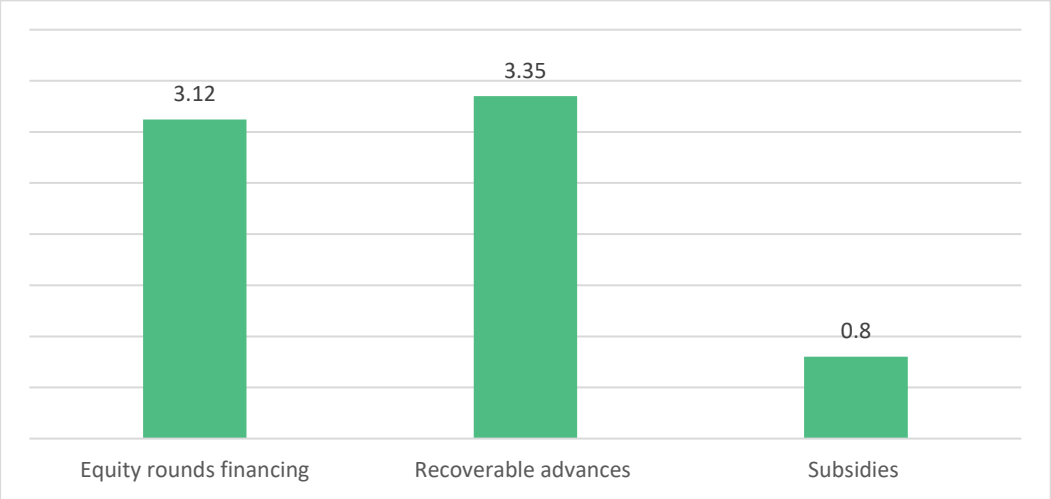
Funding track record

Since its inception in **November 2017**, TheraVet raised a total of EUR 7.3m in commercial funding.

Between **December 2017 and May 2020,** TheraVet raised EUR 3.12m in equity in three rounds of financing involving four Belgian investment funds (Theodorus III, Innovation Fund, Luxembourg Développement Europe and Financière Spin-Off Luxembourgeoise) and business angels. The company also received recoverable advances - EUR 3.2m from the Walloon Region and EUR 0.15m from Biotech Coaching. The Walloon Region granted TheraVet EUR 0.8m in subsidies.

On June 11, 2021, TheraVet became a listed company on Euronext Growth Paris and Brussels, raising a total of EUR 7.15m for a market capitalization of c. EUR 31m (oversubscription rate: 117% of the initial offering; admission and issue price: €9.60 per share). The IPO proceeds provided the much-needed push in the development and commercialization efforts of BIOCERA-VET and VISCO-VET.

Exhibit 2 **Funding track record pre-IPO (in m EUR)**

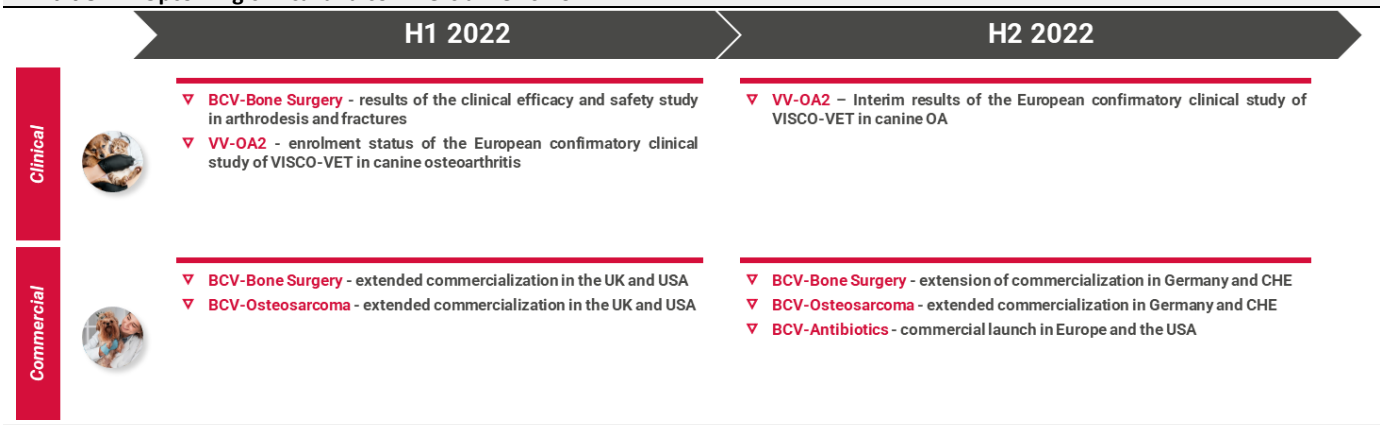


Source: TheraVet

Upcoming news flow

Several clinical and commercial developments are expected next year leading to a strong pipeline of news flow.

Exhibit 3 **Upcoming clinical and commercial news flow**



Source: TheraVet

Animal health market trends

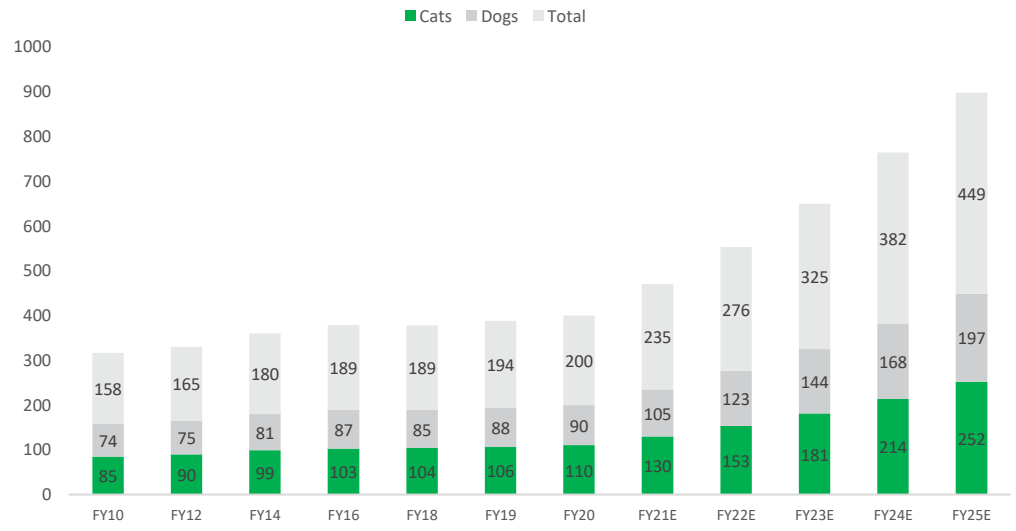
A fast-growing animal health market

The global animal health market is expected to reach USD 89bn by 2028 from USD 34bn in 2020[1][2]. This growth is notably explained by the evolution of the consideration for pets who are increasingly humanized and often seen as real family members. Owners are more and more concerned about the welfare of their animal, resulting in rising demand for cutting-edge treatments and pain alleviation solutions. The increase in pet health insurance spending further illustrates this trend. According to the North American Pet Health Insurance Association, the pet health insurance market has been growing at an average annual growth rate of c. 24% between 2016 and 2020[3].

Three main trends underline the growth of the animal health market:

1. The growing number of pets combined with lifestyle evolution (i.e. sedentary lifestyle leading to overweight) and longer life expectancy.

Exhibit 4 **Total number of cats and dogs in Europe (m)**



Source: Statista

2. The growing number of vets and the evolution of veterinary treatments towards more sophisticated procedures and products. Veterinary spending is expected to grow by 19 % in the US over the period of 2019 to 2024[4].

3. The growing number of pets owners steadily more concerned by the wellbeing of their animals. Between 2010 and 2020, pets owner population grew by 22% in Europe[5]. According to the American Pet Products Association, pet ownership in the US went from 56% of households in 1988 to 70% in 2021.

Europe and North America are the biggest animal health markets in terms of expenditure.

[1] Grand View Research, nimal Health Market Size, Share & Trends Analysis Report By Animal Type (Production, Companion), By Product (Pharmaceuticals, Diagnostics), By Distribution Channel, By End-use, By Region, And Segment Forecasts, 2021 - 2028

[2] Statista

[3] Insurance information institute

[4] www.avma.org

[5] Statistat

BIOCERA-VET

Targeted indications

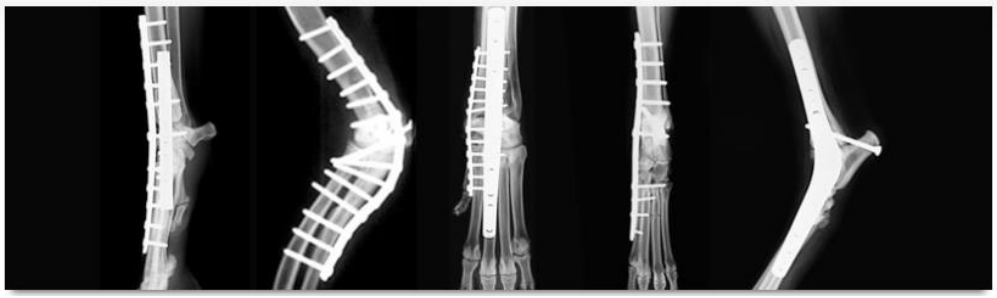
BIOCERA-VET is a synthetic bone substitute to be used in some bone surgeries (i.e. arthrodesis, tibial tuberosity advancement and other fractures), in the palliative treatment of osteosarcoma in cats and dogs and in bone cysts in horses. This section provides an overview of the indications targeted by BIOCERA-VET and the current standards of care.

Bone surgeries

Arthrodesis

Arthrodesis is a salvage procedure used in case of complex fractures, chronic articular pathology, or neurological impairment. The surgery aims at immobilizing the joint using bone fusion. Bones are permanently joined together with screws and plates to prevent movements and therefore eliminating the pain linked to joint instability. Usually, a bone graft is used to encourage bone fusion.

Exhibit 5 **Arthrodesis**



Source: North Downs Specialist Referrals

Procedure

Currently, arthrodesis starts with the removal of the articular cartilage and the placement of a bone graft in the joint. The latter can come either from the patient (i.e. autograft), from a donor (i.e. allograft) or from a combination of both. It aims at facilitating bone fusion. Plates and screws are then used to immobilize the joint.

Risks and complications

Arthrodesis is associated with two main potential risks and complications:

- Bone fusion might fail causing the plates and screws to break and requiring an additional surgery.
- Bones near the fused joint might break due to the unusual pressure resulting from the arthrodesis.

Other fractures

Treatments currently available

Different types of treatments exist, depending on the type of fracture:

1) **Fiberglass casts.** Fiberglass is a type of plastic that can be shaped. Casts allow to re-align and a stabilize broken bones. It is mostly used for young and healthy animals for whom fracture healing is more rapid.

2) **Bone plates**, **screws & pins.** These are placed inside the bone once it is realigned to maintain bones edges together. An alternative consists of using external frames connected to the bone with pins through the skin.

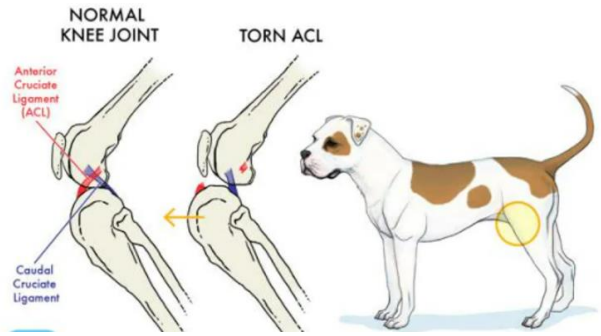
Corrective osteotomy

Surgical procedure performed to modify the shape of bones. It can be used in case of deformed bones which, if not treated, will cause pain and lameness. Corrective osteotomy is more effective in younger dogs who don't suffer from aging problems such as arthritis yet.

Tibial Tuberosity Advancement (TTA)

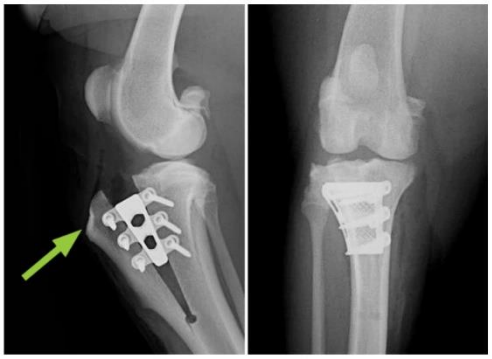
TTA is a procedure used in case of Cranial Cruciate Ligament (CCL) rupture or torsion. CCL is one of the most common knee injuries in dogs, causing pain, walking problems, cartilage and bones damages eventually leading to osteoarthritis. TTA consists of cutting the front part of the tibia to insert a spacer. The latter will change the alignment of the ligament covering the knee, eliminating sliding movements that lead femur to slip backward when CCL is torn.

Exhibit 6 **Tibial Tuberosity Advancement (TTA)**



Source: Animal Ark Veterinary Hospital

Exhibit 7 **X-Ray showing advancement of tibia following TTA (arrow)**



Source: North Downs Specialist Referrals

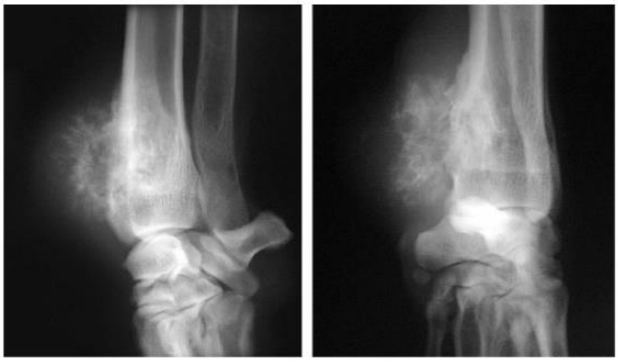
Osteosarcoma

Osteosarcoma is the most common type of bone cancer in dogs. Abnormal production of cells destroys bones and leads it to break, causing pain and lameness. It often affects the humerus, radius/ulna, femur and tibia bones. Large and giant breeds are known to be more likely to develop this type of cancer.

Treatments currently available

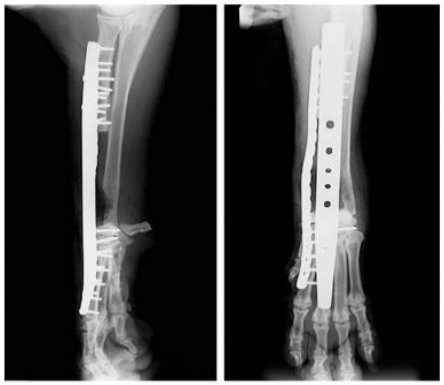
- Amputation. Most often, amputation is used to release pain. Owners are usually reluctant. Amputation might not be possible in cases of overweight, weak animal or past amputations.
- A combination of surgery and chemotherapy. Limb-sparing techniques consist of removing the tumorous bone and replacing it with a bone graft which is fixed using plates and screws. This procedure doesn't prevent cancer development and is therefore combined with chemotherapy. Surgery can only be used for specific bones and tumors. Weakened bones, overweight and past surgeries can prevent the use of this option. Complications include infection, tumor recurrence, fracture and graft failure.
- Palliative radiotherapy for pain control. Radiotherapy can help releasing pain for c. 2 to 4 months. However, while amputation guarantees a complete pain relief, radiotherapy is efficient only in some patients.

Exhibit 8 X-Ray showing osteosarcoma affecting the end of the radius



Source: North Downs Specialist Referrals

Exhibit 9 X-Ray after surgery. The tumor has been removed and the gap was bridged with plates and screws



Source: North Downs Specialist Referrals

Bone cyst

Bone cyst is a fluid-filled spot formed in bone that usually affects young horses and may lead to lameness. This may have negative impacts on sport horses' performances.

Treatment currently available

Current treatment includes surgery in combination with drugs to alleviate pain. The procedure consists of placing a screw through the cyst which allows to reduce pressure and therefore alleviate pain. However, effectiveness is limited, and this procedure does not allow bone reformation.

BIOCERA-VET's mode of action

BIOCERA-VET is a synthetic injectable self-hardening cement made from tricalcium phosphate and ortho-phosphate salts. After crystallization, the cement composition is chemically close to natural bone which makes it a good bone substitute. The porosity of BIOCERA-VET facilitates cells colonization and biological fluid penetration which eases osteointegration and favours new bone formation.

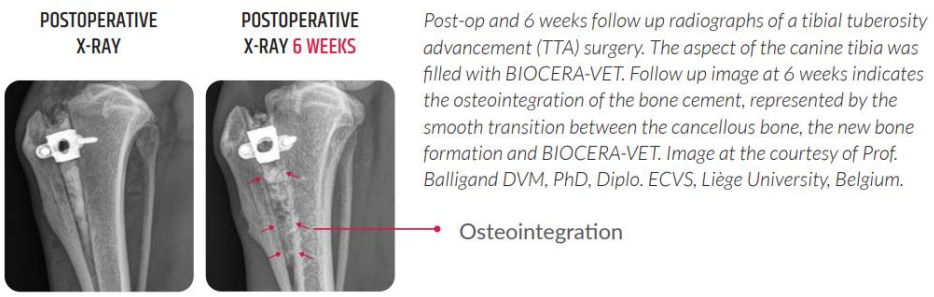
BIOCERA-VET facilitates the formation of bridges with the bone hence promoting bone fusion. Its osteointegration properties enable the formation of new bone inside and around the bone substitute.

BIOCERA-VET is indicated to fill bones and articular gaps. In addition to being easy to use, its self-hardening properties provide mechanical resistance.

Bone surgery

BIOCERA-VET offers an alternative to autograft in bone surgeries (e.g. arthrodesis, osteotomies, fractures, repairs and TTA surgery). BIOCERA-VET is as efficacious as autograft in bone fusion while being associated with a lower complication rate. Also, by eliminating the need for bone collection to perform an autograft, procedure time is significantly reduced (30 to 45min).

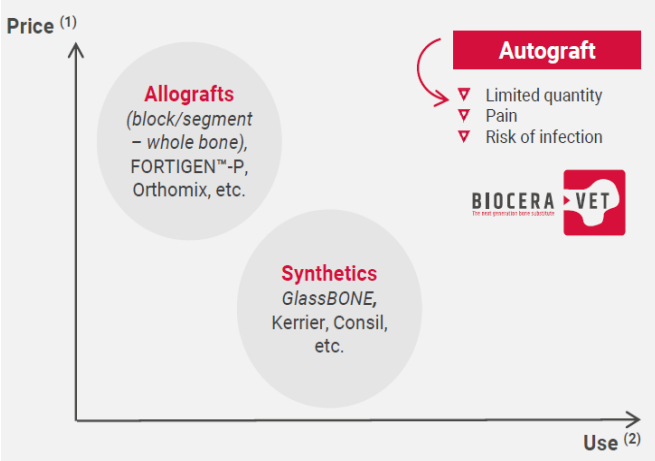
Exhibit 10 X-Ray showing advancement of tibia following TTA using BIOCERA-VET



Source: TheraVet

Currently 80% of veterinary bone surgeries are done using autografts, i.e., removing a piece of healthy bone from the patient and implanting it into the surgical site. This invasive technique can be associated with complications and requires a long surgical time. BIOCERA-VET displays similar efficacy and lower complication rate than autograft. It allows the surgeon to reduce operating time by **30 to 45 minutes.** In addition to optimizing surgeons' time, BIOCERA-VET lowers operating room occupancy, ultimately reducing treatment costs. On top of that, the time spent by the animal under sedation is reduced as well, hence limiting co-morbidity.

Exhibit 11 BIOCERA-VET vs. competition



Source: TheraVet

Open fractures present a high risk of infection. Veterinarians prefer in that case to limit intervention in order to minimize risks. The availability of an antibiotic supplemented product would allow the treatment of surgical cases presenting a high risk of infection (e.g. open fractures). TheraVet expects to launch BIOCERA-VET combined with antibiotics by H2 2022. The later could become a product of choice for "high-risk" operations for which there are no alternatives currently.

Osteosarcoma

In osteosarcoma, BIOCERA-VET is used in a mini-invasive surgical procedure named cementoplasty. The latter consists in the injection of BIOCERA-VET to strengthen the bone weakened by the tumor, hence reducing the pain and the risk of fractures. This minimally invasive procedure allows for short operating time, rapid recovery, and limited costs.

Bone cyst

BIOCERA-VET is used to fill bone cavities. Its good osteointegration properties promote bone reformation. That method prevents the use of screws.

Future developments

On November 3, 2021, TheraVet announced the addition of a new bone substitute to its portfolio, as part of the expansion of its collaboration with Graftys. The new product is a highly injectable bone substitute specifically made for mini-invasive grafts.

On November 22, 2021, TheraVet announced an exclusive worldwide distribution agreement with INNOTERE - bone biomaterials manufacturer – to broaden its bone substitute offering. Three new bones substitutes were added to the portfolio:

- An injectable phosphate-based cement with prolonged working time for more complex procedures
- Biosynthetic granules of ultrafine size
- 3D-bioprinted calcium-phosphate based bone substitute to create complex tailor-made implants

As part of the agreement, TheraVet and INNOTERE will jointly work on the development of innovative bones substitutes focusing mostly on improving their injectability and workability, their bone-generation properties and drug delivery capacities.

Clinical development and regulatory pathway

As a veterinary medical device, BIOCERA-VET can be directly marketed without the need to proof its efficacy or safety in clinical trials. Unlike veterinary medicinal products, veterinary medical devices are not regulated by EU and US authorities. However, TheraVet conducted several studies on a voluntary basis to proof the safety and efficacy of BIOCERA-VET and hence facilitate commercialization and adoption. Data from completed clinical trials on dogs already suggest improved safety and efficacy profiles as well as quality of life with BIOCERA-VET. Another study is currently conducted in the US on a larger dog population in order to further strengthen these data and prepare for marketing launch in this region.

Completed studies

- Arthrodesis. Efficacy and safety of BIOCERA-VET was assessed in a comparison between 16 dogs treated with BIOCERA-VET and 13 dogs treated with autograft (i.e. standard of care) (historical control). Independent radiological evaluation conducted 4 to 8 weeks after the procedure showed that BIOCERA-VET is at least as effective as autologous bone graft in inducing bone fusion and that it reduces complication rate and surgery time as compared to autograft. The safety evaluation showed a lower rate of complications with BIOCERA-VET vs. autograft. Together, this translates into an excellent efficacy-safety profile for TheraVet's bone substitute.
- Osteosarcoma. BIOCERA-VET was assessed in a prospective- non controlled multicentric clinical study in client-owned dogs suffering from osteosarcoma. 12 dogs were treated with percutaneous cementoplasty using BIOCERA-VET as a palliative approach. The main objective of the study was to evaluate the improvement in dog pain and quality of life at 1,2 and 6 months after treatment. Results were published on November 15, 2021 and demonstrated a significant improvement in pain associated with osteosarcoma.
    - 67% of the dogs at 1 month and 50% at 2 and 6 months experienced a reduction of at least 50% in pain.

- Quality of Life was improved in 78% of the dogs at 1 month and in 50% of the dogs at 2 and 6 months.
- 3 complications were reported: surgical site infection, swelling at the surgical site and one fracture at the site of the tumor. According to the company, similar cementoplasty approaches with polymethyl methacrylate were associated with a significantly higher complication rate (75%).

Ongoing studies

- Bone surgery. US study meant to collect additional efficacy and safety data for BIOCERA-VET in 30 dogs undergoing standard bone surgeries (e.g. arthrodesis, osteotomy, fracture and Tibial Tuberosity Advancement (TTA)). US commercial launch is expected by 2022, starting with Texas, Florida and the Carolinas (North and South) - areas with high veterinary coverage.

Exhibit 12 **BIOCERA-VET commercial launch timeline**

	H1 2021	H2 2021	H1 2022	H2 2022
Bone surgery				
Belgium	Launched			
France		Launched		
The Netherlands		Launched		
UK/Ireland			Expected launch	
US			Expected launch	
Germany/Switzerland				Expected launch
Osteosarcoma				
Belgium		Launched		
France		Launched		
The Netherlands		Launched		
UK			Expected launch	
US			Expected launch	
Germany/Switzerland				Expected launch
Bone surgery + antibiotics				Expected launch

Source: TheraVet

VISCO-VET

Targeted indications

Osteoarthritis

Osteoarthritis – also called degenerative joint disease - is the consequence of a disintegration of the cartilage between the bones leading to inflammation of the joint. Cartilage ensures that bones can move smoothly by acting as a protective buffer. The decomposition of this cushion leads bones surfaces to rub against each other's causing pain, inflammation, and mobility restrictions. Most common causes include age, weight, injury history, disease and repetitive stress.

There are two types of Osteoarthritis:

- **Chronic active osteoarthritis**. Causes pain and lameness
- **Chronic silent osteoarthritis**. Causes stiffness

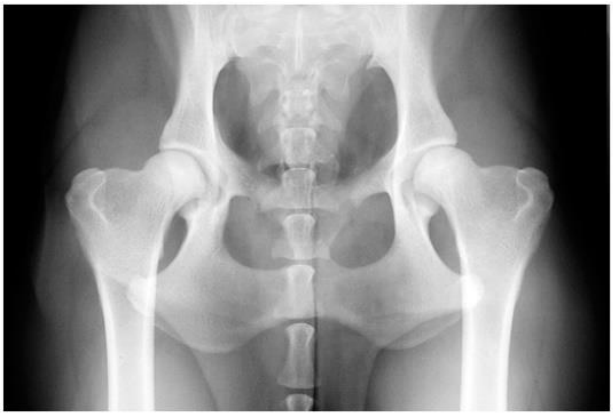
Treatments currently available

Osteoarthritis cannot be cured. Current treatments allow to convert chronic active osteoarthritis into chronic silent osteoarthritis. The objective is to limit the development of the disease, the pain and inflammation. Joint supplements are usually prescribed.

- Conservative management. This approach relies on weight control and physiotherapy.
- Chondrosupplements. These are natural health products commonly recommended for the treatment of osteoarthritis in dogs. Chondrosupplements contribute to the synthesis of glycoaminoglycans and proteoglycans, which are building blocks for the formation of cartilage. These drugs help by inhibiting enzymes that contribute to cartilage breakdown.
- Non-Steroidal Anti-Inflammatory Drugs (NSAIDs). NSAIDs are the current reference for the treatment of osteoarthritis. Non-Steroidal Anti-Inflammatory Drugs allow to reduce both pain and inflammation. However, prolonged use may cause gastrointestinal ulceration and are contraindicated in the presence of renal insufficiency or dehydration.
- Glucocorticoids. Given by tablets or injections, these drugs have higher anti-inflammatory effect than NSAIDs, but prolonged use can cause serious side effects to the patient such as kidney issues.
- Surgery. In some cases, medication is ineffective making surgery a necessity. The damaged tissue is removed, or the joint is replaced entirely.

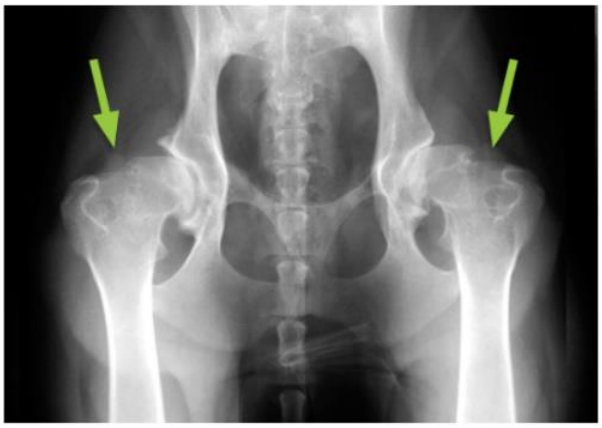
Factors such as obesity, lack of proper nutrition, exercise, and diabetes in pet canines are expected to foster the growth of the arthritis market. The rising prevalence of osteoarthritis is creating demand for new and more effective treatments.

Exhibit 13 X-Ray showing normal hip joints



Source: The canine fitness center

Exhibit 14 X-Ray showing hips with osteoarthritis



Source: The canine fitness center

Cranial cruciate ligament (CCL)

CCLs are two ligaments located within the knee joints between the femur and the tibia. Their role is to restrict the movement of these bones preventing the tibia to move forward relatively to the femur.

CCL rupture has two main causes: trauma or degeneration. Traumatic injury is due to the twisting of the ligament, when the dog changes direction while running, for example. The whole-body weight is therefore supported by the CLL. The weakened ligament may partially or completely rupture following activities such as running or jumping. Unfortunately, the condition leading to CCLR is often present in both knees, and about 30-50% of dogs will rupture both CCLs within 1-2 years. CCL rupture is one of the most common orthopaedic disease seen in dogs.

Treatments currently available

CCL is one of the most important causes of lameness in dogs. Surgical stabilization of the stifle joint is the treatment of choice for complete CCLR in dogs. Currently three procedures are recommended:

- **Extra-capsular stabilizing suture**: This procedure attempts to mimic the functions of the CCL by placing a heavy gauge suture across the stifle joint in a similar orientation than a normal CCL.
- **TPLO (Tibial plateau levelling osteotomy):** The TPLO changes the mechanics of the stifle joint rather than attempting to replace or mimic the CCL with a graft or suture. In a TPLO procedure, the tibia is cut (osteotomy) and rotated in order to flatten the tibial plateau (the top or joint surface of the tibia) and prevent the femur from sliding backwards, then stabilized in a new position using plate and screws.
- **TTA (Tibial tuberosity advancement):** Like the TPLO procedure, the TTA changes the mechanics of the stifle joint in order to counter-act the abnormal forces placed on the joint following injury to the CCL. In this procedure, a cut is made in the tibia along the front edge (cranial surface) where the patellar (knee cap) ligament attaches. This segment of bone is advanced a pre-determined distance and stabilized using a titanium plate and screws.

Tendon and ligament injuries

Tendon and ligament injuries (TLI) are often the result of trauma or micro lesions caused by chronic stress. These injuries may either be degenerative or chronic.

Treatments currently available

- Surgeries are performed to treat severe tendon injuries, particularly ruptures. These involve reattachment of tendon to bone using suturing and scaffolding.
- For mild cases such as strain or spraining of tendons, casts or splints are used to stabilize the affected area.
- NSAIDs (non-steroidal anti-inflammatory drugs) are considered in case of severe inflammation.

VISCO-VET's mode of action

VISCO-VET is an intra-articular injectable gel based on hyaluronic acid, canine allogenic plasma and an active pharmaceutical component. VISCO-VET intends to restore the lubrification of the joint, improve joint function and insure pain relief. The product is provided lyophilized for extended shelf-life while allowing rapid preparation before use.

VISCO-VET is developed for the treatment of osteoarthritis, the prevention of CCL and TLI.

Prior to commercializing VISCO-VET, the company will develop and launch MATRI-VET, an intra-articular injectable medical device. The latter will be used to lower pain and improve limb mobility in dogs suffering from osteoarthritis. Commercial launch of MATRI-VET foreseen by 2022.

We expect MATRI-VET to pave the way for the commercial launch of VISCO-VET which will beneficiate from the commercial network developed for MATRI-VET.

Existing treatments and differentiation

VISCO-VET will be used for the treatment of canine osteoarthritis. It will be competing in a market where many players are present but most of them only offer symptomatic treatments, which allows VISCO-VET to significantly differentiate itself as it aims to reduce the progression of osteoarthritis and the associated pain. By acting on pain, inflammation and the progression of the disease, VISCO-VET presents the same benefits as competitors grouped all-in-one, whereas competitive treatments need to be combined.

Exhibit 15 VISCO-VET vs. competition

Medication candidate	VISCO-VET	Hyaluronic acid injection	Non-steroidal anti-inflammatory drug	Monoclonal therapy	Adéquan Canin®	Chondro-supplementation
Duration of action	3 months	1 month	28 days	1 month	28 days	/
Route	Unique	Repeated	Repeated (limited to 28 days)	Unique	Repeated (limited to 28 days)	Repeated
Risks	None	None	Side effects (hepatic, digestive)	None	Side effects (bleeding hemorrhage)	None
Price	150-160€/injection	90€/injection	€50	105-135€	€182	€100

Source: TheraVet

Clinical development and regulatory pathway

Completed studies

- Clinical proof of concept. Demonstrated the ability of VISCO-VET to limit - to a greater extent than available standard of care treatments - inflammation (i.e. growth of inflammatory blood cells, inflammatory mediators).
- Placebo-controlled proof-of-concept study in a canine model. The study included 12 dogs and assessed the safety and efficacy of a single injection of VISCO-VET over a 3-monts period vs. placebo (saline solution). Results showed vascularized scar tissues in 100% of ligaments treated with VISCO-VET vs. 33% for placebo. In addition, statistically significant reduction of signs of ligament degeneration was observed in ligaments treated with VISCO-VET.
- Controlled proof-of-concept in 16 dogs suffering from osteoarthritis (OA). This study assessed the safety and efficacy of a unique intra-articular injection of VISCO-VET as compared to hyaluronic acid as control for a 3-month follow-up period. The main objectives were to evaluate:
    - Dog's mobility – measured using validated owner questionnaires LOAD (Liverpool Osteoarthritis in Dogs)
    - OA-related pain – measured using validated owner questionnaires CBPI (Canine Brief Pain Inventory) composed of 2 components: PSS (Pain Severity Score) and PIS (Pain Interference Score)

Results are encouraging and support the use of VISCO-VET as a credible treatment option both in terms of safety and efficacy. Data from the proof-of-concept demonstrated:

- A statistically significant improvement of 27.4% in dog's mobility as measured by the LOAD score at 3 months vs. baseline after a single VISCO-VET intra-articular injection
- A statistically significant reduction of 32.9% and 29.7% of respectively PSS and PIS in dogs after a single VISCO-VET intra-articular injection
- Quality of Life score was unchanged or improved in 87.5% of the dogs.

Ongoing studies

- Prospective, multicentric, controlled, double-blinded, randomized, pivotal field study in client-owned dogs suffering from osteoarthritis. The study will evaluate the potential of a unique intra-articular injection of VISCO-VET in stifle or elbow to improve dog's mobility and reduce pain compared to a non-treated control group. Patients will be followed for 3 months. 154 client-owned dogs with osteoarthritis will be enrolled. The study will be conducted in 20 centres in 4 countries including France, Netherlands, Portugal and Poland.

Upcoming news flow

- H1 22 - Enrolment status of the European confirmatory clinical study of VISCO-VET in canine osteoarthritis.
- H2 22 - Interim results of the European confirmatory clinical study of VISCO-VET in canine OA
- 2024 - Commercialization of VISCO-VET

Exhibit 16 VISCO-VET timeline

	2022	2023	2024	2025
VISCO-VET				
Osteoarthritis			Expected launch	
CCLD				Expected launch
MATRI-VET				
Osteoarthritis	Expected launch			

Source: TheraVet

In November 2019, VISCO-VET received the VIP status (Veterinary Innovation Program) from the FDA. The latter allows to accelerate the development of veterinary drugs. US commercial launch is expected by 2025.

Commercialization strategy

The company launched BIOCERA-VET in Belgium on April 1, 2021. On October 21, 2021 the company announced the commercial launch of BIOCERA-VET in France and The Netherlands. The commercial expansion strategy targets UK, Ireland and North America afterwards. US commercial launch is expected as of H1 22, starting with Texas, Florida and the Carolinas (North and South) - areas with high veterinary coverage. The commercial launch in the rest of the US is expected in H2 22 along with expansion in Europe by adding Germany. The rest of Europe will be covered as of 2023e. Commercial launch of VISCO-VET expected by 2024.

TheraVet expects to enter both into direct and indirect sales using distributors, depending on the region. In 2019, TheraVet established a subsidiary in the US to prepare for the commercial launch of VISCO-VET and start the discussion with the FDA. The company started to build a network of referral vets who will be in charge of promoting the product within the vet community. Potential prescribers are first identified based on they specialization and then ranked according to their potential. Ranking criteria include the purchase of osteo-surgery material and influence within the veterinary community. According to the company, in Belgium, 80% of prescribers (i.e. 80 vets) qualify as high potential.

The Company already has an agreement with Covetrus for the distribution and administration of BIOCERA-VET sales in Belgium. Covetrus is an international company listed on the Nasdaq with a turnover of USD1.1bn (December 2020) offering a wide range of products and services

for the veterinary and animal welfare sectors. Covetrus is also responsible for stock management and delivery in Belgium.

Exhibit 17 **Expected commercialization timeline**

Source: TheraVet

Manufacturing

The manufacturing process (including filling, sterilization, part of quality control and packaging) of BIOCERA-VET is **outsourced to specialized Contract Manufacturing Organizations (CMOs).** TheraVet works with c. 20 suppliers and subcontractors for the production of BIOCERA-VET, MATRI-VET and VISCO-VET. These will ensure smooth manufacturing of the active ingredients, filling, sterilization, and will maintain certain quality controls and packaging. **The company already identified alternative solutions in case one of them would face an issue.**

Once manufactured and packaged, the semi-finished products are then sent to the Company for a quick check of the production documentation and quality check results. Semi-finished and finished products are stored by the Company.

Regarding BIOCERA-VET, the delivery of "bulk" (powder and liquid) by Graftys, is carried out by the subcontractor. After a semi-finish product check by TheraVet, the products are sent to a subcontractor responsible for the production of the kits (finished products). The lead time is 3 months, which allows good production planning without risk of stock shortage. The finished products are delivered by TheraVet to wholesalers. TheraVet entered into an exclusive worldwide license agreement with Graftys, which ensures the delivery (powder and liquid) directly to the CMOs in charge of filling.

On November 3, 2021, TheraVet announced the renewal of its global license with Graftys putting an end to disagreements between the two companies over intellectual properties considerations.

Regarding VISCO-VET, the entire manufacturing process is also outsourced to specialized CMOs. TheraVet in charge of quality checks. Canine plasma is the only critical point in the supply chain considering that the Company currently has only one supplier and that the number of suppliers worldwide is limited.

IP protection

Intellectual property of the BIOCERA-VET product line:

TheraVet signed an exclusive global license with Graftys which produces the cement. Patent protection extends beyond the geographic areas in which TheraVet intends to market. This protection covers Europe, the United States but also Canada, Brazil, Japan, China, etc. Graftys' patent portfolio has been enriched over time in order to extend the duration of its intellectual property. Current patents expire in 2027 and 2029 - depending on the region.

Intellectual property of the VISCO-VET product line:

The Company combines technological advances developed by third parties in the form of a license and then enriches its intellectual property with patents directly registered by TheraVet. Patents protecting VISCO-VET's composition and preparation have been registered by the Company in 2020 and should therefore expire in 2040.

Valuation

Target population and market opportunity

The tables below summarize the target population for each indication.

- **1.24m patients for BIOCERA-VET**.
    - **1.2m TAM for bone surgery**. Based on external epidemiology data, TheraVet indicates that c. 10m dogs and cats undergo a bone surgery per year which represent c.3% of the total number of dogs and cats in US and EU. BIOCERA-VET will address three specific types of bones surgery (i.e. arthrodesis, cruciate ligaments rupture, fracture) representing a total addressable market of 1.2m[6,7,8,9] dogs.
    - **0.03m TAM for osteosarcoma**. There are c. 30k[10] osteosarcoma cases per year in US and EU, representing 0.02% of the total dog and cat population.

Exhibit 18 **Target populations per indication for BIOCERA-VET**

			BIOCERA-VET
US & EU	Bone surgery	Total dog & cat population (m)	373.1
		Bone surgeries prevalence	2.7%
		Number of bone surgeries per year (m)	10.1
		Total addressable market (m)	**1.2**
	Osteosarcoma	Total dog & cat population (m)	373.1
		Osteosarcoma prevalence	0.02%
		Total addressable market (m)	**0.03**
	Combined indications	**Total target population (m)**	**1.24**

Source: Statista (2021), Finances Online, FEDIAF Report (2020), AVMA report (2019) *U.S. Pet Ownership & Demographics Sourcebook*, Sundale Research Report (2020), Keosengthong et al.(2019), Nolte et al. (2003), Witsberger et al. (2008), Von Pfeil, et al. (2018), Simpson et al. (2017)

- **54.9m patients for VISCO-VET.**
    - **36.5m TAM for osteoarthritis.** Osteoarthritis prevalence in dogs is estimated to c.20%[11,12,13,14], representing c. 36.5m of dogs.
    - **4.7m TAM for CCLD.** Prevalence of CCLD in dogs is estimated to c. 2.55%[15] of the total dog population or 4.7m dogs.
    - **13.7m TAM for TLI.** TLI incidence in dogs is estimated to c.7.5%[1617], representing c.13.7m dogs.

[6] Keosengthong et al., 2019
[7] Nolte et al., 2003
[8] Witsberger et al., 2008
[9] Von Pfeil, et al., 2018
[10] Simpson et al., 2017
[11] Anderson et al 2018;
[12] Mele, 2007
[13] Walton, et al., 2013
[14] Pettit and German., 2015
[15] Witsberger et al., 2008
[16] Muir et al., 1994
[17] Bruce et al., 2000

Exhibit 19 **Target populations per indication for VISCO-VET**

			VISCO-VET
US & EU	Osteoarthritis	Total dog population (m)	182.6
		Osteoarthritis prevalence	20%
		Total addressable market (m)	**36.5**
	CCLD	Total dog population (m)	182.6
		CCLD prevalence	2.55%
		Total addressable market (m)	**4.7**
	TLI	Total dog population (m)	182.6
		TLI incidence	7,5%
		Total addressable market (m)	**13.7**
	Combined indications	**Total target population (m)**	**54.9**

Source: Statista (2021), Finances Online, FEDIAF Report (2020), Anderson et al (2018), Mele (2007), Walton, et al. (2013), Pettit and German. (2015), Witsberger et al. (2008), Muir et al. (1994), Bruce et al. (2000), Anderson et al (2018)

- **36.5m patients for MATRI-VET.**
  - **36.5m TAM for osteoarthritis.** Osteoarthritis prevalence in dogs is estimated to c.20%[11121314], representing c. 36.5m of dogs.

Exhibit 20 **Target populations per indication for MATRI-VET**

			MATRI-VET
US & EU	Osteoarthritis	Total dog population (m)	182.9
		Osteoarthritis prevalence	20%
		Total addressable market (m)	**36.5**

Source: Statista (2021), Finances Online, FEDIAF Report (2020), Anderson et al (2018), Mele (2007), Walton, et al. (2013), Pettit and German. (2015), Witsberger et al. (2008), Muir et al. (1994)

SoTP Model

Currently, TheraVet has two main products in its portfolio i.e. BIOCERA-VET and VISCO-VET. To better reflect the different potential and timings for these products we have made separate DCF's for each product. We applied a WACC of 15%.

MATRI-VET is not yet included in our valuation as we consider that it does not constitute a priority asset for the company. MATRI-VET primarily aims at paving the way for the commercial launch of VISCO-VET by introducing an intra-articular product for canine osteoarticular diseases on the veterinary market as of 2022e. It is not clear yet whether this product will remain commercialized after the launch of VISCO-VET. Our assumptions on MATRI-VET give us potential peak sales of c. EUR 3m. We do not expect the latter to have any significant impact on valuation.

Pricing

The table below provides an overview of the price ranges indicated by the company for each product.

Exhibit 21 **Price estimates**

		Price EU (EUR)	Price US (EUR)
BIOSCERA-VET	*Bone surgery* *Osteosarcoma*	150-160 430-450	150-170 425-478
VISCO-VET	*Osteoarthritis* *CCLD* *TLI*	115-135	125-145
MATRI-VET	*Osteoarthrisis*	75-100	/

Source: TheraVet

These estimates are transfer prices (i.e. price at which product is sold to distributors), not market prices and hence already take into account the possibility for the company to enter into indirect sales through wholesalers or distributors. To remain conservative, we used the low-end range of the price in our model.

Operational model input

Revenue model

BIOCERA-VET

- Bone surgery

  To forecast the number of BIOCERA-VET doses sold per year for bone surgeries, we estimated 1/ the total number of eligible bones surgeries per year 2/ the market penetration rate.

  1/ Between 7m and 11m of dogs and cats undergo a bone surgery each year which represents 2.7% of the total dog and cat population. BIOCERA-VET will only be used in case of arthrodesis, cruciate ligaments rupture and fracture, accounting for 12% of total bones surgeries done per year. We therefore arrive at **1.2m[6789] eligible bones surgeries per year**. We assume this number to grow in line with dog and cat population (CAGR: 1.5%).

  2/ We expect a **3% market peak penetration rate**, broadly in line with management's expectations. Based on H1 21 results, we forecast a 0.007% penetration rate for 2021e (or 85 dogs treated) and assume a gradual ramp up until peak penetration in 2028e.

- Osteosarcoma

  To forecast the number of BIOCERA-VET doses sold per year for osteosarcoma, we estimated 1/ the total number of osteosarcoma cases per year 2/ the market penetration rate.

  1/ There are c. **30k[10] cases of osteosarcoma in dogs and cats per year**, representing 0.02% of the total dog and cat population. We assume this number to grow in line with dog and cat population (CAGR: 1.5%).
  2/ We assume a **10% market peak penetration rate** broadly in line with management's expectations. We assume a similar number of doses sold at launch than for bone surgery and therefore forecast a 0.05% penetration rate for 2021e. We expect a gradual ramp up until peak penetration in 2028e.

VISCO-VET

- Osteoarthritis

  To forecast the number of VISCO-VET doses sold per year for osteoarthritis, we estimated 1/ the total number of dogs affected by osteoarthritis per year 2/ the market penetration rate.
  1/ c. 36.5m of dogs suffer from arthritis per year which represents 20%[11121314] of the total dog population. We assume this number to grow in line with the dog population (CAGR: 1.5%).
  2/ We estimate a **1% market peak penetration rate**, broadly in line with management's expectations. We assume a 0.01% penetration rate in 2024e gradually ramping up towards 1% in 2031e. We consider this assumption to be realistic as veterinarians will already be familiar with BIOCERA-VET/MATRI-VET and therefore aware of the quality and benefits of TheraVet's products.

- CCLD

  To forecast the number of VISCO-VET doses sold per year for CCLD, we estimated 1/ the total number of dogs suffering from CCLD each year 2/ the market penetration rate.
  1/ c. 4.7m of dogs suffer from CCLD per year, which represents 2.55%[15] of the total dog population. We assume this number to grow in line with the dog population (CAGR: 1.5%).
  2/ We estimate a **1% market peak penetration rate**, broadly in line with management's expectations. We assume a 0.1% penetration rate in 2024e gradually ramping up towards 1% in 2031e. We consider this assumption to be realistic as veterinarians will already be familiar with BIOCERA-VET/MATRI-VET and therefore aware of the quality and benefits of TheraVet's products.

- TLI

  To forecast the number of VISCO-VET doses sold per year for TLI, we estimated 1/ the total number of dogs affected by TLI each year 2/ the market penetration rate.
  1/ c. 13.7m dogs suffer from TLI each year, which represents c.7.5%[1617] of the total dog population. We assume this number to grow in line with the dog population (CAGR: 1.5%).
  2/ We estimate a **0.5% market peak penetration rate**, broadly in line with management's expectations. We assume a 0.1% market penetration rate in 2024e gradually ramping up towards 0.5% in 2031e. We consider this assumption to be realistic as veterinarians will

already be familiar with BIOCERA-VET/MATRI-VET and therefore aware of the quality and benefits of TheraVet's products.

- We apply a 45% success rate to the commercial launch of VISCO-VET in Europe and in the US considering the encouraging results of its proof-of-concept study.

Operational model output

Sales and associated revenues forecasts

Our model foresees EUR 74.54m peak revenues in 2031e with EUR 305.4m cumulative revenues to be generated over the 2021-2031 period.

However, it should be noted that additional potential revenues drivers are not yet taken into account in our model:

- Considering the lack of visibility on the total addressable population, we do not include **BIOCERA-VET supplemented with antibiotics** in our model yet. According to the company, this product could be priced between EUR 195 and EUR 225. Hence, its potential launch expected by H2 22 could expand BIOCERA-VET's market opportunity and add more value.
- Likewise, we do not include **BIOCERA-VET for bone cysts in horses** yet.
- As previously mentioned, we do not include **MATRI-VET** in our valuation. The company expects to price the product between EUR 75 and EUR 100. According to our estimates, sales could reach c.30k in 2022e. We expect c.3m peak sales.

Gross margin

COGS have been estimated in line with those of Virbac and Vetoquinol – listed veterinary companies. We assume COGS relative to revenues of 45% the first year of commercialization, going down to 30% over a 10-years period.

Our model indicates a gross margin of 55% going up to 70% over 10 years. Management guided for a 50% improvement in gross margin overtime.

OPEX

Until 2023e, we estimate OPEX based on the guidance provided by the company of c. 3 to 4m per year, ramping up to c.6m upon the commercial launch of VISCO-VET. As of 2024e, we assume OPEX relative to revenues of 54% in line with the performance of Virbac and Vetoquinol.

Operating margin

Our model indicates an EBIT margin of 60% in 2031e.

Tax

We use a tax rate of 25% in our model, in line with the Belgian corporate tax rate.

Sensitivity analysis

We conducted several sensitivity analyses making WACC, product price, peak penetration rate and terminal growth rate for VISCO-VET (osteoarthritis) vary. VISCO-VET for the treatment of osteoarthritis represents the biggest market opportunity for the company hence our choice to conduct our analyses based on that product.

Exhibit 22 Sensitivity analysis – VISCO-VET for osteoarthritis price vs. WACC

WACC	Average product price (EUR)				
	€100	€110	**€120**	€130	€140
14.0%	€12.5	€13.4	**€14.4**	€15.3	€16.3
14.5%	€11.7	€12.6	**€13.5**	€14.4	€15.2
15.0%	**€11.0**	**€11.8**	**€12.6**	**€13.5**	**€14.3**
15.5%	€10.3	€11.1	**€11.9**	€12.6	€13.4
16.0%	€9.7	€10.4	**€11.1**	€11.9	€12.6

Output values in EUR per share.
Source: Degroof Petercam estimates

Exhibit 23 Sensitivity analysis – VISCO-VET for osteoarthritis peak penetration rate vs. WACC

WACC	Peak penetration rate				
	0.70%	0.85%	**1.00%**	1.15%	1.30%
14.0%	€10.7	€12.6	**€14.4**	€16.2	€18.1
14.5%	€10.0	€11.7	**€13.5**	€15.2	€16.9
15.0%	**€9.4**	**€11.0**	**€12.6**	**€14.2**	**€15.9**
15.5%	€8.8	€10.3	**€11.9**	€13.4	€14.9
16.0%	€8.3	€9.7	**€11.1**	€12.6	€14.0

Output values in EUR per share.
Source: Degroof Petercam estimates

Exhibit 24 Sensitivity analysis – VISCO-VET for osteoarthritis terminal growth rate vs. WACC

WACC	Terminal growth rate				
	1.00%	1.25%	**1.50%**	1.75%	2.00%
14.0%	€14.2	€14.3	**€14.4**	€14.5	€14.6
14.5%	€13.3	€13.4	**€13.5**	€13.5	€13.6
15.0%	**€12.5**	**€12.6**	**€12.6**	**€12.7**	**€12.8**
15.5%	€11.8	€11.8	**€11.9**	€11.9	€12.0
16.0%	€11.1	€11.1	**€11.1**	€11.2	€11.2

Output values in EUR per share.
Source: Degroof Petercam estimates

Value range

Based on our SoTP and our sensitivity analyses (central scenario), we arrive at an equity value range between EUR 30.3m to EUR 51.1m and an equity value range per share of EUR 9.4 to EUR 15.9.

Blue sky scenario

To reflect the full potential of the company we have conducted a blue-sky scenario analysis. We used the following assumptions:

For BIOCERA-VET:

- We forecast market peak penetration after 5y instead of 7y for both bone surgery and osteosarcoma.
- We assume a higher penetration rate of 3.5% instead of 3% for bone surgery and 10.5% instead of 10% for osteosarcoma.
- We use the higher range of the product price (i.e. EUR 170 for the US and EUR 160 for EU for bone surgery and EUR 478 for the US and EUR 450 for EU for osteosarcoma).

For VISCO-VET:

- We assume a higher peak penetration rate of 1.5% instead of 1% for osteoarthritis and CCLD and 1% instead of 0.5% for TLI.
- We forecast market peak penetration after 5y instead of 7y for osteoarthritis, CCLD and TLI.
- We use the higher range of the product price (i.e. EUR 145 for US instead of EUR 125 and EUR 135 for EU instead of EUR 115).

Considering the above-mentioned assumptions, our SoTP points towards **EUR 25.6 TP**.

Exhibit 25 **Sensitivity analysis – VISCO-VET for osteoarthritis peak penetration rate vs. average product price**

Average product price (EUR)	Peak penetration rate				
	1.20%	1.35%	**1.50%**	1.65%	1.80%
120	€19.2	€21.0	**€22.8**	€24.6	€26.4
130	€20.3	€22.3	**€24.2**	€26.2	€28.1
140	**€21.4**	**€23.5**	**€25.6**	**€27.7**	**€29.8**
150	€22.5	€24.8	**€27.1**	€29.3	€31.6
160	€23.7	€26.1	**€28.5**	€30.9	€33.3

Output values in EUR per share.
Source: Degroof Petercam estimates

Profit & Loss (EUR m)	-	12/18	12/19	12/20	12/21e	12/22e	12/23e
Revenues	-	**0.17**	**1.01**	**1.22**	**0.02**	**0.97**	**1.96**
(of which Sales)	-	0.00	0.00	0.00	0.02	0.97	1.96
(of which Other revenues)	-	0.17	1.01	1.22	0.00	0.00	0.00
Gross profit	-	**0.17**	**1.01**	**1.22**	**0.01**	**0.56**	**1.16**
Operating costs	-	-0.30	-1.11	-1.62	-3.20	-4.50	-6.30
(of which R & D)	-	-	-	-	-	-	-
EBIT	-	**-0.13**	**-0.10**	**-0.40**	**-3.19**	**-3.94**	**-5.14**
Net Financial Result	-	0.00	0.00	0.01	0.01	0.01	0.01
Pre-tax result	-	**-0.13**	**-0.10**	**-0.39**	**-3.18**	**-3.93**	**-5.13**
Taxes	-	0.00	0.00	0.00	0.00	0.00	0.00
Except. / Discont. operations	-	0.00	0.00	0.00	0.00	0.00	0.00
Associates	-	-	-	-	-	-	-
Minorities	-	-	-	-	-	-	-
Net declared earnings	-	**-0.13**	**-0.10**	**-0.39**	**-3.18**	**-3.93**	**-5.13**

Cash Flow (EUR m)	-	12/18	12/19	12/20	12/21e	12/22e	12/23e
EBIT	-	-0.13	-0.10	-0.40	-3.19	-3.94	-5.14
Depreciation	-	0.03	0.01	0.05	0.00	0.02	0.04
Amortization	-	0.00	0.00	0.00	0.00	0.00	0.00
Impairment	-	0.00	0.00	0.00	0.00	0.00	0.00
Changes in provision	-	0.00	0.00	0.00	0.00	0.00	0.00
Changes in working capital	-	0.20	-0.34	0.97	-0.20	-0.14	-0.15
Others	-	-	-	-	-	-	-
Operational Cash Flow	-	**0.10**	**-0.43**	**0.61**	**-3.39**	**-4.07**	**-5.25**
Tax expenses	-	0.00	0.00	0.00	0.00	0.00	0.00
Dividends from associates	-	0.00	0.00	0.00	0.00	0.00	0.00
Net interest charges	-	0.00	0.00	0.01	0.01	0.01	0.01
Others	-	0.00	0.00	0.00	0.00	0.00	0.00
CF from operating activities	-	**0.10**	**-0.43**	**0.63**	**-3.37**	**-4.06**	**-5.23**
CAPEX	-	-0.02	0.00	-0.02	0.00	-0.02	-0.04
Investments in intangibles	-	-0.66	-0.89	-1.10	0.00	0.00	0.00
Acquisitions	-	0.00	0.00	0.00	0.00	0.00	0.00
Divestments	-	0.00	0.00	0.00	0.00	0.00	0.00
Others	-	0.00	0.00	0.00	0.00	0.00	0.00
CF from investing activities	-	**-0.67**	**-0.89**	**-1.11**	**0.00**	**-0.02**	**-0.04**
Dividend payment	-	0.00	0.00	0.00	0.00	0.00	0.00
Minor. & pref. dividends	-	0.00	0.00	0.00	0.00	0.00	0.00
Equity financing	-	1.25	0.00	1.87	7.00	0.00	0.00
Others	-	0.31	0.42	0.72	-0.01	-0.01	-0.01
CF from financing activities	-	**1.56**	**0.42**	**2.59**	**7.00**	**-0.01**	**-0.01**
Changes in consolidation scope	-	0.00	0.00	0.00	0.00	0.00	0.00
Exchange rate impact	-	0.00	0.00	0.00	0.00	0.00	0.00
Net debt/cash change	-	**0.98**	**-0.90**	**2.11**	**3.62**	**-4.08**	**-5.28**

Notes Company reports and Degroof Petercam estimates.

Balance Sheet (EUR m)	-	12/18	12/19	12/20	12/21e	12/22e	12/23e
Fixed assets	-	**0.65**	**1.54**	**2.76**	**2.76**	**2.76**	**2.76**
Tangible fixed assets	-	0.01	0.01	0.03	0.03	0.03	0.03
Goodwill	-	0.00	0.00	0.00	0.00	0.00	0.00
Other intang. assets	-	0.00	0.00	0.00	0.00	0.00	0.00
Financial fixed assets	-	0.00	0.01	0.16	0.16	0.16	0.16
Other fixed assets	-	0.00	0.00	0.00	0.00	0.00	0.00
Current assets	-	**1.00**	**0.55**	**2.35**	**5.89**	**2.09**	**-2.90**
Inventories	-	0.00	0.00	0.00	0.00	0.19	0.39
Trade receivables	-	0.02	0.46	0.09	0.00	0.10	0.20
Other current assets	-	0.00	0.01	0.09	0.09	0.09	0.09
Cash & Equivalents	-	0.98	0.08	2.17	5.79	1.71	-3.58
Discontinued assets	-	0.00	0.00	0.00	0.00	0.00	0.00
Total assets	-	**1.65**	**2.09**	**5.11**	**8.65**	**4.85**	**-0.13**
Total Equity	-	**1.34**	**1.55**	**3.39**	**7.24**	**3.31**	**-1.82**
Equity	-	1.34	1.55	3.39	7.24	3.31	-1.82
Minorities & preferred	-	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	-	0.00	0.00	0.00	0.00	0.00	0.00
Provisions for pensions	-	0.00	0.00	0.00	0.00	0.00	0.00
Deferred taxes	-	0.00	0.00	0.00	0.00	0.00	0.00
Other provisions	-	0.00	0.00	0.00	0.00	0.00	0.00
Other LT liabilities	-	0.00	0.00	0.00	0.00	0.00	0.00
LT interest bearing debt	-	0.09	0.35	0.70	0.70	0.70	0.70
Current liabilities	-	**0.22**	**0.19**	**1.02**	**0.74**	**0.88**	**1.03**
ST interest bearing debt	-	0.00	0.00	0.00	0.00	0.00	0.00
Accounts payables	-	0.08	0.08	0.29	0.00	0.15	0.29
Other ST liabilities	-	0.14	0.11	0.73	0.73	0.73	0.73
Discontinued liabilities	-	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities	-	**1.65**	**2.09**	**5.11**	**8.65**	**4.85**	**-0.13**

EV and CE details (EUR m)	-	12/18	12/19	12/20	12/21e	12/22e	12/23e
Market cap.	-	-	-	-	**18.38**	**18.05**	**18.05**
+ Net financial debt	-	-0.89	0.27	-1.47	-5.09	-1.01	4.27
(of which LT debt)	-	0.09	0.35	0.70	0.70	0.70	0.70
(of which ST debt)	-	0.00	0.00	0.00	0.00	0.00	0.00
(of which Cash position)	-	0.98	0.08	2.17	5.79	1.71	-3.58
+ Provisions (pension)	-	-	-	-	-	-	-
+ Minorities (MV)	-	-	-	-	-	-	-
- Peripheral assets (MV)	-	-	-	-	-	-	-
+ Others	-	-	-	-	-	-	-
Enterprise Value	-	-	-	-	**13.29**	**17.04**	**22.33**
Equity (group share)	-	**1.34**	**1.55**	**3.39**	**7.24**	**3.31**	**-1.82**
+ Net financial debt	-	-0.89	0.27	-1.47	-5.09	-1.01	4.27
+ Provisions (pension)	-	0.00	0.00	0.00	0.00	0.00	0.00
+ Minorities	-	0.00	0.00	0.00	0.00	0.00	0.00
- Peripheral assets	-	-	-	-	-	-	-
+ Others	-	-	-	-	-	-	-
Capital employed (for ROCE)	-	**0.45**	**1.82**	**1.92**	**2.15**	**2.30**	**2.45**
+ Accumulated goodwill amortiz.	-	0.00	0.00	0.00	0.00	0.00	0.00
CE (for ROCE grossed gdwll)	-	**0.45**	**1.82**	**1.92**	**2.15**	**2.30**	**2.45**

Notes Company reports and Degroof Petercam estimates.

Per Common Share (EUR)	-	12/18	12/19	12/20	12/21e	12/22e	12/23e
Declared EPS	**-**	**-**	**-**	**-**	**-0.99**	**-1.22**	**-1.59**
Declared EPS (fully diluted)	-	-	-	-	-	-	-
CFS	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Book Value	-	-	-	-	2.25	1.03	-0.56
Shares (m)							
At the end of F.Y.	-	-	-	-	3.224	3.224	3.224
Average number	-	-	-	-	3.224	3.224	3.224
Fully diluted Average number	-	-	-	-	3.224	3.224	3.224
Ratios	**-**	**12/18**	**12/19**	**12/20**	**12/21e**	**12/22e**	**12/23e**
P/E	-	-	-	-	nm	nm	nm
P/CF	-	-	-	-	-	-	-
P/BV	-	-	-	-	2.5	5.5	nm
EV/Revenues	-	-	-	-	716.4	17.5	11.4
EV/R & D	-	-	-	-	-	-	-
EV/EBIT	-	-	-	-	-4.2	-4.3	-4.3
EV/CE	-	-	-	-	6.2	7.4	9.1
Dividend yield	-	-	-	-	-	-	-

Notes Company reports and Degroof Petercam estimates.

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Report completion and updates

This report was first disseminated on 10 January 2022 08:26 CET

Valuations are continuously reviewed by the analyst and will be updated and/or refreshed regularly. The rationale behind a change in target valuation will be explained in such a refresher/update.

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This website will also give you access to all of the commissioned research reports that have been disseminated during the preceding 12-month period.

This report has been reviewed by the company prior to publication and has been subsequently amended.

The report has been reviewed by Christophe Dombu, PhD and Kris Kippers, Equity Analyst.

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