TRIGON

20 October 2025

Research

CEE | Equity Research

Bioceltix

On the path to market registration

Buy

Recent: Buy, 124 PLN

Target price: 127.3 PLN
Upside: +32%

Bioceltix is intensifying its work related to the registration of its products with the EMA and the preparation of new production facilities. Two projects dedicated to the treatment of joint inflammation in dogs (BCX-CM-J) and horses (BCX-EM) are currently in the registration process, while the project for canine dermatitis therapy (BCX-CM-AD) will be submitted to the EMA as an extension of the BCX-CM-J indication. In May 2025, the company announced that the clinical trial of BCX-CM-AD was successfully completed, achieving a positive outcome in the primary endpoint — demonstrating a statistically significant improvement compared to placebo in reducing skin lesions in dogs with atopic dermatitis. Bioceltix has taken possession of the premises for the construction of its stem cell manufacturing facility, signed a contract for execution works, and finalized a grant agreement with PARP for PLN 17.4 million.

Given the company's progress toward regulatory approvals and the advanced stage of its manufacturing facility preparation, we maintain our view that Bioceltix is approaching an important phase with key regulatory and clinical updates expected in the coming months. We anticipate that the next major regulatory milestone could occur as early as 4Q25, with commercialization most likely in 2026, as EMA registration processes near completion. Considering the upcoming regulatory newsflow and the potential for signing the first licensing agreements, we maintain our "Buy" recommendation for Bioceltix shares, with a 12-month target price of PLN 127.2, implying a 32% upside potential from the current market price.

BCX-CM-J — EMA response timing planned for 4Q25. The company continues the registration process with the European Medicines Agency (EMA) for its therapy targeting osteoarthritis in dogs. Bioceltix is currently preparing responses to EMA's questions, with the deadline for submission set for December 31, 2025. The company is validating its technological pathway and preparing for an inspection by the Chief Pharmaceutical Inspectorate (GIF).

BCX-EM — EMA registration possible in 2H26. In 2Q25, Bioceltix submitted to EMA a request for a positive opinion for BCX-EM, a therapy intended for the treatment of arthritis in horses. As of the end of September 2025, the final list of questions from EMA was largely identical to the draft version received earlier in July 2025. Most of the thematic areas discussed with the regulator overlap with those related to the company's canine osteoarthritis product. After submitting responses for the canine project, Bioceltix will move on to preparing the documentation for the equine project — the submission of responses is estimated for 1H26. Initial feedback from EMA confirmed that, in the case of the equine product, there will be no need to involve an external partner, due to the higher concentration of patients and veterinary centers. Bioceltix plans to handle distribution independently, retaining full rights to the project and securing significantly higher margins.

BCX-CM-AD — strong clinical data validating the canine AD therapy. In May 2025, Bioceltix announced that the clinical trial of BCX-CM-AD, a therapy for canine atopic dermatitis (AD), achieved positive results, demonstrating significant reductions in skin inflammation. The company decided that the indication for canine AD will be registered as a secondary indication for BCX-CM-J, originally developed for joint inflammation. This approach aims to shorten the registration timeline, reduce costs, and simplify future production and logistics. We assume that Bioceltix will submit documentation to EMA in 1H–2H26.

Manufacturing facility launch delayed slightly. According to plans from 1H24, Bioceltix aimed to begin and complete part of the construction work within 12 months. In our view, the preparation of documentation and project initiation were delayed by approximately 6–8 months due to tender organization. In July 2025, Bioceltix took possession of the land for the construction of a large-scale stem cell manufacturing plant. The company also signed a PLN 17.4 million grant agreement with PARP to co-finance the investment. The project is scheduled for completion by December 31, 2026. The new facility will enable production of the target volumes of veterinary drugs that Bioceltix intends to offer internationally under a manufacturing–licensing model.

Financing. In October 2025, Bioceltix conducted an ABB process involving the sale of 757,000 shares by the Alternative Solution ASI and Kvarko Group ASI funds. The capital raised — approximately PLN 53 million — will enable completion of the large-scale pharmaceutical manufacturing facility. Currently, Bioceltix produces its formulations in a small-scale GMP-compliant facility, which supports R&D and clinical trial needs. The new plant will multiply production capacity and include the full manufacturing cycle of the proprietary ALLO-BCLX technology — from stem cell isolation, cultivation, and cryopreservation to automated packaging and storage of finished doses. Based on our model assumptions, the current funding provides a sufficient R&D runway through the end of 2026.

Key Bioceltix newsflow and TDM assumptions: 1) BCX-CM-J: marketing authorization (end of 1H26), potential distribution agreement (1H26/2H26); 2) BCX-CM-AD: dossier completion and EMA submission (1H26); 3) BCX-EM: EMA response submission (1H26), regulatory feedback (2H26)

Valuation. We estimate a 12-month target price for Bioceltix shares at 127.2 PLN (+32% upside) using a Sum-of-the-Parts (SOTP) valuation approach, with individual R&D projects valued using the rNPV method. Compared with the previous forecast update, we have revised our assumptions regarding product margins, increased cost assumptions for the manufacturing facility, and raised the cumulative success probabilities for BCX-CM-AD (from 60% to 81%) and BCX-EM (from 81% to 86%).

Key risks. The main risk factors include: 1) Project development failure; 2) Delays in achieving development milestones, 3) Regulatory and commercialization risks (lack of partnerships, lower-than-expected market sales), 4) Changes in clinical success parameters, market share, royalty rates, and extended clinical stages, 5) ncreasing competition in the market. A more detailed description can be found on page 16.

Report prepared under the Stock Exchange Analytical Support Program

FACT SHEET

Ticker			**BCX**
Sector			**Biotech & MedTech**
Price (PLN)			**96**
52wk Range (PLN)			**71 / 129**
Number of share (m)			**4.9**
Market Cap (mPLN)			**475**
Free-float			**60%**
Avg Vol 3M (mPLN)			0.7
Price performance	**1M**	**3M**	**1Y**
	0%	-6%	33%

RELATIVE SHARE PRICE PERFORMANCE

RECOMMENDATIONS

	Date	Price
Restricted	15.09.2025	-
Buy	21.07.2025	124
Buy	30.06.2025	124
Buy	16.04.2025	135

SHAREHOLDERS

	Share %
Kvarko Group ASI	9.6%
PZU TFI	9.1%
Total FIZ	9.1%
Łukasz Bzdzion	7.4%
Alternative Solution ASI SA	5.3%
Others	59.5%

IMPORTANT DATES

3Q25 report	27.11.2025

ANALYST

Katarzyna Kosiorek

Valuation	Current		Previous		Change
rNPV	134	100%	Restricted	100%	-
Peers	89	0%	87	0%	2%

Estimates chng	2025E			2026E			2027E		
PLNm	Curr.	Prev.	Chg.	Curr.	Prev.	Chg.	Curr.	Prev.	Chg.
Revenues	**0**	**0**	**-**	**89**	**89**	**0%**	**16**	**16**	**0%**
EBITDA	**-16**	**-16**	**0%**	**124**	**124**	**0%**	**2**	**2**	**0%**
margin	-	-	-	138.9%	138.9%	0.0pp	9.8%	9.8%	0.0pp
EBIT	**-17**	**-17**	**0%**	**122**	**122**	**0%**	**-4**	**-4**	**0%**
margin	-	-	-	136.6%	136.6%	0.0pp	-28.1%	-28.1%	0.0pp
Net profit	**-11**	**-11**	**0%**	**109**	**109**	**0%**	**-10**	**-10**	**0%**
margin	-	-	-	121.4%	121.4%	0.0pp	-60.9%	-60.9%	0.0pp

Trigon vs. cons	2025E			2026E			2027E		
PLNm	Trigon	Cons.	Diff.	Trigon	Cons.	Diff.	Trigon	Cons.	Diff.
Revenues	**0**	**-**	**-**	**89**	**-**	**-**	**16**	**-**	**-**
EBITDA	**-16**	**-**	**-**	**124**	**-**	**-**	**2**	**-**	**-**
margin	-	-	-	138.9%	-	-	9.8%	-	-
EBIT	**-17**	**-**	**-**	**122**	**-**	**-**	**-4**	**-**	**-**
margin	-	-	-	136.6%	-	-	-28.1%	-	-
Net profit	**-11**	**-**	**-**	**109**	**-**	**-**	**-10**	**-**	**-**
margin	-	-	-	121.4%	-	-	-60.9%	-	-

KPIs (PLNm)	2022	2023	2024	2025E	2026E	2027E	CAGR
Shares outstanding	3.4	4.1	4.9	4.9	4.9	4.9	8%
DPS (PLN)	0.0	0.0	0.0	0.0	0.0	0.0	-
EPS (PLN)	-2.6	-3.3	-3.0	-2.3	22.1	-1.9	-6%
BVPS (PLN)	1.5	2.5	7.8	5.6	27.7	25.8	77%
ND / EBITDA (x)	0.4	0.6	1.8	1.2	-0.8	-34.1	-
ND / Equity (x)	-0.8	-0.9	-0.9	-0.7	-0.7	-0.4	-
FCFF	-15	-36	-61	-14	77	-44	24%
NWC	-1	1	2	1	-1	-1	-
Net Debt	-4	-9	-34	-19	-96	-52	-
Minorities & other EV adj.	0	0	0	0	0	0	-
adj. Net Debt	-4	-9	-34	-19	-96	-52	-

Ratios	2022	2023	2024	2025E	2026E	2027E	Avg.
adj. EBITDA yoy	-	-	-	-	-	-99%	-
EBIT yoy	-	-	-	-	-	-	-
adj. EPS yoy	-	-	-	-	-	-	-
Gross margin	-	-	-	-	88.6%	-	88.6%
adj. EBITDA margin	-	-	-	-	138.9%	9.8%	74.3%
EBIT margin	-	-	-	-	136.6%	-	136.6%
adj. Net profit margin	-	-	-	-	121.4%	-	121.4%
ROE (%)	-173%	-131%	-39%	-40%	80%	-8%	-52%
ROA (%)	-117%	-107%	-36%	-34%	76%	-7%	-37%

Multiples at PLN 98.4	2022	2023	2024	2025E	2026E	2027E
P/E (x)	-	-	-	-	4.5	-
adj. P/E (x)	-	-	-	-	4.5	-
EV/EBITDA (x)	-	-	-	-	3.1	283.2
adj. EV/EBITDA (x)	-	-	-	-	3.1	283.2
P/BV (x)	65.5	38.8	12.6	17.4	3.6	3.8
FCFF Yield (%)	-4.4%	-9.0%	-13.5%	-3.0%	19.9%	-10.2%
DY (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Multiples at Target Price	2022	2023	2024	2025E	2026E	2027E
P/E (x)	-	-	-	-	5.6	-
adj. P/E (x)	-	-	-	-	5.6	-
EV/EBITDA (x)	-	-	-	-	4.2	366.8
adj. EV/EBITDA (x)	-	-	-	-	4.2	366.8
P/BV (x)	82.7	49.0	15.9	22.0	4.5	4.8
FCFF Yield (%)	-3.5%	-7.1%	-10.5%	-2.3%	15.0%	-7.9%
DY (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

P&L Statement (PLNm)	2022	2023	2024	2025E	2026E	2027E
Revenues	**0**	**0**	**0**	**0**	**89**	**16**
Operating costs	**10**	**16**	**19**	**17**	**10**	**20**
COGS	0	0	0	0	1	6
Profit from sales	-10	-16	-19	-17	79	-4
Other operating profits	1	2	4	6	14	0
Other operating costs	0	0	0	0	0	0
EBITDA	**-9**	**-15**	**-18**	**-16**	**124**	**2**
adj. EBITDA	**-9**	**-15**	**-18**	**-16**	**124**	**2**
D&A	0	0	1	1	2	6
EBIT	**-10**	**-16**	**-19**	**-17**	**122**	**-4**
Net financial costs	0	0	1	1	1	1
EBT	**-9**	**-14**	**-15**	**-11**	**134**	**-12**
Minority interest	0	0	0	0	0	0
Net profit	**-9**	**-14**	**-15**	**-11**	**109**	**-10**
adj. net profit	**-9**	**-14**	**-15**	**-11**	**109**	**-10**

Balance Sheet (PLNm)	2022	2023	2024	2025E	2026E	2027E
Non-current Assets	**2**	**2**	**2**	**8**	**41**	**76**
Current Assets	**6**	**11**	**39**	**25**	**103**	**59**
Inventories	0	0	0	0	0	0
Receivables	0	2	5	5	5	6
Cash and cash equivalents	4	9	34	19	96	52
Assets	**8**	**13**	**42**	**33**	**144**	**135**
Equity	**5**	**10**	**38**	**28**	**136**	**127**
Non-current Liabilities	**0**	**0**	**1**	**1**	**1**	**1**
Long-term borrowings	0	0	0	0	0	0
Current Liabilities	**2**	**2**	**3**	**5**	**7**	**7**
Short-term borrowings	0	0	0	0	0	0
Payables	1	1	3	4	7	7
Equity and Liabilities	**8**	**13**	**42**	**33**	**144**	**135**

CF Statement (PLNm)	2022	2023	2024	2025E	2026E	2027E
Operating CF	**-8**	**-15**	**-18**	**-8**	**112**	**-3**
Change in NWC	1	-1	-3	1	2	0
D&A	0	0	1	1	2	6
Investing CF	**0**	**0**	**0**	**-5**	**-35**	**-41**
CAPEX	0	0	0	-6	-35	-41
Financing CF	**6**	**20**	**42**	**-1**	**0**	**0**
Lease payments	7	21	43	0	0	0
Dividend/Buy-back	0	0	0	0	0	0
Net change in cash	**-2**	**5**	**24**	**-14**	**77**	**-44**

Investment theses update

Near-term market registration with an attractive target market. Bioceltix is a pioneer in the development and production of cell-based (MSC) therapies for animals, operating in the rapidly growing segment of veterinary biologic therapies. The company is developing therapies based on mesenchymal stem cells (sourced from donors during sterilization/castration procedures). The drugs will be sold within the framework of private therapies.

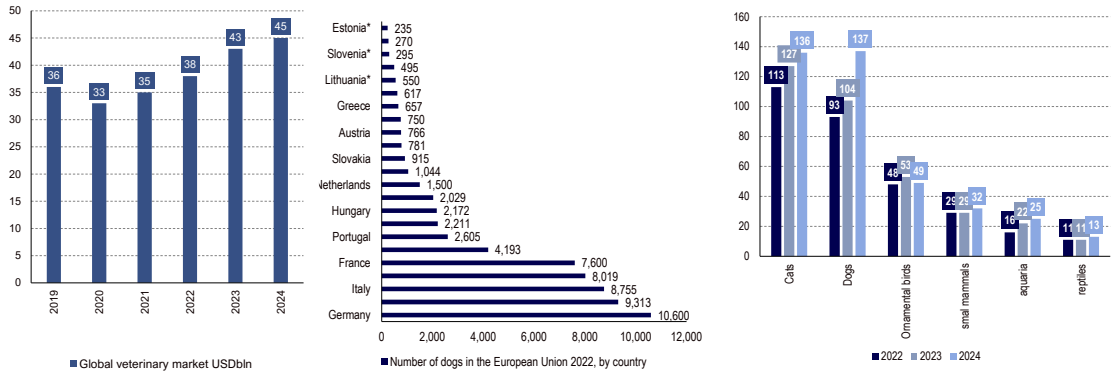
Veterinary Market Segments – overview.

Segment	Estimated Global Market	CAGR (2024–2030)	Comment
Veterinary biologics	approx. USD 4–5bln	>10%	Rapidly growing segment of the veterinary market
Cell therapies in veterinary medicine	approx. USD 1–1.5bln	>25%	High growth rate, limited competition
Canine osteoarthritis (OA)	>USD 2bln	8–10%	Largest chronic disease market in dogs; Librela (Zoetis) is the market leader
Canine atopic dermatitis (AD)	>USD 1.5bln	9–11%	High share of biologic therapies (e.g., Cytopoint, Apoquel – Zoetis)
Equine joint inflammation	USD 0.4–0.6bln	7–9%	Niche but high-margin sport horse market

Source: GlobalData, PR NewsWire, FortuneBusiness Insights, Trigon

The growing global veterinary market is being supported by the approval of new biologic therapies and cell-based drugs, driven by the "pet humanization" trend and increasing spending on animal healthcare. The veterinary pharmaceuticals market has been on a growth trajectory for years, with an annual growth rate of 5–7%. The market's projected value in 2025 is expected to exceed USD 27 billion. Biologic drugs for companion animals, however, represent an entirely new segment of the veterinary market. The first biologic drug was a monoclonal antibody for atopic dermatitis in dogs (Librella, Zoetis). Currently, the first stem cell–based drug derived from blood as the active pharmaceutical ingredient is also available for horses, used to treat lameness—a major issue for both animals and their breeders (HorStem, Equicord).

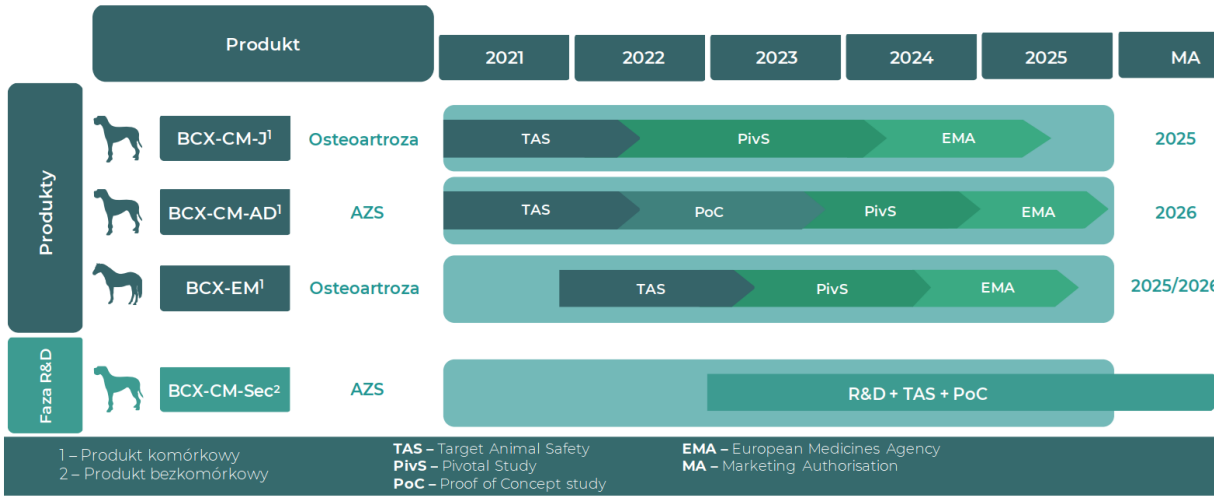
Key Data on the Global and European Veterinary Market.



Source: GlobalData, Fortune Business Insights, FEDIAF

BCX-CM-J — timing of EMA response tsubmission o planned for 4Q25. The company continues the registration process with the European Medicines Agency (EMA) for its therapy for canine osteoarthritis. BCX is currently working on responses to EMA's questions, with the deadline for submission set for December 31, 2025. The company is validating the technological pathway and preparing for inspection by the Chief Pharmaceutical Inspectorate. EMA did not raise any significant substantive comments in the first round of questions. We assume that BCX will submit its responses to the regulator in December 2025, which would make market authorization of the therapy possible in 1H26. Estimated probability of market entry in 2026: 86%.

Bioceltix– pipeline projektów.

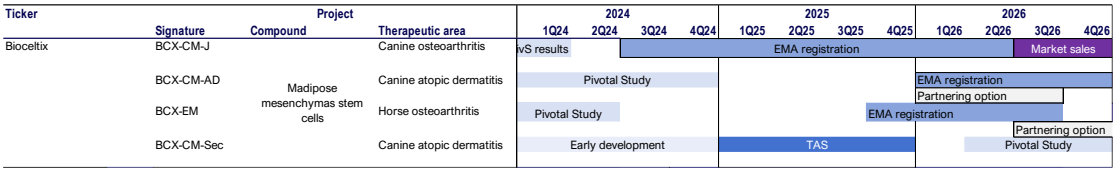


Source: Company, last update: 3Q24

BCX-EM – EMA approval possible in 2H26. Clinical trial results obtained in 1Q25 confirmed the full safety of the drug and its long -lasting efficacy in reducing lameness, swelling, and pain, enabling horses to return to sporting activity faster compared to standard therapies. In 2Q25, BCX submitted an application to the EMA for a positive opinion for the BCX-EM product intended for the treatment of equine arthritis. As of the end of September 2025, the final list of questions provided by the EMA was essentially identical to the draft version received earlier, in July 2025. Most of the thematic areas discussed with the regulator overlap with those concerning the company's product aimed at treating osteoarthritis in dogs.

After submitting responses in the canine project, BCX will begin preparing documentation for the equine project. The clinical trials confirmed the long-term efficacy of the drug in reducing lameness, swelling, and pain, allowing horses to return to sports activity. The feedback received from EMA reinforced the company's conviction that, in the case of the equine drug, there will be no need to engage an external partner due to the higher concentration of patients and treatment centers. BCX plans to conduct distribution independently, retaining full rights to the project and achieving significantly higher margins.

BCX projects – assumptions for progression to the next phases.



Source: Trigon

BCX-BCX-CM-AD – strong clinical data validating the therapy for canine atopic dermatitis (AD). In May 2025, it was announced that the clinical trial of the BCX-CM-AD product (for the treatment of atopic dermatitis in dogs) achieved positive results for the primary endpoint — demonstrating a statistically significant advantage over placebo in reducing skin lesions in dogs with atopic dermatitis. Additional trial results (published in 1Q25) confirmed that the product has a high safety profile (no significant adverse events) and strong therapeutic efficacy.

Bioceltix decided that the atopic dermatitis indication (AD) will be registered as a second indication for the BCX-CM-J product (originally developed for other uses). This approach aims to shorten registration timelines, reduce costs, and simplify future production and logistics. We assume BCX will submit documentation to the EMA in 1H26.

Librela (Zoetis) – box warning as an opportunity for BCX? In recent years, regulators (including the FDA) and scientific publications have reported an increase in adverse event reports following Librela administration — symptoms included neurological issues (ataxia, seizures), musculoskeletal problems (lameness), urinary disorders, and, in some cases, deaths. The FDA reviewed the reports and issued communications to the veterinary community, while Zoetis responded with safety updates and label revisions. Some clients (pet owners, premium segment customers) may start looking for safer alternatives, which presents a short-term market opportunity — especially if BCX emphasizes its stronger or more comprehensive safety profile. At the same time, investors and partners will expect transparent risk data. BCX has clinical and post-marketing data confirming a low incidence of serious adverse events (SAEs) and long-term safety, which could serve as a strong selling point, particularly among veterinarians and owners seeking safer biological therapies. Comparable and transparent safety data will be critical in this regard. The increased AE reports related to Librela are likely to raise overall caution toward veterinary biologics, which creates both risks (slower adoption, tighter regulatory scrutiny) and opportunities (if BCX can demonstrate a robust, transparent safety profile, it may gain the trust of veterinarians and owners).

Veterinary therapies – main products generating sales volumes.

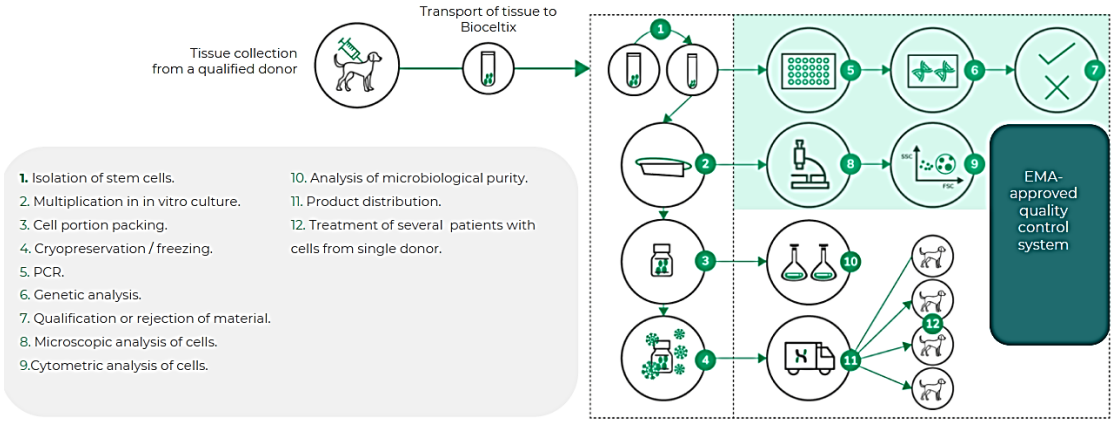
Product	Indication	Registration	Annual sales (USDm)							
			2017	2018	2019	2020	2021	2022	2023	2024
Librela	OA	2020	-	-	-	-	105	160	210	246
Cytopoint	AD	2017	-	129	400	750	920	1040	1200	1200
Solensia	OA	2021	-	-	-	-	-	51	45	45

Product	Indication	Registration	Market share (%)							
			2017	2018	2019	2020	2021	2022	2023	2024
Librela	OA	2020	-	-	-	-	4.8%	7.0%	8.8%	9.8%
Cytopoint	AD	2017	-	10.6%	31.5%	56.7%	66.8%	72.5%	80.3%	81.3%
Solensia	OA	2021	-	-	-	-	-	2.2%	1.9%	2.6%

Źródło: dane spółek, GlobalData, Statista.com, Trigon

Plans to launch the manufacturing facility with a slight delay. Bioceltix intends to produce its drugs independently at a facility to be launched in Wrocław. According to plans from 1H24, BCX aimed to begin and complete part of the construction work within 12 months. In our view, the preparation of documentation and project initiation were delayed by approximately 6–8 months due to formal reasons. In July 2025, BCX acquired land for the construction of a large-scale stem cell manufacturing plant. The company also signed an agreement with PARP for investment co-financing of approximately PLN 17.4 million. The project completion is scheduled for December 31, 2026. The new facility is expected to enable the production of target volumes of veterinary medicines that Bioceltix plans to offer in international markets under a manufacturing and licensing model.

The Allo-BCLX technology in a snapshot.



Source: BCX

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Podsumowanie wyceny projektów Bioceltix.

	Valuation			Valuation (PLNm)			Valuation (%)		
	PLNm	PLN/share	% of valuation	Deal value	Royalties	TV	Deal value	Royalties	TV
Clinical pipeline									
BCX-CM-J	226.0	45.9	41%	24.2	185.5	16.3	4%	33%	3%
BCX-CM-AD	157.0	31.9	28%	21.3	126.6	9.2	4%	23%	2%
BCX-EM	172.9	35.1	31%	0.0	158.5	14.4	0%	29%	3%
R&D pipeline valuation	**556**	**113**	**100%**	**45**	**471**	**40**	**8%**	**85%**	**7%**
R&D, SG&A, new lab costs 2025-2026	-121.5								
Net cash 2Q25	30.0								
BCX valuation (1/1/2025)	**465**	**94.3**							
TP 12M =127.3 PLN/share									

Source: Trigon

Key risks. The main risk factors include: 1) Project development failure; 2) Delays in achieving development milestones, 3) Regulatory and commercialization risks (lack of partnerships, lower-than-expected market sales), 4) Changes in clinical success parameters, market share, royalty rates, and extended clinical stages, 5) ncreasing competition in the market. A more detailed description can be found on page 16.

Valuation

GENERAL ASSUMPTIONS

1) The presented valuation of Bioceltix is based on the rNPV (risk-adjusted Net Present Value) method, which is the primary approach used to value biotech/medtech companies in the R&D project development phase. This method modifies the traditional DCF valuation by adjusting it for the probability that a molecule/therapy successfully progresses to the next clinical trial phase and ultimately achieves market registration.

2) We adopted a forecast period of 2025–2040. We assume that for most of this period, BCX projects will not be covered by patent protection. The company has chosen a strategy of not patenting its key production processes to avoid disclosing its "technical know-how." The production process for stem cell-based therapies is a complex technology characterized by a high entry barrier. However, we do not exclude the possibility that Bioceltix may be exposed to competitive pressures in the field of cell therapies or to other competing solutions in selected therapeutic areas during the forecast period.

3) Therefore, we applied an assumption of a negative competitive impact starting approximately five years after BCX products enter the market — leading to a reduction in the target patient market and pricing pressure (resulting in roughly a 30% reduction in these parameters from 2031 onward).

4) The final valuation is the sum of the parts (SOTP) of R&D projects for specific therapeutic indications: 1) BCX-CM-J for canine osteoarthritis, 2) BCX-CM-AD for canine atopic dermatitis, and 3) BCX-EM for equine osteoarthritis.

5) Data on clinical success rates in veterinary indications are limited. In our valuation assumptions, we applied probabilities of success based on data published for human clinical trials (Wong Chi et al. 2019. Estimation of Clinical Trial Success Rates and Related Parameters, Biostatistics 20(2): 273–286) and industry reports (Cancer Drugs Are The Least Likely to Receive FDA Approval, Fortune, May 2016). In our view, this approach results in more conservative and robust valuation assumptions. Any regulatory facilitation (by EMA or FDA) in the area of veterinary therapies would represent a significant upside potential for BCX project valuations.

6) We assume that BCX's partnership agreements will be signed at the stage of completed clinical trials, prior to the regulatory registration of the projects in the EU market. In our model, we do not include the possibility of registration and sales in the U.S. market due to the lack of an advanced regulatory process. From the moment a partnership agreement is signed, we assume that the partner will take over commercial development, while BCX will remain responsible for the production of therapeutic doses (given the technological complexity) and will be entitled to receive royalty payments from product sales.

7) We estimate total costs associated with clinical trials and the development of the new manufacturing facility through the

end of 2026 at approximately EUR 14–16m. According to our assumptions, further R&D work and production capacity expansion will be financed through resources already secured by BCX: 1) Current cash position (PLN 30m as of end-2Q25), PARP grant funding (PLN 18m), and potential licensing deal for at least one project by 2026 (PLN 20–25m), which together should secure operational financing through the end of 2026.

8) In the sales forecasts for BCX's potential therapies, we use our own assumptions regarding the target patient population. This assumption is based on statistical data on the number of dogs and horses in the EU, as well as market reports on the prevalence of osteoarthritis and atopic dermatitis in these animals.

9) The cost of a single therapy dose was estimated based on the costs of comparable therapies, taking into account the technological complexity of the production process (including the sourcing of raw material and therapeutic dosing). The production cost assumptions were developed internally, drawing on analogous production processes used for other cell-based therapies.

10) The potential market share of BCX therapies was estimated based on historical sales levels of newly approved veterinary and cell therapies (see Financial Assumptions section).

11) We assume partnership agreement parameters (upfront payment) at 5–10% of the median total value of comparable veterinary therapy transactions (discounted relative to peers due to BCX's lack of prior partnership track record). The comparable transactions analyzed in the veterinary field mostly involved mergers and acquisitions; therefore, in BCX's case, we assume that any potential transaction may have a different structure, as the manufacturing component would remain within BCX's business.

12) Accordingly, we assume a modest upfront payment (EUR 5–10m at transaction signing) and a high double-digit royalty rate (20%).

13) Exchange rates: EUR/PLN = 4.3; USD/EUR = 0.86 (for market size estimation purposes).

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

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

16) The effective tax rate was set at 19%.

Valuation. We estimate a 12-month target price for Bioceltix shares at 127.2 PLN (+32% upside) using a Sum-of-the-Parts (SOTP) valuation approach, with individual R&D projects valued using the rNPV method. Compared with the previous forecast update, we have revised our assumptions regarding product margins, increased cost assumptions for the manufacturing facility, and raised the cumulative success probabilities for BCX-CM-AD (from 60% to 81%) and BCX-EM (from 81% to 86%).

Podsumowanie wyceny projektów Bioceltix.

	Valuation			Valuation (PLNm)			Valuation (%)		
	PLNm	PLN/share	% of valuation	Deal value	Royalties	TV	Deal value	Royalties	TV
Clinical pipeline									
BCX-CM-J	226.0	45.9	41%	24.2	185.5	16.3	4%	33%	3%
BCX-CM-AD	157.0	31.9	28%	21.3	126.6	9.2	4%	23%	2%
BCX-EM	172.9	35.1	31%	0.0	158.5	14.4	0%	29%	3%
R&D pipeline valuation	**556**	**113**	**100%**	**45**	**471**	**40**	**8%**	**85%**	**7%**
R&D, SG&A, new lab costs 2025-2026	-121.5								
Net cash 2Q25	30.0								
BCX valuation (1/1/2025)	**465**	**94.3**							
TP 12M =127.3 PLN/share									

Source: Trigon

BCX: summary of valuation assumptions.

Project	Target Animal Safety (TAS)	Proof of Concept study (PoC)	EMA registration	Market launch	Sales / royalties
BCX-CM-J	**Indication- canine osteoarthrosis**				
phase duration (years)			1	1	
end of phase development	2023	2024	2026	2027	2027
upfront payment & milestone (EURm)			5		20.0%
probability of success (%)*	100%	100%	90%	95%	
cum. probability of success. (%)	100%	100%	90%	86%	
BCX-CM-AD	**Indication- canine atopic dermatitis**				
phase duration (years)		2	1	1	
end of phase development	2023	2025	2026	2027	2027
upfront payment & milestone (EURm)			5		20.0%
probability of success (%)*	100%	100%	85%	95%	
cum. probability of success. (%)	100%	100%	85%	81%	
BCX-EM	**Indication- equine osteoarthrosis**				
phase duration (years)		1	1	1	
end of phase development	2023	2024	2026	2027	2027
upfront payment & milestone (EURm)					70.0%
probability of success (%)*	100%	100%	90%	95%	
cum. probability of success. (%)	100%	100%	90%	86%	

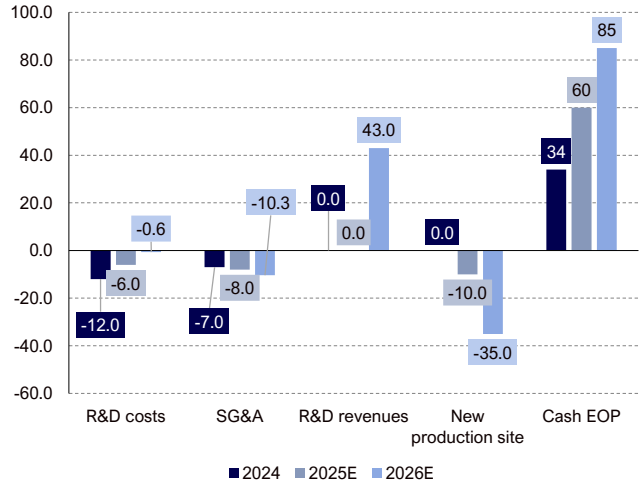
** source: Cancer Drugs Are The Least Likely to Receive FDA Approval, www.fortune.com, 2016; Wong Chi et al. 2019. Estimation of clinical trial success rates and related parameters. Biostatics (20); 2; 273–286*

Source: Trigon

ASSUMPTIONS REGARDING COSTS

By the end of 2026, we assume that Bioceltix will invest approximately PLN 50–52m in the development of R&D projects and the preparation of the new production facility. Our forecasts include the company's assumptions of allocating around PLN 7m for research and development activities. We estimate approximately PLN 2m for the finalization of the clinical dossier for the BCX-CM-AD project in canine atopic dermatitis; around PLN 2m for the registration processes of the BCX-CM-J and BCX -EM projects; and PLN 2–3m for the development of other early-stage R&D projects. Our cost assumptions also include the cash required for the preparation of the new production facility (PLN 25m) and SG&A expenses (PLN 10–15m).

BCX: cost assumptions for 2025–2026.



Źródło: Trigon

COMPARATIVE VALUATION

Within the group of comparable companies for Bioceltix, we distinguished a group of firms operating in the global pharmaceutical market, specifically in the development and/or sale of veterinary products and the advancement of cell therapies.

The comparative valuation includes:

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

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

BCX: comparative valuation.

Peer valuation	TICKER	MC (PLN)	P/E			EV/EBITDA			EV/EBIT		
			2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Bioceltix SA	BCX PW EQUITY	563	24.3	9.7	-	39.2	7.0	91.1	0.0	0.0	0.0
Zoetis Inc.	ZTS US Equity	288,800	28.3	27.0	24.3	19.0	18.5	19.5	23.5	22.1	21.8
Elanco Animal Health Inc.	ELAN US Equity	26,220	14.4	13.2	11.5	11.8	10.1	8.5	14.1	12.5	11.1
BioInvent International AB	BINV SS Equity	963	-	-	-	-	-	10.2	-	-	-
Santhera Pharmaceuticals Holdin	OCC AU Equity	853	-	51.3	26.7	-	13.4	10.4	-	-	-
Frontage Holdings Corp	868820 KS Equity	1,098	16.0	14.5	14.4	14.0	12.0	8.2	-	-	-
Fennec Pharmaceuticals Inc	SLN US Equity	890	43.0	10.0	5.6	13.0	7.5	-	-	-	-
Median			**16.0**	**20.8**	**19.3**	**14.0**	**12.7**	**10.2**	**18.8**	**17.3**	**16.5**
Premium / discount			*52%*	*-53%*	-	*180%*	*-45%*	*797%*	*-100%*	*-100%*	*-100%*
Implied equity per share (PLN)			**69**	**224**	**-19**	**41**	**176**	**25**	**45**	**222**	**19**
year weight			33%	33%	33%	33%	33%	33%	33%	33%	33%
ratio weight				33%			33%			33%	
Equity per share (PLN)							**89**				

Source: Trigon Brokerage House, Bloomberg

RNPV VALUATION

BCX-CM-J

1) Main therapeutic area: osteoarthritis in dogs

2) Current project status: EMA registration pending

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

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

5) CAGR 2024–2030 (%) for the canine osteoarthritis market: 4.8% (source: GMinsights report 2024)

6) Estimated market share of BCX therapy: 3.0% (internal assumption)

7) Duration and probability of clinical completion and market registration: based on Wong Chi et al., 2019. Estimation of clinical trial success rates and related parameters. Biostatistics (20); 2; 273–286

Project valuation

BCX-CM-J	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
milestone (EURm)	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
patients number (m)	0.632	0.663	0.695	0.728	0.763	0.799	0.838	0.865	0.892	0.921	0.950	0.981	1.012	1.045	1.078	1.112
prevalence dynamics (y/y)	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
annual dosage per patient	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
dosage price (EUR)	270.0	270.0	270.0	270.0	270.0	270.0	270.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0	180.0
BCX production capacity (m / year)	0.00	0.02	0.03	0.05	0.10	0.20	0.40	0.60	0.80	1.00	1.20	1.40	1.60	1.80	1.80	1.80
Total sales (EURm)	0	5	13	20	41	86	181	187	257	332	411	494	583	677	699	721
Single dosage production cost (EUR)	20.0	20.0	20.0	20.0	20.0	20.0	20.0	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7
Production costs / year (EURm)	0.0	0.3	0.7	1.0	2.0	4.0	8.0	16.0	21.3	26.7	32.0	37.3	42.7	48.0	48.0	48.0
Net revenues (EURm)	**0.0**	**3.8**	**8.5**	**12.5**	**25.0**	**50.0**	**100.0**	**92.0**	**122.7**	**153.3**	**184.0**	**214.7**	**245.3**	**276.0**	**276.0**	**276.0**
BCX royalties (%)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
BCX net revenues (EURm)	**0.0**	**5.8**	**1.7**	**2.5**	**5.0**	**10.0**	**20.0**	**18.4**	**24.5**	**30.7**	**36.8**	**42.9**	**49.1**	**55.2**	**55.2**	**55.2**
probability	100%	90%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%
milestone	0.0	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Royalties (EURm)	0.0	5.2	1.5	2.1	4.3	8.6	17.1	15.7	21.0	26.2	31.5	36.7	42.0	47.2	47.2	47.2
Total revenues probability adj. (EURm)	0.0	9.7	1.5	2.1	4.3	8.6	17.1	15.7	21.0	26.2	31.5	36.7	42.0	47.2	47.2	47.2
Total revenues (PLNm)	0.0	41.6	6.3	9.2	18.4	36.8	73.5	67.6	90.2	112.7	135.3	157.8	180.4	202.9	202.9	202.9
TOTAL (PLNm)	**0.0**	**41.6**	**6.3**	**9.2**	**18.4**	**36.8**	**73.5**	**67.6**	**90.2**	**112.7**	**135.3**	**157.8**	**180.4**	**202.9**	**202.9**	**202.9**
Tax	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
FCF (PLNm)	0.0	33.7	5.1	7.4	14.9	29.8	59.6	54.8	73.1	91.3	109.6	127.9	146.1	164.4	164.4	164.4
discount rate	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
discount factor	0.85	0.72	0.61	0.52	0.44	0.37	0.31	0.27	0.23	0.19	0.16	0.14	0.12	0.10	0.08	0.07
DFCF	0.0	24.2	3.1	3.8	6.5	11.0	18.7	14.6	16.5	17.4	17.7	17.5	17.0	16.2	13.7	11.6
DFCF sum (mln PLN)	**209.7**															
growth rate in TV	-10%															
Residual value (TV)	528.4															
Present TV	**16.3**															
Valuation (PLNm)	**226.0**															

Source: Trigon

BCX-CM-AD

1) **Main therapeutic area:** atopic dermatitis (AD) in dogs

2) **Current project status:** clinical trials ended

3) **Number of dogs in the EU in 2024:** 105.4 million (source: statista.com)

4) **Incidence of AD in dogs in 2025:** 15–20% of the total dog population (source: NCBI)

5) **CAGR 2024–2030 (%) for the canine AD market:** 4.5% (source: CoherentMarketInsights report 2024)

6) **Estimated market share of BCX therapy:** 2.5% (internal assumption)

7) **Duration and probability of clinical completion and market registration:** based on Wong Chi et al., 2019. *Estimation of clinical trial success rates and related parameters.* Biostatistics (20); 2; 273–286

Project valuation

BCX-CM-AD	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
milestone (EURm)	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
patients number (m)	0.395	0.413	0.432	0.451	0.471	0.493	0.515	0.530	0.546	0.562	0.579	0.597	0.615	0.633	0.652	0.672
prevalence dynamics (y/y)	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
annual dosage per patient	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
dosage price (EUR)	540.0	540.0	540.0	540.0	540.0	540.0	540.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0
BCX production capacity (m / year)	0.00	0.00	0.01	0.05	0.10	0.15	0.20	0.25	0.30	0.35	0.40	0.45	0.50	0.55	0.60	0.65
Total sales (EURm)	0	0	5	27	54	81	108	90	108	126	144	162	180	198	216	234
Single dosage production cost (EUR)	80.0	80.0	80.0	80.0	80.0	80.0	80.0	106.7	106.7	106.7	106.7	106.7	106.7	106.7	106.7	106.7
Production costs / year (EURm)	0.0	0.0	0.8	4.0	8.0	12.0	16.0	26.7	32.0	37.3	42.7	48.0	53.3	58.7	64.0	69.3
Net revenues (EURm)	**0.0**	**0.0**	**4.6**	**23.0**	**46.0**	**69.0**	**92.0**	**63.3**	**76.0**	**88.7**	**101.3**	**114.0**	**126.7**	**139.3**	**152.0**	**164.7**
BCX royalties (%)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
BCX net revenues (EURm)	**0.0**	**5.0**	**0.9**	**4.6**	**9.2**	**13.8**	**18.4**	**12.7**	**15.2**	**17.7**	**20.3**	**22.8**	**25.3**	**27.9**	**30.4**	**32.9**
probability	100%	85%	81%	81%	81%	81%	81%	81%	81%	81%	81%	81%	81%	81%	81%	81%
milestone	0.0	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Royalties (EURm)	0.0	4.3	0.7	3.7	7.4	11.1	14.9	10.2	12.3	14.3	16.4	18.4	20.5	22.5	24.5	26.6
Total revenues probability adj. (EURm)	0.0	8.5	0.7	3.7	7.4	11.1	14.9	10.2	12.3	14.3	16.4	18.4	20.5	22.5	24.5	26.6
Total revenues (PLNm)	0.0	36.6	3.2	16.0	31.9	47.9	63.9	44.0	52.8	61.6	70.4	79.2	88.0	96.8	105.6	114.4
TOTAL (PLNm)	**0.0**	**36.6**	**3.2**	**16.0**	**31.9**	**47.9**	**63.9**	**44.0**	**52.8**	**61.6**	**70.4**	**79.2**	**88.0**	**96.8**	**105.6**	**114.4**
Tax	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
FCF (PLNm)	0.0	29.6	2.6	12.9	25.9	38.8	51.8	35.6	42.8	49.9	57.0	64.1	71.3	78.4	85.5	92.6
discount rate	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
discount factor	0.85	0.72	0.61	0.52	0.44	0.37	0.31	0.27	0.23	0.19	0.16	0.14	0.12	0.10	0.08	0.07
DFCF	0.0	21.3	1.6	6.7	11.3	14.4	16.2	9.5	9.6	9.5	9.2	8.8	8.3	7.7	7.1	6.6
DFCF sum (mln PLN)	**147.8**															
growth rate in TV	-10%															
Residual value (TV)	297.7															
Present TV	**9.2**															
Valuation (PLNm)	**157.0**															

Source: Trigon

BCX-EM

1) **Main therapeutic area:** osteoarthritis in horses

2) **Current project status:** EMA registration pending

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

4) **Incidence of osteoarthritis in horses in 2025:** 25% of the total horse population (source: NCBI)

5) **CAGR 2024–2030 (%) for the equine osteoarthritis market:** 3.9% (source: LinkedIn report)

6) **Estimated market share of BCX therapy:** 4.0% (internal assumption)

7) **Duration and probability of clinical completion and market registration:** based on Wong Chi et al., 2019. *Estimation of clinical trial success rates and related parameters.* Biostatistics (20); 2; 273–286

Project valuation

BCX-EM	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
milestone (EURm)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
patients number (m)	1.775	1.844	1.916	1.991	2.069	2.150	2.234	2.292	2.351	2.413	2.475	2.540	2.606	2.674	2.744	2.815
prevalence dynamics (y/y)	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
annual dosage per patient	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
dosage price (EUR)	900.0	900.0	900.0	900.0	900.0	900.0	900.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0
BCX production capacity (m / year)	0.00	0.00	0.00	0.01	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09	0.10	0.11	0.12
Total sales (EURm)	0	0	1	5	9	18	27	24	30	36	42	48	54	60	66	72
Single dosage production cost (EUR)	15.0	15.0	15.0	15.0	15.0	15.0	15.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Production costs / year (EURm)	0.0	0.0	0.0	0.1	0.2	0.3	0.5	0.8	1.0	1.2	1.4	1.6	1.8	2.0	2.2	2.4
Net revenues (EURm)	**0.0**	**0.0**	**0.9**	**4.4**	**8.9**	**17.7**	**26.6**	**23.2**	**29.0**	**34.8**	**40.6**	**46.4**	**52.2**	**58.0**	**63.8**	**69.6**
BCX royalties (%)	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
BCX net revenues (EURm)	**0.0**	**0.0**	**0.6**	**3.1**	**6.2**	**12.4**	**18.6**	**16.2**	**20.3**	**24.4**	**28.4**	**32.5**	**36.5**	**40.6**	**44.7**	**48.7**
probability	100%	90%	86%	90%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%
milestone	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Royalties (EURm)	0.0	0.0	0.5	2.8	5.3	10.6	15.9	13.9	17.4	20.8	24.3	27.8	31.2	34.7	38.2	41.7
Total revenues probability adj. (EURm)	0.0	0.0	0.5	2.8	5.3	10.6	15.9	13.9	17.4	20.8	24.3	27.8	31.2	34.7	38.2	41.7
Total revenues (PLNm)	0.0	0.0	2.3	12.0	22.8	45.6	68.3	59.7	74.6	89.6	104.5	119.4	134.3	149.3	164.2	179.1
TOTAL (PLNm)	**0.0**	**0.0**	**2.3**	**12.0**	**22.8**	**45.6**	**68.3**	**59.7**	**74.6**	**89.6**	**104.5**	**119.4**	**134.3**	**149.3**	**164.2**	**179.1**
Tax	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
FCF (PLNm)	0.0	0.0	1.8	9.7	18.4	36.9	55.3	48.4	60.5	72.5	84.6	96.7	108.8	120.9	133.0	145.1
discount rate	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
discount factor	0.85	0.72	0.61	0.52	0.44	0.37	0.31	0.27	0.23	0.19	0.16	0.14	0.12	0.10	0.08	0.07
DFCF	0.0	0.0	1.1	5.0	8.1	13.7	17.4	12.9	13.6	13.9	13.7	13.3	12.7	11.9	11.1	10.3
DFCF sum (mln PLN)	**158.5**															
growth rate in TV	-10%															
Residual value (TV)	466.3															
Present TV	**14.4**															
Valuation (PLNm)	**172.9**															

Source: Trigon

Risk factors

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

Risk of failure in new drug development projects. The process of developing new drugs/therapies carries a high risk of failure. This is particularly significant for drugs/therapies whose mechanisms of action target new molecular pathways or employ novel therapeutic schemes. Depending on the therapeutic area, the cumulative probability of progressing from Phase 1 clinical trials to human market approval ranges from 5% to 12%, except for rare disease indications, where the probability is 25% (Nature Drugs Review 2020, Fortune 2016). Due to Bioceltix's plan to commercialize BCX projects at an advanced stage of market registration, the company bears a high level of clinical and regulatory risk. We estimate the cumulative probability of clinical success at 16–50%, depending on the project's therapeutic indication. By 2026, Bioceltix plans to spend EUR 4.2 million on R&D, which imposes a significant financial risk on the company's balance sheet. In our forecasts, we assume collaboration agreements will be concluded at the market registration stage of products. Therefore, the risk of project failure before reaching the intended commercialization stage cannot be entirely excluded.

Regulatory risk for MSC-based therapies. Stem cells occupy a gray area in existing legal classifications, being a biological product without a clear immunological mechanism and lacking well-defined chemical/pharmaceutical properties. The development of new products largely occurs under an undefined protocol. For new therapeutic solutions, particularly cell therapies, regulators may be more cautious in issuing guidelines and recommendations. Within the EMA, the Ad Hoc Expert Group on Veterinary Novel Therapies (ADVENT) has developed Q&A documents providing partial guidance. In 2016, four statements regarding stem cells were published for consultation, seeking expert opinions on developing cell therapies. Three expert opinions were published in 2017, addressing issues such as stem cell sterility, external factors, and tumorigenesis aspects. Specific questions concerning the safety of the target animal for stem cell-based products are still being finalized. Several stem cell therapies have received negative opinions from regulators such as the FDA or EMA (e.g., Horse Allo 20 in 2018). Therefore, the higher regulatory risk for cell-based products compared to standard drugs is a significant factor affecting the valuation of cell therapy projects.

Risk of delays in new drug development projects. The development of innovative projects is a complex research task that, beyond designing the therapeutic compound, also requires extensive basic research to characterize the molecular target and the biological pathways it affects. Developing a therapy for which no comparable compounds exist on the global pharmaceutical market may involve a longer process of optimizing the pharmaceutical form, manufacturing process, and planning and executing clinical trials compared to well-known therapeutic compounds. For this reason, delays in the clinical phases of BCX, as new MSC-based therapies, cannot be ruled out.

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

Risk of grant repayment. In 2023, Bioceltix received financial support from the European Funds for a Modern Economy (FENG) program for the development path of a product for canine atopic dermatitis, including covering costs associated with clinical trials. The total value of eligible expenditures in the project exceeds PLN 17.5 million, with the requested funding amount exceeding PLN 10.5 million. Failure to comply with the requirements of the funding agreement could result in the obligation to return part or all of the grant with interest. A potential order to repay part or all of the granted funds could result in the loss of resources, in the worst case preventing further R&D project development. Historically, the company has not been required to return significant grant funds.

Risk of declining biotechnology partnership trends. In 2021, the global pharmaceutical market saw a noticeable slowdown in the trend of a large number of partnership transactions. After a surge of interest in global biotech assets during the COVID-19 pandemic, Pharma's interest in investing in new biotech projects declined significantly, as did the value of IPO and VC transactions. Small biotech companies with business models focused on commercialization were the most affected by the decline in transactional financing. However, since 2H23, both Big Pharma and investors have shown renewed interest, with a positive impact on the number of partnership agreements in the global Pharma market. It should be noted that the current macroeconomic and geopolitical environment may again lead to a reduction in R&D spending by global pharmaceutical corporations, and the availability of financing through partnership agreements could be limited. Consequently, this risk may result in decreased interest in Bioceltix's projects.

Risk related to the loss of scientific personnel. BCX's operations depend on having highly qualified scientific and managerial staff with the necessary expertise and experience in developing MSC-based therapies. The loss of key personnel could negatively affect research capabilities and ongoing clinical projects. In BCX, the risk of losing current staff cannot be entirely ruled out. Considering plans to build a new production facility, there is also a risk of difficulties in recruiting new employees or increased personnel costs to attract key staff. To mitigate this risk, Bioceltix has implemented an Incentive Program for managers and employees.

Currency risk. The company incurs research costs both in Poland and abroad, and therefore has expenses denominated in both PLN and foreign currencies. In particular, some payments to research service providers are settled in foreign currencies. Bioceltix also plans to sell its therapies in the EU market, meaning a significant portion of revenues and costs will be denominated in foreign currencies, primarily EUR. Therefore, adverse PLN/EUR or PLN/USD exchange rates could negatively impact the company's cash flows.

Glossary

Term	Description
ALLO-BCLX	the BCX's technological platform, the aim of which is to develop a portfolio of medicinal products used to treat at least several diseases using several routes of administration (intravenous, intra-articular, local). Its essence is the possibility of administering a drug based on cells from a single donor to many other individuals (allogeneic method);
APPA	American Pet Products Association - a non-profit trade association dedicated to the care of animals and the development of the pet products industry;
ATPM	Advanced Therapy Medicinal Products, advanced therapy medicinal products based on cell therapy or gene therapy, sometimes in combination with a medical device;
R&D	prace badawczo-rozwojowe;
cGMP/GMP	current Good Manufacturing Practice/Good Manufacturing Practice - a set of production standards used in many industries, especially in the pharmaceutical industry;
CRO	Contract Research Organisation - contract research organization providing professional services in the field of preclinical and clinical research, including veterinary research;
EMA	European Medicines Agency operating within the European Union, headquartered in Amsterdam, responsible for protecting human and animal health in EU Member States by ensuring the safety, effectiveness and high quality of medicines;
FDA	Food and Drug Administration - The U.S. Food and Drug Administration is responsible for protecting public health by ensuring the safety and effectiveness of human and animal drugs, biological products and medical devices, and by ensuring the safety of the food supply and cosmetics;
GAP analysis	audit of documentation and collected preclinical and clinical data, chemical, production (GMP procedures) and control analyzes taking into account the safety and effectiveness of the preparation and risk assessment;
GCP	Good Clinical Practice - international ethical and scientific standards for planning, conducting, documenting and reporting the results of clinical trials involving human participants
GLP	Good Laboratory Practice - quality system used for organisational process and conditions of planning, conducting and monitoring of non-clinical studies of substances and their mixtures regarding safety to human health and the environment, and documenting, archiving and presenting results of such studies
In vitro	biological tests performed outside the body in laboratory conditions;
In vivo	research conducted inside the body;
ITF	Innovation Task Force - a multidisciplinary group operating within the European Medicines Agency, which includes scientific, regulatory and legal competences, functioning to establish cooperation with the market regulator at the early stage of development of the planned product;
Drug candidate	a chemical compound or substance with high therapeutic potential and expected pharmaceutical properties, not registered as a medicine;
Stem cell	a primitive cell that has the ability to develop into specialized cell types. Due to their origin, stem cells are divided into embryonic and somatic ("adult" cells). Embryonic cells have the ability to transform into any type of cells that make up the body (totipotent cells). Somatic cells that come from an adult organism have the ability to transform into several types of cells (multipotent cells) or into one type of cell (unipotent cells). Mesenchymal stem cells are an example of multipotent somatic stem cells;
MA	Marketing Authorisation - the last element of the process of introducing a new drug to the market, which consists in reviewing and assessing the evidence of the medicinal product related to its introduction to the market;
MoA	Mode of Action - mechanism of action of the drug candidate;
MSC	mesenchymal stem cells, multipotent somatic stem cells with the ability to transform into cells that build cartilage, bone and fat tissue. MSCs are the body's natural reservoir for the continuous replacement of damaged and worn-out cells with new ones and the regulation of these processes. Additionally, MSCs have an immunomodulatory effect, consisting in the modulation of the inflammatory response and its reduction through complex mechanisms of interaction between the cells of the patient's immune system, thus providing therapeutic possibilities;
NCBR	Narodowe Centrum Badań i Rozwoju based in Warsaw - Polish executive agency established to implement tasks in the field of scientific, scientific-technical and innovation policy;
NLPZ	non-steroidal anti-inflammatory drugs;
NOAH	National Office of Animal Health - animal medicine organization in Great Britain;
PARP	Polska Agencja Rozwoju Przedsiębiorczości – a Polish executive agency reporting to the minister responsible for regional development;
Off the shelf	immediate availability of a biological drug in a veterinary clinic;
Osteoarthrosis	chronic inflammation of joints with degenerative changes;
mAB	an antibody that is created from one clone of B lymphocytes, characterized by high specificity, i.e. it can bind only to one specific fragment of the antigen;
GMP	Good Manufacturing Practice, regulation on the requirements of Good Manufacturing Practice - Regulation of the Minister of Health on the requirements of Good Manufacturing Practice of November 9, 2015;
Scientific Adv	a procedure before the European Medicines Agency aimed at consultations on the proposed research path, especially in the field of safety, quality control and clinical trial;
TAS	phase related to demonstrating the safety of the developed drug candidate. The study is conducted under controlled conditions on the target species and involves administering the investigational medicinal product to healthy individuals in accordance with the adopted clinical protocol;
URPL	Office for Registration of Medicinal Products, Medical Devices and Biocidal Products based in Warsaw - unit responsible for the registration of veterinary drugs

Income statement (PLNm)

	2022	2023	2024	2025E	2026E	2027E
Revenues	**0.0**	**0.0**	**0.0**	**0.0**	**89.5**	**15.2**
Revenues from MSC-based therapies	0.0	0.0	0.0	0.0	46.5	15.2
Operating costs	9.7	15.8	18.8	17.8	10.2	20.0
COGS	0.0	0.0	0.0	0.0	1.3	6.4
Profit from sales	**-9.7**	**-15.8**	**-18.8**	**-17.8**	**79.3**	**-4.8**
Other operating profits	0.8	1.8	3.8	5.9	14.0	0.0
Other operating costs	0.1	0.0	0.0	0.1	0.0	0.0
EBITDA	**-9.2**	**-15.4**	**-18.3**	**-17.0**	**124.3**	**1.1**
adj. EBITDA	**-9.2**	**-15.4**	**-18.3**	**-17.0**	**124.3**	**1.1**
D&A	0.4	0.4	0.6	0.8	2.0	5.9
EBIT	**-9.7**	**-15.8**	**-18.8**	**-17.8**	**122.3**	**-4.8**
Net financial costs	0.1	0.4	0.7	0.6	0.6	0.6
EBT	**-9.0**	**-15.4**	**-18.2**	**-17.2**	**122.9**	**-12.2**
Income tax	0.0	0.0	0.0	0.0	25.5	-2.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**-8.9**	**-13.7**	**-18.1**	**-17.2**	**148.3**	**-9.8**
adj. Net profit	**-8.9**	**-13.7**	**-14.9**	**-12.1**	**108.6**	**-9.8**
sales margin	-	-	-	-	88.6%	-
EBITDA adj. margin	-	-	-	-	138.9%	7.5%
EBIT margin	-	-	-	-	136.6%	-
net profit adj. margin	-	-	-	-	121.4%	-
sales growth y/y	-	-	-	-	-	-83.0%
prfit on sales growth y/y	236.4%	-77.3%	-8.8%	563.3%	-	-
EBITDA adj. growth y/y	-	-	-	-	-	-99.1%
EBIT growth y/y	-	-	-	-	-	-
net profit adj. growth y/y	-	-	-	-	-	-

Source: Bioceltix-historical data, Trigon - forecasts

	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E
Revenues	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Revenues from MSC-based therapies	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	5.5	4.1	4.7	4.6	3.7	5.5
COGS	-5.5	-4.1	-4.7	-4.6	-3.7	-5.5
Profit from sales	**-5.5**	**-4.1**	**-4.7**	**-4.6**	**-3.7**	**-5.5**
Other operating profits	1.3	0.6	1.5	0.8	0.1	2.5
Other operating costs	0.0	0.0	0.0	0.1	0.0	0.0
EBITDA	**-4.0**	**-3.3**	**-3.0**	**-3.6**	**-3.5**	**-2.8**
adj. EBITDA	**-5.4**	**-3.9**	**-4.5**	**-4.5**	**-3.6**	**-5.3**
D&A	0.1	0.1	0.2	0.2	0.2	0.2
EBIT	**-4.2**	**-3.5**	**-3.2**	**-3.8**	**-3.7**	**-3.0**
Net financial costs	-0.1	0.0	0.2	0.0	0.0	0.0
EBT	**-4.2**	**-3.4**	**-3.1**	**-3.8**	**-3.7**	**-3.0**
Income tax	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**-4.2**	**-3.5**	**-3.0**	**-3.8**	**-3.7**	**-3.0**
adj. Net profit	**-5.5**	**-4.1**	**-4.5**	**-4.6**	**-3.8**	**-5.5**
gross margin	-	-	-	-	-	-
EBITDA adj. margin	-	-	-	-	-	-
EBIT margin	-	-	-	-	-	-
net profit adj. margin	-	-	-	-	-	-
sales growth y/y	-	-	-	-	-	-
gross profit growth y/y	-4.9%	-29.2%	90.7%	2434.0%	230.6%	-
EBITDA adj. growth y/y	-	-	-	-	-	-
EBIT growth y/y	-	-	-	-	-	-
net profit adj. growth y/y	-	-	-	-	-	-

Source: Bioceltix-historical data, Trigon - forecasts

Balance sheet (PLN m)

	2022	2023	2024	2025F	2026E	2027F
Fixed assets	**1.6**	**1.5**	**2.4**	**7.7**	**40.7**	**75.8**
Tangible fixed assets	1.5	1.5	2.4	7.2	40.2	75.3
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Company's value	0.0	0.0	0.0	0.0	0.0	0.0
Long-term receivables	0.1	0.0	0.0	0.5	0.5	0.5
Long-term investments	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	**6.0**	**11.2**	**39.4**	**77.3**	**155.0**	**110.8**
Inventory	0.0	0.0	0.0	0.0	0.4	0.4
Trade receivables	0.2	1.9	5.0	5.2	5.5	5.7
Other	1.7	0.0	0.8	0.9	0.9	0.9
Cash	4.1	9.3	33.6	71.2	148.3	103.8
Assets	**7.7**	**12.7**	**41.9**	**85.0**	**195.8**	**186.6**
Equity	**5.2**	**10.5**	**38.4**	**79.8**	**188.4**	**178.6**
Share capital	0.3	0.4	0.5	0.5	0.5	0.5
Other	13.7	23.7	52.8	91.4	79.3	187.9
Net profit (loss)	-8.9	-13.7	-14.9	-12.1	108.6	-9.8
Minority capital	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Long-term liabilities	**0.4**	**0.4**	**0.5**	**0.6**	**0.6**	**0.6**
Interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.4	0.5	0.6	0.6	0.6
Short-term liabilities	**2.2**	**1.9**	**2.9**	**4.6**	**6.8**	**7.4**
Interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Trade liabilities	1.0	1.2	2.9	4.4	6.6	7.2
Other	1.2	0.7	0.0	0.2	0.2	0.2
Liabilities	**7.7**	**12.7**	**41.9**	**85.0**	**195.8**	**186.6**
Net working capital	-0.7	0.7	2.1	0.8	-0.7	-1.1
Net debt	-4.1	-9.3	-33.6	-71.2	-148.3	-103.8
Net debt adj.	-4.1	-9.3	-33.6	-71.2	-148.3	-103.8
Net debt /EBITDA (x)	0.4	0.6	1.8	4.2	-1.2	-91.1
Net debt /equity (x)	-0.8	-0.9	-0.9	-0.9	-0.8	-0.6
ROE (%)	-	-	-	-	81%	-
ROA (%)	-	-	-	-	77%	-
Cash conversion cycle (days)	-	-	-	-	-20	-21
Inventory turnover (days)	-	-	-	-	2	10
Receivables turnover ratio (days)	-	-	-	-	22	134
Accounts payable turnover ratio (days)	-	-	-	-	43	165

Source: Bioceltix-historical data, Trigon - forecasts

Cash Flow (PLNm)

	2022	2023	2024	2025F	2026E	2027F
Cash flows from operating activities	**-7.9**	**-14.7**	**-17.6**	**-9.2**	**112.2**	**-3.4**
Net profit (loss)	-8.9	-13.7	-14.9	-12.1	108.6	-9.8
Amortization	0.4	0.4	0.6	0.8	2.0	5.9
Changes in working capital	1.0	-1.1	-2.6	0.9	1.5	0.4
Inventory changes	0.0	0.0	0.0	0.0	-0.4	0.0
Trade receivables change	0.2	-1.5	-3.1	-1.3	-0.3	-0.3
Trade liabilities change	0.8	0.5	0.4	2.2	2.2	0.7
Deffered income and other	-0.4	-0.4	-0.6	1.2	0.1	0.1
Cash flows from operating activities	**-0.4**	**-0.5**	**-0.1**	**-5.5**	**-34.8**	**-40.7**
CAPEX	-0.4	-0.5	-0.2	-5.6	-35.0	-41.0
Other	0.0	0.0	0.2	0.1	0.2	0.2
Cash flows from financial activities	**6.3**	**20.4**	**42.0**	**52.2**	**-0.4**	**-0.4**
Interest-bearing liabilities change	0.0	0.0	0.0	0.0	0.0	0.0
Revenues from shares emission	6.5	20.7	42.8	53.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.2	-0.3	-0.9	-0.8	-0.4	-0.4
Net cash flows	-1.9	5.2	24.3	37.5	77.1	-44.5
Cash opening balance	6.1	4.1	9.3	33.6	71.2	148.3
Closing balance of cash	4.1	9.3	33.6	71.2	148.3	103.8

Source: Bioceltix-historical data, Trigon - forecasts

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

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

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

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

Advantages: the method can capture the lowest threshold of a company's value.
Disadvantages: it may be hard to capture the value of a company's intangibles.
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