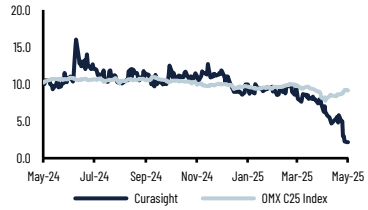
Curasight

Market: Spotlight Stock Market	Ticker: CURAS	Share price (DKK): 2.16	Market cap (DKK): 45.7m	Net debt (DKK): 9.8m	Enterprise Value (DKK): 55.5m

*Q1 2025. Not including upcoming rights issue

Share information



YTD	-87.8%	1 year:	-78.3%
1 month:	-70.7%	3 years:	-84.7%

Note: Closing price from 05 May 2025. Rebased to 06.05.2024

Financials

(DKKm)	2023	2024	2025E*
Revenue	0	0	N/A*
Revenue growth	*0%*	*0%*	*N/A%**
Gross loss	-25.7	-39.6	N/A*
Operating income	-33.2	-40.4	N/A*
Cash flow from operations	-29.9	-34.2	N/A*
Cash position	20.1	20.1	N/A*

Note: *No company guidance announced

Pipeline

Cancer type	Product	Phase I	Phase II	Phase III
Brain	uTRACE®	Complete	Complete*	
Brain	uTREAT®	Planned		
Prostate**	uTRACE®	Complete	Ongoing	Planned
Basket trial	uTREAT®	Planned		
Neuroendocrine	uTRACE®	Complete	Complete*	
Head & neck	uTRACE®	Complete	Complete*	
Non-small cell lung	uTRACE®	Complete	Ongoing*	

*Note: *reflects investigator-initiated phase I/IIa study ; **in partnership with Curium*

Company description

Curasight is a Danish biotech company established in 2013, headquartered in Copenhagen, Denmark. Curasight was listed on the Spotlight Stock Market in 2020. The company has developed two technologies, uTRACE (diagnostic) and uTREAT (therapeutic), based on the uPAR receptor, which is cancer-specific, but not cancer-type specific, representing a novel uPAR theranostic technology platform based on radionuclides, that will potentially diagnose and treat cancer at the same time.

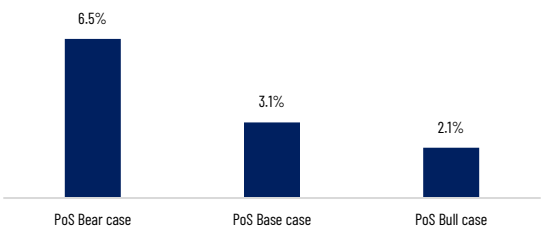
Investment case

The investment case for Curasight is driven by the successful development of its uPAR PET imaging platform uTRACE, and its targeted radionuclide therapy uTREAT, and entering partnerships to validate its technology, obtain funding, and potentially secure successful commercialization. In 2023, Curasight entered a partnership with France-based Curium regarding uTRACE in prostate cancer. The agreement provides up to USD 70 million in milestone payments and strengthens Curasight's ability to source radioisotopes, which have previously been a bottleneck.

The company has experienced a slower-than-expected pace in patient recruitment for the Phase II uTRACE study, conducted in partnership with Curium. However, headline data is still expected in H2 2025, with final results anticipated in H1 2026. On the uTREAT side, Curasight is still expected to submit the CTA (Clinical Trial Application) for GBM (Glioblastoma Multiforme) in H1 2025. Once approved, the company aims to deliver a preliminary readout of Part 1 of the Phase I/IIa trial in H2 2025, followed by final efficacy data in H1 2026. Overall, the two most important pipeline studies are delayed by approximately six months ahead of the upcoming announcement in late December 2024.

A lack of funding has delayed clinical progress year-to-date 2025. However, Curasight has initiated a rights issue to raise up to DKK 100 million to continue its clinical development. Its partner for uTRACE in prostate cancer, Curium, is supporting the issue, which is currently 47% covered by subscription and guarantee commitments. Improved financing may help de-risk the case and support a higher probability of success (PoS), compared to a biostatistical average of 15% for assets in phase II.

Model implied PoS – uTRACE and uTREAT combined



Key investment reasons

Curasight has gained proof-of-concept for its uTRACE diagnostic technology based on the uPAR receptor in phase IIa studies in four different cancer indications with over 400 total patients. The partnership with Curium regarding uTRACE, prostate has potential to unlock up to USD 70m in milestones and sales-based royalties.

Successful development of uTREAT will enable Curasight to address the more lucrative therapeutic market, which Curasight estimates to have an addressable market around 25x larger than diagnostics (uTRACE). Also, the uPAR-based technology is cancer-specific, but not cancer-type specific, making the technology potentially viable for diagnosing and treating further cancer types.

Curium, a leader in radiopharmaceuticals and an existing partner to Curasight, has expressed its support for the rights issue and has committed to subscribe for a total of DKK 17.8 million. This is a positive signal and may signal intentions for Curium to take a more active position in Curasight. Support from Curium may improve the ability to raise capital from other long-term investors.

The current market implied PoS based on model assumptions suggests that the stand-alone implied value of uTRACE for prostate and brain cancer is around 22%, above the 15% phase II Biostatistics benchmark. However, the combined PoS when including uTREAT, brain cancer, is around 3%, below the Biostatics implied PoS of around 8% for phase I products. Clinical progress and secured funding can trigger a higher justified PoS.

Key investment risks

Investing in the development of drugs and life science products is generally risky and requires patience and a high risk appetite. Curasight's uPAR-based technologies for uTRACE and uTREAT are still in their development phases, and there are no guarantees the products will be approved, either individually or in combination.

Curasight has initiated a rights issue for up to DKK 100m (around 100% of market cap) from 02-16 May 2025, which will dilute existing shareholders by up to 70.5% if they do not participate. While the issue is 47% covered via subscriptions and guarantees, a secured rights issue at that level would only extend the runway to end-2025, suggesting additional (likely dilutive) capital needs. Milestones from Curium may somewhat reduce these needs.

Curasight aims to secure commercialization partners for uTRACE and uTREAT, but may not be able to negotiate favorable terms with partners other than Curium. Even with partners, there is no guarantee product launches will be commercially successful.

Curasight may be affected by low risk appetite in financial markets (as with most biotech companies), which could increase reliance on warrants to internal management and employees, and other dilutive sources of capital.

curasight

Appendix – Discussion of assumptions in DCF-model

The model

This one-pager does not aim to determine a price target for Curasight shares but rather provides investment perspectives using a simplified discounted cash flow (DCF) model across different scenarios. The model uses scenarios to indicate the extent to which Curasight's current market capitalization reflects the implied probability of success (PoS) for its uTRACE, prostate cancer and GBM (brain cancer) and uTREAT GBM to attain FDA clearance and successful commercialization, based on the model assumptions described below. We now include uTREAT GBM anticipating a CTA application upon rights-issue completion, but exclude further indications given current funding constraints.

Market size and market growth

The addressable market sizes of the different cancer indications have been estimated by Curasight in publicly available documents or presentations, including uTRACE, GBM– EUR 195m, uTRACE prostate cancer, EUR 1.0bn and uTREAT brain cancer – EUR 5.1bn. The model considers the growth in the overall market size and the number of annual treatments performed per indication. The overall radionuclide market is among the fastest growing markets within biotech, also leading to large industry deals with several valued in excess of USD 1 billion. We therefore assume a market growth rate of 5% towards 2030, falling to 3% thereafter, and assume a negative terminal period growth rate of -25% to reflect competitive pressures following patent expiry.

Market share and revenue

Our model assumes different levels of peak market shares across indications to reflect independent market dynamics. Our market share estimates for uTRACE GBMis expected to peak at 30%, driven by the very high mortality and unmet need within GBM (brain cancer). Peak market share for uTRACE prostate cancer is assumed at 5% due to the competitive field for diagnostic products in a huge market. uTREAT for GBM is expected at 20% given the very high mortality and unmet need. Generally, the markets share levels are assumed to reflect the competitive dynamics and niche characteristics of the markets; with a higher market share generally accessible in a more niche market, but also relating to the respective unmet need. Generally, a high market share is often difficult to obtain immediately after product launch due to established workflow processes within hospitals etc., but for novel cancer diagnostic products, this general perception could prove to be to conservative. However, for simplicity reasons and modelling purposes, we model linear penetration curves from launch to peak market share in the respective markets. We expect that uTRACE for prostate cancer will be launched in 2029 supported by the partnership with Curium, while uTRACE GBM (brain cancer) will follow in 2030, and with uTREAT GBM launching in 2031. Launch dates have been delayed one year from earlier assumptions reflecting recent clinical progress delays due to liquidity constraints and patient enrolment delays.

Discount rate

The model uses a discount rate of 15%, reflecting the generally high level of investment risk and uncertainty typically associated with forecasting future cash flows from biotech companies. Curasight's uTRACE is a diagnostic product, that is generally perceived as less risky. However, uTREAT is a therapeutic oncology product that is generally more risky. Our model maintains the widely accepted 15% within the industry.

Probability of successful launch (PoS)

Based on historical data from Biostatistics research containing 5,764 pipeline projects in pharmaceutical and biotech companies, the average historical likelihood of a pipeline project passing through to launch from phase II is appr. 15%[1]. This is calculated across all medical indications, including those areas that are typically perceived as being very difficult to pass. For phase I indications the Biostatistics PoS is around 8% for all medical areas, with indications of a lower benchmark around 5% within oncology. A lower-than-average PoS illustrates that the market implicitly thinks there is a lower-than-average likelihood for Curasight to successfully launch uTRACE through various partnership deals and/or that further diluting capital raises should be expected. Another way to interpret a low PoS is that it suggests a corresponding potential value increase in the market value of the Curasight if uTRACE is approved and successfully launched - all things being equal.

EBIT-margin and royalty rates

According to the S&P Capital IQ Financial System, five-year average EBIT-margins within major pharmaceutical and biotech companies are approximately 30%. Looking at biotech companies specifically, the five-year average is approximately 50%, reflecting a generally more focused business model that is often based on higher economies of scale and partnership deals, which is also the strategy for Curasight. However, to be conservative, the model assumes an EBIT-Margin of 40%, which reflects that Curasight will continue to have development and sales, and administrative costs even when various partnership deals have been made. It is expected that Curasight can obtain a royalty rate of 15% in its partnership for uTRACE with Curium. A lower level is expected as a result of the up to USD 70m milestone agreement included in the partnership deal and also in our model. We model a royalty rate of 20% across its other indications. Currently without a partnership agreement. There will be variations depending on the type of partnership, if it is a partnership based on uTRACE or uTREAT – or both, the duration of the deal, and the level of exclusivity etc., but overall, a royalty rate of 20% is considered appropriate and comparable to industry standards if the products are highly valuable and represent a novel approach.

Capital increases

Curasight has initiated a rights-issue to raise up to DKK 100m running from 2 May to 16 May 2025. If fully subscribed the number of shares will increase from 21.1 million to 71.7 million representing a potential dilution of 70.5%. The capital raise is intended to fund Curasight's continued development of its diagnostic and therapeutic platforms. This includes finalizing patient enrolment in the uTRACE phase II trial in prostate cancer (in partnership with Curium), and completing the uTREAT Phase I trial in GBM (Brain cancer). Pending full subscription, the proceeds will extend the company's cash runway into mid-2026. The company has secured pre-subscription commitments and guarantees from investors totaling DKK 47 million. If Curasight does not raise additional funding beyond this amount, the company will have sufficient runway until the end of 2025.

Source [1]: Biostatistics: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6409418/

Appendix – Results and Conclusion

Scenarios

This one-pager does not aim to determine a price target for Curasight shares but rather provides investment perspectives using a simplified discounted cash flow (DCF) model across different scenarios. The model uses scenarios to indicate the extent to which BioPorto's current market capitalization reflects the implied probability of success (PoS) for Curasight's uTRACE for GBM and prostate cancer, and uTREAT for GBM to attain FDA clearance and successful commercialization. Remaining indications are not included currently to remain conservative and reflect lack of funding .

Base case scenario

In the base case scenario, the model uses market size and treatment cost assumptions as outlined by Curasight's investor materials for uTRACE prostate cancer and GBM and uTREAT GBM. The model uses an EBIT margin of 40% and royalty rate of 15% for partnered uTRACE prostate cancer and 20% for other indications. We estimate a peak market share for uTRACE prostate cancer of 5%, uTRACE GBM of 30%, and uTREAT GBM of 20%. Based on this, the market currently implicitly assumes there is a 22% probability of successful launch (PoS) for the uTRACE platform (prostate & brain cancer) in isolation, according to the model. This compares to a historical average level of success of approximately 15% for pipeline projects across all indications. When including uTREAT GBM the base case currently implicitly assumes there is a 3% PoS for commercial launch. This compares to a historical average level of success of around 8% for phase I products.

Bear case scenario

In the bear case scenario, the model uses an estimated peak market share for uTRACE prostate cancer of 4%, uTRACE GBM of 20%, and uTREAT GBM of 10%. The remaining assumptions are in line with those used in the base case scenario, i.e an EBIT margin of 40% and a royalty rate of 20% (15% for prostate cancer). Based on this, the market currently implicitly assumes there is a 26% probability of successful launch (PoS) for the uTRACE platform (prostate & brain cancer) in isolation, according to the model. When including uTREAT GBM, the bear case currently implicitly assumes there is a 7% PoS for commercial launch.

Bull case scenario

In the bull case scenario, the model uses an estimated peak market share for uTRACE prostate cancer of 6%, uTRACE GBM of 40%, and uTREAT GBM of 30%. The remaining assumptions are all similar to those used in the base case scenario. Based on this, the market currently implicitly assumes there is a 16% probability of successful launch (PoS) for the uTRACE platform (prostate & brain cancer) in isolation, according to the model. When including uTREAT GBM, the bull case currently implicitly assumes there is a 2% PoS for commercial launch.

Adjustments for rights issue

No adjustments have been made for the rights issue and PoS is calculated using the pre rights-issue number of shares and net debt. Share price is from 05/05/2025. We choose not to speculate on the final proceeds of the rights issue and expect the results to significantly influence share prices.

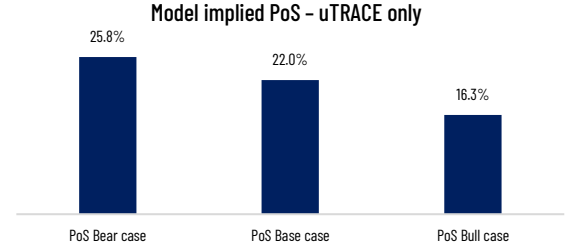
Conclusion

Over the past 12 months, Curasight has focused on strengthening its capital structure. As part of the recently announced capital increase of DKK 100 million, the company has secured subscription commitments from its strategic partner Curium, as well as from the financial investor Pentwater Capital. In addition, guarantee commitments bring the total secured amount to DKK 47 million. This financing is expected to cover the company's operations through the end of 2025, enabling it to deliver on key pipeline milestones. Achieving these milestones is critical to positioning the company for future access to additional capital from the market.

Following the capital raise, final patients are expected to be enrolled in the uTRACE phase II study, in collaboration with Curium, with topline results expected during H2 2025, and final results H1 2026. Positive data may strengthen the collaboration and also release part of the up to USD 70m milestones included in the partner agreement.
A clinical trial application (CTA) for uTREAT proof-of-concept study in GBM (Glioblastoma) will be submitted following the capital raise, with preliminary efficacy data expected already in H2 2025. A positive read-out will be critical for the market to assign greater value to the company's ambitions for a basket trial across multiple indications for its theranostic platform comprising uTREAT and uTRACE. Positive uTREAT data can be a trigger for us to also incorporate value to the additional indications outlined in the planned basket trial, which represent an additional large market opportunity.

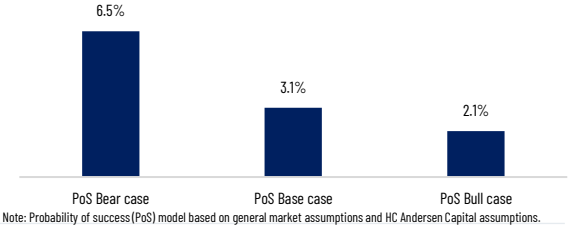
Based on our model assumptions for uTRACE for prostate cancer and GBM, the market currently implicitly assumes a 22% probability of successful launch (PoS) for the uTRACE platform in isolation. This compares to a historical average success rate of approximately 15% for phase II pipeline projects across all indications suggesting that the market also assigns some value to uTREAT. When including uTREAT, the market's currently implicitly assumes a 3% PoS for commercial launch of the uTRACE platform (prostate & GBM) and uTRACE GBM, below the historical Biostatistics average success rate of around 8% for Phase I products. Therefore the market suggests that positive clinical development in either uTRACE or uTREAT can be positive triggers for the implied company valuation, and that uTREAT development in particular can support valuation improvement. A low PoS, can also imply high likelihood of further dilutive capital raises, which will be influenced by the outcome of the ongoing rights-issue.

Model implied PoS – uTRACE only



Note: Probability of success (PoS) model based on general market assumptions and HC Andersen Capital assumptions.

Model implied PoS – uTRACE and uTREAT combined



Note: Probability of success (PoS) model based on general market assumptions and HC Andersen Capital assumptions.