VALUATIONLAB
FINANCIAL ANALYSIS

CURATIS

FOCUS AREA: SPECIALTY PHARMACEUTICAL DISTRIBUTION AND SEARCH & DEVELOPMENT COMPANY FOR RARE AND ULTRA-RARE DISEASES

KEY DATA			SIX: CURN.SW
MARKET CAPITALIZATION (CHF MN)	30	**SHARE PRICE ON JULY 24, 2024**	6.4
ENTERPRISE VALUE (CHF MN)	27	**RISK-ADJUSTED NPV PER SHARE** (CHF MN) **	20.0
ESTIMATED CASH (30 JUNE 2024) (CHF MN)	3.1	**UPSIDE/DOWNSIDE** (%)	212%
MONTHLY OPERATING EXPENSE (CHF MN)	0.8	**RISK PROFILE**	HIGH RISK
CASH RUNWAY *	SUSTAINABLE	**SUCCESS PROBABILITY LEAD PIPELINE DRUG**	35%
BREAK-EVEN (YEAR) *	2025	**EMPLOYEES** (GROUP)	8
FOUNDED (YEAR)	2002	**LISTED** (YEAR)	2024

KEY PRODUCTS:	STATUS
- C-PTBE-01 (PEDIATRIC PERITUMORAL BRAIN EDEMA - PTBE)	PHASE III-READY
- C-AM-01 (SEVERE MIGRAINE WITH AURA - SMWA)	PHASE IIB-READY
- C-MOH-01 (MEDICATION OVERUSE HEADACHE - MOH)	PHASE IIB-READY
- KIN001 (IPF ^ & RARE INFLAMMATORY DISEASES)	PHASE IIB-READY

MAJOR SHAREHOLDERS:	(%)**
- GUENTER GRAUBACH (CCDO)	43.1
- ROLAND RUTSCHMANN (CEO)	28.7
- FRANCOIS BERSIER (COO)	2.5
- EXECUTIVE MANAGEMENT	74.3
- FREE FLOAT	**25.7**
- AVERAGE DAILY VOLUME (3 MONTHS)	3'006

UPCOMING CATALYSTS:	DATE
- C-PTBE-01 - APPLY FOR ORPHAN & PEDIATRIC DESIGNATION	H2 2024
- C-PTBE-01 - SCIENTIFIC ADVICE MEETING FDA & EMA	H2 2024
- C-PTBE-01 - PARTNERING AGREEMENT BEFORE PHASE III	2025

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* ASSUMES PARTNERING AGREEMENT FOR C-PTBE-01 IN 2025; ** BASED ON 5.3 MN FULLY DILUTED NUMBER OF SHARES; ^ IPF = IDIOPATHIC PULMONARY FIBROSIS

ESTIMATES AS OF 25 JULY 2024

SOURCE: VALUATIONLAB ESTIMATES, CURATIS

A stable and exciting growth story

Profitable distribution business and emerging pipeline

Curatis has a profitable Specialty Distribution business for third-party pharmaceutical products and a Search & Development business seeking drugs with existing safety and clinical data to develop new indications with high unmet medical needs, focusing on rare and ultra-rare diseases. The company plans to grow its specialty distribution business through additional products in Switzerland and expansion in selected European countries. Its emerging pipeline of advanced/late-stage clinical projects consists of lead compound C-PTBE-01 for replacing/reducing steroid use in children with peritumoral brain edema (PTBE) to improve quality of life; C-AM-01 for preventing severe migraine with aura (sMwA); and C-MOH-01 for treating medication overuse headache (MOH). Peak sales by product are expected to range between USD 250 mn – USD 500 mn. In addition, Curatis's pipeline includes KIN001 for idiopathic pulmonary fibrosis (IPF). Sufficient funds have been secured to develop its projects up to partnering readiness (e.g., phase III or phase IIb) and beyond. Sustainable cash flows are foreseen after signing a partnering agreement for C-PTBE-01 in 2025. We derive a sum-of-parts risk-adjusted (r)NPV value of CHF 20.0 per share, with 10% of the value related to the profitable specialty distribution business, 54% to lead compound C-PTBE-01, and 3% to cash. Curatis's risk profile is High Risk as future growth largely depends on the successful development of its emerging clinical-stage pipeline.

Key catalysts:

- **C-PTBE-01 - Apply for Orphan Disease Designation and Rare Pediatric Disease Designation (H2 2024):** If granted and upon approval, Curatis will receive 12-years (EU) and 7 ½ years (US) market exclusivity and a Rare Pediatric Disease Priority Voucher.
- **C-PTBE-01 – Scientific advice meeting with the FDA and EMA (H2 2024):** To determine the final clinical development plans in pediatric PTBE before seeking a development and commercialization partner.
- **C-PTBE-01 – Partnering agreement before starting phase III trial (2025):** Proceeds from this licensing agreement will be used to expand Curatis's operations, seek new development projects, and potential dividends.

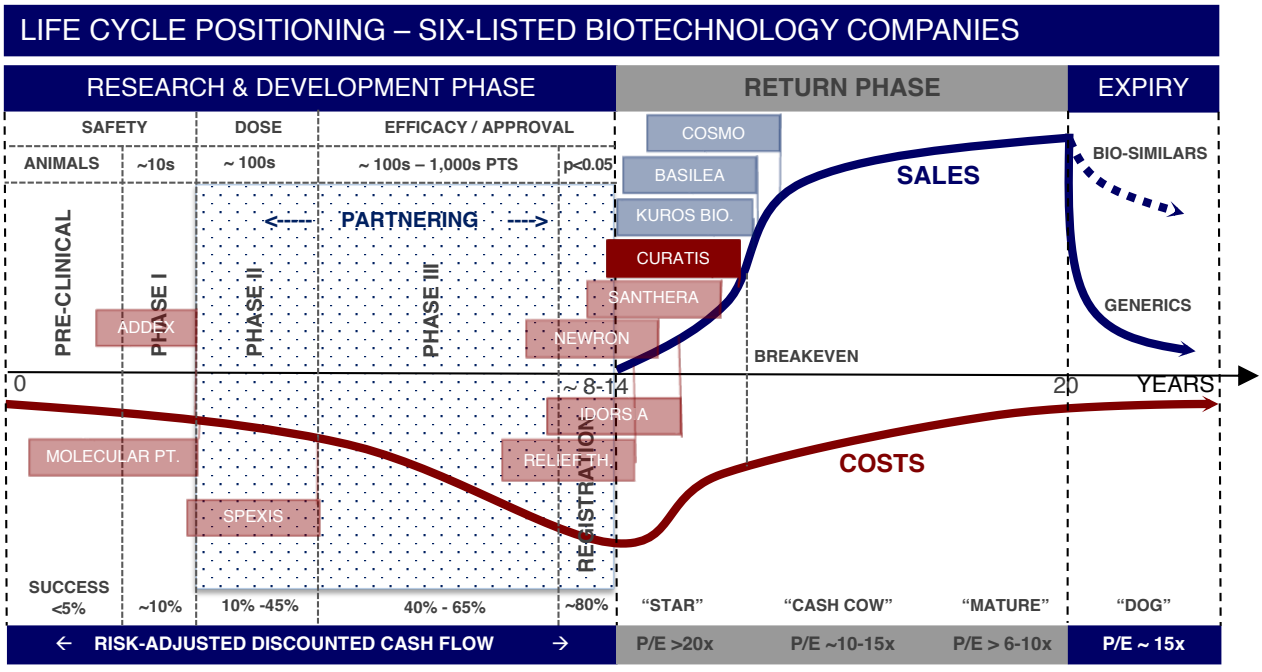
Investment case, strategy & cash

Investment case in a nutshell

Curatis is a unique risk-balanced company, including a profitable and growing Specialty Distribution business and a Search & Development business seeking drugs with existing safety and clinical data to develop new indications with high unmet medical need with a focus on rare and ultra-rare diseases. It has three advanced/late-stage clinical pipeline projects with peak sales ranging from USD 250 mn to over USD 500 mn and one project ready for clinical development. Lead compound C-PTBE-01 for treating children with peritumoral brain edema is almost phase III-ready. In H2 2024, Curatis will apply for Orphan Drug Designation (ODD) and Rare Pediatric Disease Designation (RPDD). If granted and upon market approval, Curatis will receive 12-year (EU) and 7 ½ year (US) market exclusivity and a Rare Pediatric Disease Priority Voucher. A partnering agreement for C-PTBE-01 is expected with substantial upfront, regulatory, sales milestones and royalties on sales in 2025. Successful development and commercialization of any of its key compounds would be transformational, providing substantial revenues on top of its profitable Specialty Distribution business with the potential of future dividends. Based on our detailed bottom-up forecasts for Curatis key drivers reaching their targeted peak sales with ample market exclusivity or patent protection, we calculate a sum-of-the-parts risk-adjusted NPV of CHF 106 mn or CHF 20.0/share, providing equity upside of 233% from the current share price.

Life Cycle Positioning – High Risk

Curatis's profitable Specialty Distribution business should grow steadily through additional products in Switzerland and expansion into select European countries. The successful development and commercialization of the pipeline products in its Search & Development business will be transformational for growth, with no revenues yet. Clinical development and commercialization depend on the timely signing of partnering agreements to advance the products to market. Their life cycle largely depends on market exclusivities and patents (method of use, formulation, dose regimen) and product differentiation (unique label, dose, and branding) to fend off generics. (See Important Disclosures for our Risk Qualification.)



SOURCE: VALUATIONLAB

A Swiss Specialty pharma company with a profitable Specialty Distribution business and a Search & Development business seeking drugs with existing safety and clinical data to develop new indications with high unmet needs and a focus on rare diseases.
Curatis is a specialty pharmaceutical company consisting of a Specialty Distribution business with a sizeable and historically profitable portfolio of marketed orphan disease and specialty products in Switzerland and a Search & Development business that seeks drugs with existing safety and clinical data to develop for new indications with high unmet medical need and a focus on orphan (rare) diseases, with an emerging pipeline of four compounds. The company was founded in 2002 and is based in Liestal, Switzerland, with 8 employees. Following the business combination with Kinarus Therapeutics Holding AG, Curatis became a publicly traded company listed on the SIX Swiss Stock Exchange (ticker: CURN) in April 2024, which will increase its visibility and provide a platform to present its strategic initiatives, drug development achievements, and market potential to a broader audience, including investors, industry partners, and the global healthcare community.

Search & Development substantially reduces development risk, costs and timelines.
Curatis' key pipeline projects are based on existing drugs with clinical safety and efficacy data in other approved or unapproved (experimental) indications. The composition of matter patent from the originator has expired and can be developed freely. Curatis targets developing these compounds in areas of high unmet medical need, focusing on rare diseases, also known as orphan diseases. The main advantages of its Search & Development strategy include fast development timelines, costs, and risk. Curatis specifically targets orphan and pediatric (infants, children, adolescents) diseases because new uses for these diseases can often be effectively protected by a combination of new therapeutic use, formulation or dosing regimen patents, specific branding, and various market exclusivities such as data exclusivity (10 years in the EU, 3 years in the US), orphan drug exclusivity (10 years in the EU, 7 years in the US), and pediatric drug exclusivity (2 years in the EU, 6 months in the US) from the date of approval.

Ample opportunity in the high-margin orphan market
Developing drugs for rare diseases is typically associated with a faster and less costly route to market due to smaller clinical trial sizes, shorter trial times, and higher regulatory success rates as regulators incentivize companies to invest in rare disease drugs, thereby reducing the overall risk profile. Orphan drugs are typically high-margin products where effective treatments can command a relatively high price, and specialists can be addressed by a relatively small field force with substantial market exclusivity to make attractive returns and fend off generics. Moreover, orphan drugs have shown above-market growth compared to non-orphan drugs in recent years. The global orphan drug market is expected to grow at a CAGR of approximately 12%, from USD 173 bn in 2023 to USD 300 bn in 2028.

Curatis has two distinct businesses providing a risk-balanced specialty portfolio.
Curatis operates a Specialty Distribution business with a sizeable portfolio of attractive marketed orphan and specialist products for Switzerland and a Search & Development business with a pipeline of three promising advanced/late clinical-stage development projects as well as one project ready for clinical development:

1. **Specialty Distribution business:** Curatis has a profitable and growing portfolio of specialty medicines from third-party pharmaceutical companies, with exclusive distribution rights for more than 30 drugs in Switzerland. The company plans to grow this

business by increasing the number of specialty drugs in Switzerland and geographical expansion in select European countries, including Germany, France, the UK, and Italy.

2. **Search & Development business:** Curatis has built a clinical development pipeline of three compounds for which safety and clinical data already exist for new indications with a high unmet medical use in rare and ultra-rare indications, allowing for faster development timelines and costs with lower risk and investment through to commercialization. Its three key compounds, each in advanced/late clinical development stage, include C-PTBE-01 for treating children with peritumoral brain edema (phase III-ready), C-AM-01 for treating severe migraine with aura (phase IIb-ready), C-MOH-01 for treating medication overuse headache (phase IIb-ready). Furthermore, Curatis's pipeline includes KIN001 (developed by Kinarus) for idiopathic pulmonary fibrosis (IPF) and potentially other rare inflammatory and fibrotic disease indications (POC-ready).

Strategy to become a leading European specialist medicines company

Curatis's strategy is to become a leading European specialist medicines company by growing and expanding its profitable Specialty Distribution business beyond Switzerland and progressing the promising pipeline projects of its Search & Development business up to partnering-readiness, e.g., phase IIb or phase III-ready, and then partner these compounds in return for substantial upfront, regulatory, and sales milestones and royalties on sales to maximize value and minimize risk.

Curatis's Search & Development business key pipeline products include:

1) **C-PTBE-01 (peritumoral brain edema) – peak sales of CHF 150 mn:** a synthetic endogenous peptide for the treatment of peritumoral brain edema (PTBE) in children with certain brain tumors; clinical data available showing a strong steroid-sparing effect with the potential to replace steroids; completing partnering-readiness by finalizing the phase III trial design; partnering agreement expected in 2025; single potentially pivotal phase III to start in 2025; first launches expected in 2027 with peak sales conservatively reaching around CHF 150 mn (Curatis guides for USD 250 mn); Curatis plans to market C-PTBE-01 in select European markets, including Europe Top 5, the Benelux, Switzerland, and Austria.

2) **C-AM-01 (severe migraine with aura) – peak sales of CHF 450+ mn:** an oral platelet aggregation inhibitor for the prevention of severe migraine with aura (sMwA); two POC trials suggest a reduction in the number of aura attacks; preparing partnering-readiness; partnering expected in 2025/2026; phase IIb trial to start at the end of 2025; two positive phase III trials required for approval; first launches in 2030 with peak sales reaching more than CHF 450 mn (Curatis guides for USD 500 mn).

3) **C-MOH-01 (medication overuse headache) – peak sales of CHF 450+ mn:** an oral noradrenergic and specific serotonergic inhibitor for the treatment of medication overuse headache (MOH); POC trial in chronic tension-type headache (CTTH) available; preparing partnering-readiness by finalizing the phase IIb dose-ranging trial in cooperation with the FDA/EMA; partnering expected in 2026; phase IIb trial to start in 2026; two positive phase III trials required for approval; first launches are expected in 2032 with peak sales reaching more than CHF 450 mn (Curatis guides for USD 500 mn).

4) **KIN001 (idiopathic pulmonary fibrosis) – peak sales TBD:** a proprietary fixed-dose combination of pamapimod and pioglitazone, developed by Kinarus; Curatis is currently evaluating its use in rare inflammatory and fibrotic diseases and potential partnering for idiopathic pulmonary fibrosis (IPF) to conduct a proof-of-concept (POC) trial.

All three advanced late clinical-stage compounds address attractive market opportunities, ranging between USD 250 mn and USD 500 mn. All compounds have the potential for line extensions with substantial sales potential upside. For instance, C-PTBE-01 could be developed to treat edema in other brain tumors, while C-MOH-01 could be developed to treat chronic tension-type headache (CTTH). We conservatively exclude these line extensions in our forecasts.

Curatis's key priorities in the next 12-18 months include:

C-PTBE-01 (pediatric peritumoral brain edema):

- Apply for Orphan Drug Designation (ODD) to receive regulatory development incentives and market exclusivities in the US and EU upon market approval.
- Apply for Rare Pediatric Disease Designation (RPDD) to receive regulatory development incentives, market exclusivities, and a Rare Pediatric Disease Priority Voucher upon market approval.
- FDA and EMA guidance on the development path for PTBE in children with a single potentially pivotal phase III trial.
- Secure a partnering agreement in return for substantial upfront, regulatory and sales milestones, and royalties on net sales.

C-AM-01 (severe migraine with aura):

- Complete partnering readiness.

C-MOH-01 (medication overuse headache):

- Complete partnering readiness.

KIN001 (idiopathic pulmonary fibrosis):

- Identify ultra-rare indications in inflammatory and fibrotic diseases.
- Secure partnership for the clinical development in IPF.

FY 2024 results impacted by the business combination with Kinarus Therapeutics Holding AG – sustainable cash flows ahead.

Thanks to its Specialty Distribution business in Switzerland, Curatis has historically been profitable, although its profits have been relatively low, with an FY 2023 profit of CHF 142,000. Over the next three years, the company expects to increase the number of third-party products under contract in Switzerland and establish a physical presence in Germany to market and distribute products within the EU, particularly in Germany, France, Italy, and the UK. This is expected to increase the income from its specialty distribution activities as of 2025.

For its Search & Development business, Curatis expects to incur operating losses due to investments in its pipeline until a lucrative partnering agreement for its most advanced compound, C-PTBE-01, has been signed in 2025.

For FY 2024, the company expects a single-digit million CHF loss, mainly due to one-off transaction costs for the business combination with Kinarus Therapeutics Holding AG and non-cash relevant charges incurred in relation to the amendment of its employee shareholder and option plan (ESOP), in particular the amendment to the exercise period and price, and the annual amortization of additional intangible assets created in the context of the business combination with Kinarus Therapeutics Holding AG.

Curatis is expected to generate substantial cash flow once partnering agreements for its compounds have been secured and successfully launched. The proceeds will be used to fund the search for new compounds and their clinical development up to partnering readiness, commercialize existing and future compounds in select European countries and potentially in the lucrative US market, and return substantial cash to investors through dividends.

Valuation Overview

Sum-of-parts risk-adjusted (r)NPV points to a fair value of CHF 20.0 per share.
We derive a sum-of-parts rNPV of CHF 20.0 per share, with estimated cash of CHF 0.6 per share (30 June 2024), overhead of CHF 2.2 per share, and a WACC of 10% (consisting of a market risk premium of 6% multiplied by a beta of 1.5 and a risk-free rate (10-year Swiss bond yield) of 1%).

SUM OF PARTS

PRODUCT	INDICATION	PEAK SALES (CHF MN)	LAUNCH YEAR (EST)	UNADJUSTED NPV/SHARE * (CHF)	SUCCESS PROBABILITY	RISK-ADJUSTED NPV/SHARE * (CHF)	PERCENTAGE OF TOTAL
SPECIALTY DISTRIBUTION BUSINESS	**ORPHAN AND SPECIALTY DISEASE DRUGS**			**2.3**		**2.3**	**10%**
SEARCH AND DEVELOPMENT BUSINESS:							**87%**
C-PTBE-01	PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)	140	2027	34.0	35%	**11.9**	54%
C-AM-01	SEVERE MIGRAINE WITH AURA (SMWA)	474	2030	24.7	15%	**3.7**	17%
C-MOH-01	MEDICATION OVERUSE HEADACHE (MOH)	475	2032	24.6	15%	**3.7**	17%
KIN001	IDIOPATHIC PULMONARY FIBROSIS (IPF)	TBD	TBD	TBD	TBD	**TBD**	
ESTIMATED CASH POSITION (30 JUNE 2024)		3		0.6		**0.6**	3%
TOTAL ASSETS				97.4		**22.2**	**100%**
OVERHEAD EXPENSES				-2.2		**-2.2**	
NPV/SHARE (CHF)				95.2		**20.0**	
SHARE PRICE ON JULY 24, 2024						6.4	
PERCENTAGE UPSIDE / (DOWNSIDE)						212%	

* BASED ON 5.3 MN FULLY DILUTED SHARES

ESTIMATES AS OF 25 JULY 2024

SOURCE: VALUATIONLAB ESTIMATES, CURATIS

Curatis' key value drivers include:

Specialty Distribution business – NPV of CHF 2.3 per share
Curatis Group aims to grow its specialty distribution business by increasing its product offering of specialty pharmaceuticals in Switzerland and geographically expanding its distribution business to selective European markets such as Germany, France, the UK, and Italy. We calculate an NPV of CHF 2.3 per share for the specialty distribution business, conservatively assuming a revenue growth rate of 10-15% and a stable gross margin of around 20%.

Search & Development business:

C-PTBE-01 (peritumoral brain edema) – risk-adjusted NPV of CHF 11.9 per share
We conservatively forecast peak sales of almost CHF 150 mn for C-PTBE-01 in peritumoral brain edema (PTBE) caused by diffuse midline glioma (DMG). This ultra-rare brain cancer primarily affects children and has a poor outlook. C-PTBE-01 is targeted to improve the quality of life for patients by replacing or significantly reducing the use of steroids, which effectively reduce brain swelling but are hampered by severe side effects. We assume Curatis will partner C-PTBE-01 in 2025 and start a single potentially pivotal phase III trial later that year. First launches are expected in H2 2027, with pricing in the range of Avastin treatment (around USD 6,500 per month in the US) and peak market penetration swiftly ramping up to ~50%. Orphan Disease Designation (ODD) and rare pediatric disease designation (RPDD) should provide up to 7 ½ years (US) and 12 years (EU) market exclusivity. We calculate a risk-adjusted (r)NPV of CHF 11.9 per share, assuming a 35% (phase III-ready) success rate, accounting for 15% sales royalties and up to CHF 38 mn milestone payments from its partner(s), and costs related to the build-up of its own specialist sales force to market C-PTBE-01 in Europe Top 5 (Germany, France, UK, Spain, Italy), the Benelux (Belgium, Netherlands, Luxemburg), Switzerland and Austria. Additional upside to our forecasts could come from other brain cancers where swelling occurs, and steroids are used to treat the swelling.

C-AM-01 (severe migraine with aura) – risk-adjusted NPV of CHF 3.7 per share

We forecast peak sales of more than CHF 450 mn for C-AM-01 in treating severe migraine with aura (sMwA), which can cause significant disability in patients and compromise their daily life activities. An estimated 20% of the population experience migraine, of which 20% have aura, while 10% are qualified as severe. Currently, there are no approved treatments for sMwA and its associated headaches. C-AM-01 aims to improve the quality of life for these patients by reducing the number of aura attacks significantly. Curatis is completing partnering readiness and expects to partner the compound in 2025/2026. A phase IIb trial will be the next development step. Two phase III trials are required for approval. The first launches are expected in 2030. We conservatively assume a daily treatment cost per patient of USD 5 (US) and EUR 2 (EU), 70% patient compliance, and a peak market penetration of 15%. C-AM-01 was granted a US patent covering its use and dosing regimen until 2041, while it will benefit from 10-year data exclusivity in the EU. We calculate an rNPV of CHF 3.0 per share with a 15% (phase IIb-ready) success rate, accounting for 10% royalties on sales and up to CHF 196 mn milestone payments from its partner(s). Additional upside to our estimates could come from geographical expansion beyond the targeted regions.

C-MOH-01 (medication overuse headache) – risk-adjusted NPV of CHF 3.7 per share

We forecast peak sales of more than CHF 450 mn for C-MOH-01 in medication overuse headache (MOH). Approximately 4% of the population suffers from this condition, which occurs due to prolonged overuse of medications intended to treat headaches, such as migraines, cluster, or tension-type headaches. This leads to even heavier secondary headaches, which are more challenging to treat. The treatment of choice for MOH is the discontinuation of the overused medication. However, this is difficult as it is often associated with acute headache, pain, and withdrawal symptoms. C-MOH-01 aims to reduce these acute headaches, the cause of many patients relapsing. We assume Curatis will partner C-MOH-01 in 2026, and the partner will start a phase IIb dose-ranging trial in early 2027. Two phase III trials in MOH patients will be required for approval. We expect the first launches in 2032. We conservatively assume a daily treatment cost of USD 2 (US) and EUR 1(EU) with a short treatment duration of 2 months to help patients successfully discontinue their overused headache treatments with 90% patient compliance. A granted use patent for C-MOH-01 provides protection in the US until 2041, while the compound should enjoy 10-year data protection in the EU. We calculate an rNPV of CHF 3.7 mn per share with a 15% (phase IIb-ready) success rate, accounting for 10% royalties on sales and up to CHF 169 mn milestone payments from its partner(s). Additional upside to our estimates could come from geographical expansion beyond the targeted regions and other headache types, such as chronic tension-type headache (CTTH), with available clinical data.

Pipeline projects and other items not included in our forecasts

We have conservatively not accounted for KIN001 for idiopathic pulmonary fibrosis (IPF) and potentially other rare inflammatory and fibrotic diseases.

KIN001 (idiopathic pulmonary fibrosis) – risk-adjusted NPV per share TBD

KIN001, developed by Kinarus, is a proprietary fixed combination compound of the experimental p38 MAPK inhibitor pamapimod and the anti-diabetic drug pioglitazone (branded “Actos” by Takeda). KIN001’s target indication is idiopathic pulmonary fibrosis (IPF) and is also currently being evaluated for other rare inflammatory and fibrotic diseases. IPF is a rare lung disease of unknown cause characterized by the progressive formation of scar tissue in the lungs, leading to decreased lung function. Complications may include pulmonary hypertension, heart failure, or lung embolism. There is no cure for IPF, with

current treatments focused on slowing disease progression and scarring of the lungs. KIN001 has shown beneficial effects in reducing IPF in a well-characterized animal model of IPF. Curatis has licensed patent rights related to the drug combination and know-how relating to IPF and intends to explore out-licensing opportunities for KIN001 in IPF. Peak sales could easily reach USD 500 mn if developed successfully. We have not included any forecasts for KIN001.

Sensitivities that can influence our valuation

Specialty distribution business risk: Curatis's historically profitable and growing portfolio of specialty medicines in Switzerland has a low risk. The ability to locate suppliers, obtain distribution rights, and purchase products promptly, effectively, and at favorable terms is critical. Suppliers could alter agreements. Its plan to expand in selective European countries may take longer, with lower revenues, higher costs, and lower margins than expected.

Development risk: Curatis's search and development business has four compounds in various stages of development. The most advanced is C-PTBE-01 for peritumoral brain edema in children. It is phase III-ready with a 35% historical success rate that will increase to 50% once its single potentially pivotal phase III trial starts in 2025. C-AM-01 for severe migraine with aura and C-MOH01 for medication overuse headache are being made phase II-ready, each with a 15% success rate. Our forecasts have not yet included KIN001 for IPF and rare inflammatory and fibrotic diseases.

Pricing and reimbursement risk: Following FDA and EMA approval, local healthcare providers must price and reimburse each product. Pricing and reimbursement are straightforward in the US. In the EU, pricing and reimbursement occur on a country-by-country base, leading to different pricing and reimbursement and potential market launch delays.

Partnering and commercialization risk: Curatis could be dependent on finding a suitable development and commercialization partner to develop and commercialize each product successfully. Partnering will reduce the development risk and cash burn and increase Curatis' financial flexibility. The growth of these products will largely depend on its partner(s) to position and market them successfully against existing and future treatments. We assume Curatis partners its most advanced compound, C-PTBE-01, in 2025 in return for substantial upfront development, regulatory and sales milestones, and royalties on sales, with the exception of select European markets. The sales uptake, speed, and terms could differ from our forecasts.

Patent and market exclusivity risk: As the compounds of Curatis pipeline no longer enjoy solid composition of matter protection and can be freely manufactured, protection from generics largely depends on market exclusivities, such as 10-year data exclusivity in the EU, and new intellectual property (IP) to safeguard its innovations and ensure a competitive edge in the global marketplace. Curatis focuses on developing compounds for rare diseases that often occur in children. Consequently, when its compounds are granted Orphan Drug Designation or Rare Pediatric Disease Designation, they enjoy 10-year (EU) and 7-year (US) orphan drug exclusivity or 2-year (EU) and 6-month (US) pediatric exclusivity. Curatis has broad experience and a close network of manufacturers who can help develop new galenical formulations and dosage strengths to differentiate its compounds from existing generics.

Catalysts

CATALYST TIMELINES

TIME LINE	PRODUCT	INDICATION	WHAT	COMMENT	IMPACT ON RNPV/SHARE
2024					
29 JAN			BUSINESS COMBINATION (REVERSE TAKEOVER) ANNOUNCED	KINARUS THERAPEUTICS HOLDING AG (KINARUS) IN LIQUIDATION AND CURATIS AG (CURATIS) PROPOSE TO COMBINE COMPANIES AND REVERSE BANKRUPTCY PROCEDURES OF KINARUS IN LIQUIDATION	
6 FEB			KINARUS BANKRUPTCY	COURTS OF BASEL CITY REVOKED BANKRUPTCY OF KINARUS	
1 MAR			EGM	AT THE EXTRAORDINARY GENERAL MEETING (EGM) ALL RESOLUTIONS RELATED TO THE BUSINESS COMBINATION OF KINARUS WITH CURATIS WERE APPROVED	
17 APR			FY 2023 RESULTS	PUBLICATION OF AUDITED CONSOLIDATED AND STATUTORY FY 2023 FINANCIAL STATEMENTS OF KINARUS	
26 APR			BUSINESS COMBINATION COMPLETED	CLOSING OF THE TRANSACTION OF THE BUSINESS COMBINATION OF KINARUS WITH CURATIS	
24 MAY			FY 2023 ANNUAL REPORT	FY 2023 ANNUAL REPORT OF KINARUS PUBLISHED	
24 MAY			CFO APPOINTED	PATRICK RAMSAUER APPOINTED AS CHIEF FINANCIAL OFFICER (CFO) WITH EXTENSIVE EXPERIENCE IN VARIOUS FINANCIAL ROLES AT UBS, RBR CAPITAL (FOUNDER), PALANTIR, AND PARTNER AT YUMA CAPITAL, WHICH ADVISED CURATIS ON THE REVERSE TAKEOVER OF KINARUS	
26 APR			FIRST DAY OF TRADING	FIRST DAY OF TRADING ON THE SIX SWISS STOCK EXCHANGE UNDER THE TICKER "CURN"	
21 JUN			AGM	ALL BOARD PROPOSALS APPROVED	
23 SEP			H1 2024 RESULTS	FIRST PUBLIC INTERIM RESULTS SHEDDING MORE LIGHT ON PROGRESS OF THE DISTRIBUTION BUSINESS AND KEY PIPELINE DEVELOPMENT PROJECTS	
H2	C-PTBE-01	PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)	RARE PEDIATRIC DISEASE DESIGNATION	APPLY FOR RARE PEDIATRIC DISEASE DESIGNATION (RPDD) IN THE US THAT ALLOWS FOR A PRIORITY REVIEW (6 MONTHS REVIEW INSTEAD OF 10 MONTHS BY THE FDA) AND OTHER REGULATORY INCENTIVES - THE FDA TYPICALLY RESPONDS WITHIN 60 CALENDAR DAYS OF RECEIVING THE APPLICATION	
H2	C-PTBE-01	PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)	ORPHAN DRUG DESIGNATION	APPLY FOR ORPHAN DRUG DESIGNATION (ODD) THAT PROVIDES 10-YEAR (EU) AND 7-YEAR (US) MARKET EXCLUSIVITY FROM THE DATE OF APPROVAL	
H2	C-PTBE-01	PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)	FDA MEETING	SCIENTIFIC ADVICE MEETING WITH THE US FOOD AND DRUG ADMINISTRATION (FDA) TO RECEIVE GUIDANCE ON THE DEVELOPMENT PATH INCLUDING THE PIVOTAL TRIAL DESIGN REQUIREMENTS	
H2	C-PTBE-01	PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)	EMA MEETING	SCIENTIFIC ADVICE MEETING WITH THE EUROPEAN MEDICINES AGENCY (EMA) TO DISCUSS TO RECEIVE GUIDANCE ON THE DEVELOPMENT PATH INCLUDING THE PIVOTAL TRIAL DESIGN REQUIREMENTS	
END	KIN001	RARE INFLAMMATORY AND FIBROTIC DISEASES	EVALUATION FOR (ULTRA) RARE INDICATIONS	EVALUATION OF KIN001 FOR POTENTIAL DEVELOPMENT IN IDIOPATHIC PULMONARY FIBROSIS (IPF) AND OTHER ORPHAN AND ULTRA-ORPHAN INFLAMMATORY AND FIBROTIC DISEASES	
2025					
	C-PTBE-01	PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)	PARTNERING AGREEMENT	SEEKING A PARTNER BEFORE STARTING THE SINGLE PIVOTAL PHASE III TRIAL IN CHILDREN WITH PERITUMORAL BRAIN EDEMA	
	C-PTBE-01	PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)	PHASE III TRIAL - START	START OF THE SINGLE PIVOTAL PHASE III TRIAL OF C-PTBE-01 IN CHILDREN WITH PERITUMORAL BRAIN EDEMA (PTBE)	+CHF 5.1

ESTIMATES AS OF 25 JULY 2024

SOURCE: VALUATIONLAB, CURATIS

Technology & Pipeline

TECHNOLOGY PLATFORM – Expertise in drug repurposing and marketing
Curatis does not have its own discovery technology platform to derive new chemical entities (NCEs). However, the company has a management, scientific, and medical advisory team with extensive knowledge, network, and experience in rare and ultra-rare diseases, drug development, bringing prescription drugs to market, and successfully commercializing them.

Search & Development is a faster, less expensive and risky development pathway.
Curatis's compounds result from its active Search & Development activities, finding new indications with a high medical need and focus on rare and ultra-rare diseases for existing drugs with robust clinical safety and efficacy data. Typically, these compounds no longer enjoy patent protection from the composition of matter by the originator and can be developed freely by other manufacturers. New uses can often be effectively protected by a combination of new therapeutic use, formulation and dosing regimen patents, specific branding, as well as product differentiation such as unique label or unique dose and various market exclusivities such as data exclusivity (10 years in the EU, 3 years in the US) and substantial orphan drug and pediatric disease exclusivity from the date of approval. Curatis has broad experience and a close network of manufacturers who help develop new galenical formulations and dosage strengths for its compounds to differentiate them from existing generics. External patent experts continue to establish further patent protection globally.

The main advantage of its Search & Development strategy is that detailed information is available for these approved compounds on their pharmacology, formulation, tolerability, and potential toxicity. These compounds have already passed many toxicity tests, with a known and proven safety and tolerability profile. The risk of failure for reasons of adverse toxicity - a significant cause of discontinuing drug development - is therefore considerably reduced. In addition, because clinical development in the new indications builds on previous research and development efforts of the active ingredient, much of the early cost and development time can be circumvented. Therefore, the positive benefit/risk needed to gain approval for a new indication can be established efficiently.

Orphan disease and pediatric programs provide attractive incentives & exclusivities:
Curatis focuses on orphan (rare) and pediatric (infants, children, adolescents) diseases. They present high unmet medical need areas with attractive regulatory incentives, including substantial market exclusivities to protect their compounds from competition in the targeted indications. Although individual orphan diseases may be classified as uncommon, collectively, they affect a large portion of the population and healthcare expenditure. The US and EU orphan and pediatric disease programs have been developed to incentivize pharmaceutical companies to pursue and develop orphan and pediatric prescription drugs for these disorders, providing additional years of market exclusivity.

Key advantages to developing drugs in orphan and pediatric indications include:

- Orphan Drug Disease (ODD) provides 7-year (US) and 10-year (EU) market exclusivity starting from the first day of approval, which provides sufficient time for an attractive return.
- Pediatric market exclusivity provides additional 2-year (EU) and 6-month (US) market exclusivity.

- There are often no approved drugs for these indications, or only a few.
- Effective treatments can command a relatively high price, resulting in high margins.
- Competition is often limited to a few players.
- A relatively small specialist sales force can address specialists.
- Conditional (EU) or Accelerated (US) approval can be granted in the absence of robust clinical data (typically, two positive phase III trials are needed for approval).

However, there are also considerable hurdles, including:

- A very low number of patients to conduct clinical trials – lack of robust clinical data, slow enrollment, trial delays.
- A lack of widespread expertise in clinical centers.
- Insufficient understanding of the history or underlying mechanism of the disease.
- Absence of a clear regulatory pathway on how to set up the pivotal clinical trial, including what the right clinical endpoints should be.
- The few experts who conduct the trials are often banned from advisory panels.

Develop up to partnering readiness and then seek lucrative partnering deals.
Curatis aims to develop its key compounds up to partnering readiness, such as completion of the phase IIb dose-ranging or phase III clinical development package. The costs range in the low single-digit CHF millions, which Curatis can finance mainly through its operations. After the company has completed partnering readiness for each compound, it seeks (global) partners for further development and commercialization in return for substantial upfront, regulatory, and sales milestones and royalties on net sales. These proceeds will be invested in existing and future compounds and building a specialist sales force in select European markets for compounds targeting ultra-rare diseases, such as C-PTBE-01 in children with PTBE, to maximize the long-term value. Surplus proceeds will likely be returned to shareholders through dividends.

PIPELINE – Four Search & Development projects targeting sizeable markets
Curatis's pipeline results from its excellent Search & Development capabilities, close contact with key opinion leaders (KOLs) in the field, and the addition of KIN001 from the business combination with Kinarus Therapeutics Holding AG in Q2 2024.

PRODUCT PIPELINE

PRODUCT	DRUG CLASS	INDICATION	STATUS	LAUNCH YEAR	PARTNER	PEAK SALES
C-PBTE-01	SYNTHETIC ENDOGENOUS PEPTIDE	PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)	PHASE III-READY	2027	PARTNER BEFORE PHASE III	CHF 150 MN
C-AM-01	DUAL-ACTION PLATELET AGGREGATION INHIBITOR	SEVERE MIGRAINE WITH AURA (SMWA)	PHASE IIB-READY	2030	PARTNER BEFORE PHASE IIB	CHF 450+ MN
C-MOH-01	NORADRENERGIC AND SPECIFIC SEROTONERGIC ANTIDEPRESSANT (NASSA)	MEDICATION OVERUSE HEADACHE	PHASE IIB-READY	2032	PARTNER BEFORE PHASE IIB	CHF 450+ MN
KIN001	PAMAPIMOD/PIOGLITAZONE COMBINATION	IDIOPATHIC PULMONARY FIBROSIS (IPF) & OTHER RARE DISEASES (UNDER EVALUATION)	PHASE IIB-READY	TBD	PARTNER BEFORE PHASE II	TBD

ESTIMATES AS OF 25 JULY 2024 SOURCE: VALUATIONLAB, CURATIS

Curatis's Search & Development business product pipeline consists of:

C-PTBE-01 for the treatment of peritumoral brain edema (PTBE): The initial focus is on children with diffuse midline glioma (DMG), an ultra-rare but aggressive type of cancer that forms in the brain stem and almost always occurs in children with more than 800 patients diagnosed each year in the US and a similar amount in the EU. There are no curative treatments with a poor outlook for patients with an overall survival of less than a year. PTBE

refers to the accumulation of fluid in the brain tissue surrounding the tumor, leading to significant neurological symptoms and complications due to the increased pressure within the skull, such as headaches, seizures, neurological deficits, and altered mental status. Glucocorticoids (steroids) are commonly used to treat PTBE and lead to rapid symptom relief. However, side effects such as severe myopathies, muscle wasting, morbid weight gain, osteoporosis, gastritis, gastrointestinal bleeding, hypertension, and personality change hamper use.

Rationale: In two exploratory safety/efficacy trials, C-PTBE-01 has shown a strong steroid-sparing effect, which may significantly reduce corticosteroid use or even replace it, thereby improving the quality of life in these children with a poor outlook.

Clinical development: Given the available data in phase I, II, and III trials, a single pivotal phase III trial in a small number of children with PTBE is likely sufficient for approval. A development and commercialization partnership is expected in 2025, with the trial to start in 2025 in collaboration with the partner.

C-AM-01 for the prevention of severe migraine with aura (SMWA): There is no approved preventive treatment that explicitly targets migraine with aura and its associated headache. An aura is a collection of symptoms that occur before or during a migraine attack. These sensory disturbances can include flashes of light, blind or colored spots, sparkles or stars, zigzag lines, and tingling sensations in the hands or face. Speech and hearing can also be disturbed. This can cause significant disability in patients and compromise their daily life activities.

Rationale: Two phase IIa proof-of-concept (POC) trials suggest a reduction in the number of aura attacks with C-AM-01.

Clinical development: The next major development step is a phase IIb dose-ranging trial design in patients with severe migraine with aura (sMwA). Two positive phase III trials are needed for US approval, which a partner will conduct and fund.

C-MOH-01 for treating and preventing medication overuse headache (MOH) based on tension-type headache: Headache is one of the most prevalent disorders in human society, occurring in roughly half the population, and is responsible for substantial socioeconomic expenses. Medication overuse headache (MOH), also known as rebound headache, occurs when painkillers are taken frequently to relieve headaches such as tension-type headache or migraine. While these painkillers offer relief for occasional headaches, frequent and chronic use can actually trigger headaches, which can be very painful and are a common cause of chronic daily headache. Treatment of choice for MOH is discontinuing the use of these painkillers. However, this is often associated with acute headache pain and withdrawal symptoms such as sleep disturbances, nausea, vomiting, anxiety, and depression, with many patients falling back to taking these overused painkillers.

Rationale: One phase IIa POC trial in chronic tension-type headache is available for C-MOH-01, suggesting an effect on reducing the number and severity of headaches.

Clinical development: The next major development step is a phase IIb dose-ranging trial in patients with medication overuse headache (MOH). Two positive phase III trials are needed for US approval, which a partner will conduct and fund.

KIN001 for treating IPF and potentially other rare inflammatory and fibrotic diseases: KIN001's (from the Kinarus acquisition) target indication is idiopathic pulmonary fibrosis (IPF) and is also currently being evaluated for other rare inflammatory and fibrotic diseases. IPF is a rare lung disease of unknown cause characterized by the progressive formation of scar tissue in the lungs, leading to an irreversible decline in lung function. The tissue in the lungs becomes thick and stiff, affecting the tissue surrounding the air sacs in the lungs. Symptoms typically include gradual shortness of breath and a dry cough. Other changes may include fatigue and abnormally large, dome-shaped fingers and toenails (nail clubbing). Complications may include pulmonary hypertension, heart failure, or lung embolism. There is no cure for IPF, and there are currently no procedures or drugs that can remove scarring from the lungs. Current treatments focus on slowing disease progression and scarring of the lungs.

Rationale: KIN001 has shown beneficial effects in reducing IPF in a well-characterized animal model of IPF.

Clinical development: Curatis intends to explore out-licensing opportunities in IPF.

In the following section, we provide an in-depth analysis of Curatis's key drivers, including:

- **C-PTBE-01 for the treatment of peritumoral brain edema (PTBE) in children** (page 16)
- **C-AM-01 for the prevention of severe migraine with aura (sMwA)** (page 21)
- **C-MOH-01 for the treatment and prevention of medication overuse headache (MOH)** (page 25)

Forecasts & Sensitivity Analysis

C-PTBE-01 (Pediatric peritumoral brain edema - PTBE)

Pediatric PTBE peak sales of CHF 140 mn – rNPV of CHF 11.9 per share

We conservatively forecast peak sales of almost CHF 150 mn for C-PTBE-01 for treating PTBE in children, assuming first market launches in 2027, 12 years of orphan drug and pediatric market exclusivity in the EU, and 7 ½ years in the US from the date of approval. We assume a monthly treatment cost similar to Avastin's (around USD 6,500 in the US and ROW and EUR 5,000 in the EU) with a conservative 8-month treatment duration and peak market penetration rapidly reaching 50%. We assume global partnering (excluding selective European countries where Curatis will market C-PTBE-01 by its own specialist sales force) in return for up to CHF 38 mn milestones and 15% sales royalties. We account for the associated costs of Curatis marketing C-PTBE-01 in selective European countries, including COGS and M&S costs. Applying a 35% (phase III-ready) success rate and a 10% WACC, our risk-adjusted NPV for C-PTBE-01 in pediatric PTBE amounts to CHF 63 mn or CHF 11.9 per share.

C-PTBE-01 is aimed at improving the quality of life in children with brain cancer

C-PTBE-01 is initially being developed in a fast-to-market ultra-rare indication of peritumoral brain edema (PTBE – a dangerous swelling of the brain caused by an accumulation of fluid), a severe complication in children with brain cancer with a poor outlook and where no curative treatment is available. The swelling is treated with glucocorticoids (steroids); however, these are hampered by severe side effects affecting the quality of life of these children considerably. C-PTBE-01 has shown a robust steroid-sparing effect, which may allow for a significant reduction in steroid usage or replacement. A single pivotal phase III trial in a few patients is likely sufficient for approval. Once the phase III development data package is completed, Curatis will out-license the rights to a (global) partner, except for selective European countries where it will commercialize C-PTBE-01 through its own small specialist sales force. A partnering deal is expected in 2025, with the first launch in 2027. Based on a detailed bottom-up product model, we conservatively forecast peak sales of almost CHF 150 mn.

PTBE causes severe symptoms that need to be managed to minimize its impact

Peritumoral brain edema (PTBE) is the accumulation of extracellular fluid around brain tumors. It occurs due to a disruption of the blood-brain barrier, allowing protein-rich fluid to accumulate in surrounding tissue, leading to increased pressure and potential damage to surrounding brain tissue. PTBE can cause symptoms such as headaches, vomiting, and neurological dysfunction (such as paralysis, language impairment, visual problems, and altered mental status) and, in some cases, can be life-threatening. It is essential to manage PTBE effectively to minimize its impact on patients.

The initial focus for C-PTBE-01 is on DMG, an ultra-rare brain cancer in children, and other similar ultra-rare brain cancers in children.

Curatis initially focuses its development activities for C-PTBE-01 on diffuse midline glioma (DMG), an ultra-rare group of aggressive brain tumors that form in the pons, a critical part of the brainstem. These tumors primarily affect children, with most cases diagnosed

between ages 5 and 9. More than 800 patients are diagnosed with DMG each year in the US, with a similar number of patients in Europe, and it is therefore considered an orphan disease. The median overall survival for patients with DMG is less than one year. Approximately 10% of patients are still alive two years after diagnosis.

Management is challenging with steroids and sometimes with VEGF inhibitors.
DMGs are challenging to treat as they are diffuse and spread out among healthy brain cells, making surgical removal difficult without harming surrounding tissue. They are intrinsic as they originate within the pons, affecting essential functions like blood pressure, heart rate, breathing, vision, and muscle coordination. They consist of cancerous glial cells that protect nerves in the central nervous system. Management of DMGs typically involves addressing the underlying cause, such as treating the tumor itself primarily through radiation therapy, surgery, chemotherapy, or a combination of these modalities. Additionally, anti-inflammatory drugs such as steroids, particularly dexamethasone, are used to reduce inflammation and brain swelling around the tumor, alleviating symptoms and improving the quality of life for the patient. Vascular endothelial growth factor (VEGF) inhibitors such as Roche/Genentech's Avastin (bevacizumab) are sometimes used to target the abnormal blood vessels contributing to edema.

Steroids provide rapid symptom relief but are hampered by severe side effects.
Although steroids such as dexamethasone are commonly used to treat PTBE and are typically associated with rapid symptom relief, such as headache, it has severe side effects, such as severe myopathies, muscle wasting, morbid weight gain, osteoporosis, gastritis, gastrointestinal bleeding, hypertension, and personality changes. These side effects are accentuated in pediatric patients, with a substantial impact on the patient's ability to function in daily life. Interactions between steroids and other drugs also need to be considered. Given the lack of curative options for most patients with malignant brain tumors, supportive therapy aimed at maintaining quality of life and functional independence plays a central role in the treatment of many patients.

Two clinical trials show a robust steroid-sparing effect with C-PTBE-01.
C-PTBE-01 has shown a strong steroid-sparing effect in two clinical safety and efficacy trials, which may allow for a significant reduction in steroid usage and alleviation of the severe side effects associated with steroid use in children:

> **POC trial:** A 5-week, prospective, randomized, double-blind phase III trial in 200 adult patients with malignant brain tumors requiring chronic administration of the steroid dexamethasone to control the signs and symptoms of PTBE. The primary endpoint was the proportion of patients who responded to C-PTBE-01 treatment. Initially, the dexamethasone dose was decreased by 50% over a 2-week period and then held at this level for 3 weeks. C-PTBE-01 enabled a reduction in steroid requirement for patients with PTBE and was associated with a reduction in the incidence and severity of common steroid side effects.
>
> **Safety trial:** a phase I safety trial in 14 pediatric patients to evaluate toxicities of C-PTBE-01 and dexamethasone dose reduction, changes in steroid-induced side effects, and Health-Related Quality of Life (HRQoL). A total of 15 patients were enrolled, of which 14 evaluable patients with recurrent DMG (8 patients), malignant high-grade glioma (4 patients), and ependymoma (2 patients) received C-PTBE-01. Eligible patients included pediatric patients less than 18 years of age on chronic

steroids who failed attempts to wean. Even in this poor prognosis population, significant dose reduction of steroids occurred with C-PTBE-01 treatment. The patient's quality of life (HRQoL) improved, as evidenced by emotional, physical, and fatigue score changes. C-PTBE-01 demonstrated to be safe and well tolerated.

With additional phase I, II, and III data available, Curatis expects that only a single pivotal study with a relatively small number of patients is needed for registration. In H2 2024, the company will meet with the FDA and EMA for scientific advice on the final development plans for C-PTBE-01 to receive approval to conduct the trial in children with PTBE. The company will also apply for Orphan Drug Designation (ODD) and Rare Pediatric Disease Designation (RPDD). If granted, OOD provides 7-year (US) and 10-year (EU) market exclusivity upon the date of approval. RPDD adds 6-month (US) and 2-year (EU) market exclusivity and Priority Review, a shorter 6-month than a regular 10-month review in the US. A partnering agreement is expected in 2025 in return for substantial upfront, regulatory and sales milestones and royalties on net sales. The partner will fund and conduct the phase III trial in 2025. The first launches are expected in 2027.

Global peak sales of CHF 140 mn in pediatric PTBE (Curatis guides for USD 250 mn)
We forecast global peak sales of CHF 140 mn for C-PTBE-01 in its first indication of children with brain cancer with PTBE. In 2025, Curatis plans to partner C-PTBE-01 globally, except for selective European countries (Europe Top 5, the Benelux, Switzerland, and Austria) where Curatis intends to market the drug through its own specialist sales force, in return for upfront, regulatory, and sales milestones (we forecast up to CHF 38 mn) and royalties on net sales (we assume 15%). The partner will book all sales except for the selective European countries where Curatis markets C-PTBE-01 directly.

North America peak sales of CHF 58 mn: An estimated 2,300 children have brain cancer with PTBE in a given year. We assume 90% are eligible for C-PTBE-01 treatment, and given the lack of safe and effective treatments to treat brain swelling, the peak market penetration will rapidly reach 50%. Applying a monthly treatment cost of USD 6,500 (similar to Roche's Avastin pricing), a conservative 8-month treatment duration, first launches in 2027, and orphan and pediatric market exclusivity totaling 7 ½ years, we forecast peak sales in North America to almost reach CHF 60 mn.

Europe peak sales of CHF 65 mn (including Curatis sales and partner sales): An estimated 2,750 children have brain cancer with PTBE in a given year. Assuming the same patient eligibility, peak market penetration, treatment duration, first launches in 2028, a EUR 5,000 monthly treatment cost, and orphan and pediatric market exclusivity totaling 12 years, we forecast peak sales in Europe to reach CHF 65 mn. We estimate that Curatis will book sales of CHF 56 mn through its specialist sales force in Europe.

ROW (Japan and Australia) peak sales of CHF 28 mn: An estimated 980 children have brain cancer with PTBE in a given year. Applying the same assumptions as above, except for the first launches in 2029, a monthly treatment cost of USD 6,500, and 10 years of market exclusivity, we forecast peak sales of CHF 28 mn.

Additional upside to our forecasts: Thanks to better treatments for brain cancer in children, overall survival rates for these patients are gradually increasing to an estimated 15 months. A longer treatment duration reflecting this trend would lead us to increase our forecasts. Geographical expansion in other regions, as well as developing C-PTBE-01 for treating edema in other brain cancers, would add substantially to our forecasts.

Forecasts & Sensitivity Analysis

C-PTBE-01 - FINANCIAL FORECASTS FOR PEDIATRIC PERITUMORAL BRAIN EDEMA (PTBE)

INDICATION	TREATMENT OF PERITUMORAL BRAIN EDEMA (PTBE) IN PATIENTS WITH DIFFUSE MIDLINE GLIOMA (DMG), AN ULTRA-RARE, AGGRESSIVE BRAIN CANCER PRIMARILY IN CHILDREN
DOSAGE	SUBCUTANEOUS INJECTION - DOSAGE TBD
PRICE	TREATMENT COST PER PATIENT ASSUMES 8 MONTHS TREATMENT: US/ROW: USD 52,000 = USD 6,500/MONTH (~ AVASTIN PRICING); EUROPE: ~20% DISCOUNT TO US PRICING
STANDARD OF CARE	KEY ADJUVANT THERAPY ARE STEROIDS (E.G., DEXAMETHASONE) OR ROCHE'S CANCER DRUG AVASTIN - SEVERE SIDE EFFECTS HAMPER TREATMENT AND QOL
UNIQUE SELLING POINT	STRONG STEROID-SPARING EFFECT ALLOWS FOR SIGNIFICANT REDUCTION OF STEROID USE REDUCING SEVERE SIDE EFFECTS AND INCREASING QUALITY OF LIFE (QOL)

7Ps ANALYSIS

PATENT	US: ORPHAN DRUG (7-YEAR) + PEDIATRIC (6 MONTHS) EXLUSIVITY & POTENTIAL PRIORITY REVIEW; EU: ORPHAN DRUG (10 YEARS) + PEDIATRIC (2 YEARS) EXCLUSIVITY
PHASE	SINGLE PIVOTAL TRIAL IN SMALL NUMBER OF PATIENTS SHOULD BE SUFFICIENT FOR APPROVAL IN THIS ULTRA RARE DISEASE
PATHWAY	ORPHAN DRUG AND RARE PEDIATRIC DESIGNATION LIKELY ALLOWING FOR EXPEDITED / PRIORITY REVIEW AND CONDITIONAL / ACCELERATED APPROVAL
PATIENT	SUBCUTANEOUS INJECTION CAN BE GIVEN BY CARETAKER AT HOME - LESS USE OF STEROIDS SIGNIFICANTLY LOWERS SIDE EFFECTS AND IMPROVES QOL
PHYSICIAN	SUBSTANTIALLY IMPROVES PATIENT QUALITY OF LIFE BY REDUCING OR REPLACING THE USE OF STEROIDS WITH SEVERE SIDE EFFECTS
PAYER	REDUCING SEVERE SIDE EFFECTS CAUSED BY STEROIDS SIGNIFICANTLY REDUCES OVERALL TREATMENT COSTS
PARTNER	PARTNERING IN 2025 UPON FINALIZING THE SINGLE PIVOTAL PHASE III TRIAL DESIGN IN RETURN FOR UPFRONT, REGULATORY, AND SALES MILESTONES & SALES ROYALTIES

REVENUE MODEL

NORTH AMERICA (US & CANADA) - PARTNER TBD	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**
CHILDREN WITH PERITUMORAL BRAIN EDEMA (PTBE)	2'307	2'354	2'401	2'449	2'498	2'548	2'599	2'651	2'704	2'758
ELIGIBLE CHILDREN WITH PTBE (~90%)	2'077	2'118	2'161	2'204	2'248	2'293	2'339	2'385	2'433	2'482
PENETRATION (%)	0%	0%	0%	10%	30%	45%	50%	50%	50%	50%
TOTAL NUMBER OF PEDIATRIC PATIENTS TREATED	0	0	0	220	674	1'032	1'169	1'193	1'217	1'241
TREATMENT COST PER MONTH (USD)	6'500	6'500	6'500	6'500	6'500	6'500	6'500	6'500	6'500	6'500
TREATMENT MONTHS	8	8	8	8	8	8	8	8	8	8
TREATMENT COST PER PATIENT (CHF)	46'999	46'999	46'999	46'999	46'999	46'999	46'999	46'999	46'999	46'999
SALES (CHF MN) - BOOKED BY PARTNER	**0**	**0**	**0**	**10**	**32**	**48**	**55**	**56**	**57**	**58**
CHANGE (%)					206%	53%	13%	2%	2%	2%
UPFRONT & MILESTONES (CHF MN)	0	5	0	4	2	5	0	0	0	5
ROYALTY RATE (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
ROYALTIES (CHF MN)	0	0	0	2	5	7	8	8	9	9
PROFIT BEFORE TAX (CHF MN)	**0**	**5**	**0**	**5**	**7**	**12**	**8**	**8**	**9**	**14**
TAXES (CHF MN)	0	0	0	0	0	-1	-1	-1	-1	-2
PROFIT/(LOSS) (CHF MN)	**0**	**5**	**0**	**5**	**7**	**11**	**7**	**7**	**7**	**12**

EUROPE TOP5, BENELUX, A, CH - CURATIS SALES FORCE	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**
CHILDREN WITH PERITUMORAL BRAIN EDEMA (PTBE)	2'372	2'420	2'468	2'518	2'568	2'619	2'672	2'725	2'780	2'835
ELIGIBLE CHILDREN WITH PTBE (~90%)	2'135	2'178	2'221	2'266	2'311	2'357	2'404	2'453	2'502	2'552
PENETRATION (%)	0%	0%	0%	0%	6%	21%	36%	46%	50%	50%
TOTAL NUMBER OF PEDIATRIC PATIENTS TREATED	0	0	0	0	139	495	866	1'128	1'251	1'276
TREATMENT COST PER MONTH (EUR)	5'000	5'000	5'000	5'000	5'000	5'000	5'000	5'000	5'000	5'000
TREATMENT MONTHS	8	8	8	8	8	8	8	8	8	8
TREATMENT COST PER PATIENT (CHF)	38'737	38'737	38'737	38'737	38'737	38'737	38'737	38'737	38'737	38'737
SALES (CHF MN) - BOOKED BY CURATIS	**0**	**0**	**0**	**0**	**5**	**19**	**34**	**44**	**48**	**49**
CHANGE (%)						257%	75%	30%	11%	2%
COSTS OF GOODS SOLD (~10%) (CHF MN)	0	0	0	0	-1	-4	-7	-9	-10	-10
R&D COSTS (CHF MN)	-0.4	-1.0	0	0	0	0	0	0	0	0
M&S COSTS (CHF MN)	0	0	0	-2	-4	-5	-7	-8	-8	-8
PROFIT BEFORE TAX (CHF MN)	**0**	**-1**	**0**	**-2**	**0**	**10**	**20**	**27**	**31**	**31**
TAXES (CHF MN)	0	0	0	0	0	0	0	0	0	0
PROFIT/(LOSS) (CHF MN)	**0**	**-1**	**0**	**-2**	**0**	**10**	**20**	**27**	**30**	**31**

EUROPE (EXCL. CURATIS TERRITORIES & CEE) - PARTNER TBD	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**
CHILDREN WITH PERITUMORAL BRAIN EDEMA (PTBE)	379	386	394	402	410	418	427	435	444	453
ELIGIBLE CHILDREN WITH PTBE (~90%)	341	348	355	362	369	376	384	392	399	407
PENETRATION (%)	0%	0%	0%	0%	10%	30%	45%	50%	50%	50%
TOTAL NUMBER OF PEDIATRIC PATIENTS TREATED	0	0	0	0	37	113	173	196	200	204
TREATMENT COST PER PATIENT (CHF)	38'737	38'737	38'737	38'737	38'737	38'737	38'737	38'737	38'737	38'737
SALES (CHF MN) - BOOKED BY PARTNER	**0**	**0**	**0**	**0**	**1**	**4**	**7**	**8**	**8**	**8**
CHANGE (%)						206%	53%	13%	2%	2%
UPFRONT & MILESTONES (CHF MN)	0	1	0	0	1	0	0	0	1	0
ROYALTIES (~15%) (CHF MN)	0	0	0	0	0	1	1	1	1	1
PROFIT BEFORE TAX (CHF MN)	**0**	**1**	**0**	**0**	**1**	**1**	**1**	**1**	**2**	**1**
TAXES (CHF MN)	0	0	0	0	0	0	0	0	0	0
PROFIT/(LOSS) (CHF MN)	**0**	**1**	**0**	**0**	**1**	**1**	**1**	**1**	**2**	**1**

ROW (JAPAN & AUSTRALIA) - PARTNER TBD	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**
CHILDREN WITH PERITUMORAL BRAIN EDEMA (PTBE)	983	1'003	1'023	1'043	1'064	1'086	1'107	1'129	1'152	1'175
ELIGIBLE CHILDREN WITH PTBE (~90%)	885	903	921	939	958	977	997	1'017	1'037	1'058
PENETRATION (%)	0%	0%	0%	0%	0%	10%	30%	45%	50%	50%
TOTAL NUMBER OF PEDIATRIC PATIENTS TREATED	0	0	0	0	0	98	299	457	518	529
TREATMENT COST PER PATIENT (CHF)	46'999	46'999	46'999	46'999	46'999	46'999	46'999	46'999	46'999	46'999
SALES (CHF MN) - BOOKED BY PARTNER	**0**	**0**	**0**	**0**	**0**	**5**	**14**	**21**	**24**	**25**
CHANGE (%)							206%	53%	13%	2%
UPFRONT & MILESTONES (CHF MN)	0	3	0	0	0	2	0	2	0	3
ROYALTIES (~15%) (CHF MN)	0	0	0	0	0	1	2	3	4	4
PROFIT BEFORE TAX (CHF MN)	**0**	**3**	**0**	**0**	**0**	**2**	**2**	**5**	**4**	**6**
TAXES (CHF MN)	0	0	0	0	0	0	0	-1	-1	-1
PROFIT/(LOSS) (CHF MN)	**0**	**3**	**0**	**0**	**0**	**2**	**2**	**4**	**3**	**5**

	2024E	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**
GLOBAL SALES (CHF MN)	**0**	**0**	**0**	**10**	**38**	**77**	**109**	**129**	**138**	**140**
CHANGE (%)					272%	99%	43%	18%	7%	2%
GLOBAL PROFIT (CHF MN)	**0**	**8**	**0**	**3**	**8**	**23**	**30**	**39**	**43**	**50**
CHANGE (%)		-2126%	-100%		168%	175%	27%	33%	8%	17%

WACC (%)	10%
NPV TOTAL PROFIT (CHF MN)	**180**
NUMBER OF SHARES (MN)	5.3
NPV PER SHARE (CHF)	**34**
SUCCESS PROBABILITY	35% (PHASE III-READY)
RISK ADJUSTED NPV (CHF MN)	**11.9**

SENSITIVITY ANALYSIS

RISK-ADJUSTED NPV ANALYSIS

SUCCESS PROBABILITY (CHF MN)	WACC (%) 7	8	9	10	11	12	13
100%	44.6	40.6	37.1	34.0	31.2	28.7	26.4
90%	40.1	36.6	33.4	30.6	28.1	25.8	23.7
80%	35.7	32.5	29.7	27.2	25.0	22.9	21.1
70%	31.2	28.5	26.0	23.8	21.8	20.1	18.5
60%	26.7	24.4	22.3	20.4	18.7	17.2	15.8
50%	22.3	20.3	18.6	17.0	15.6	14.3	13.2
35%	15.6	14.2	13.0	**11.9**	10.9	10.0	9.2

ESTIMATES AS OF 25 JULY 2024

SOURCE: VALUATIONLAB ESTIMATES

C-AM-01 Severe migraine with aura (sMwA)

Severe migraine with aura peak sales of CHF 474 mn – rNPV of CHF 3.7 per share
We forecast peak sales of CHF 474 mn for C-AM-01 for the prevention of severe migraine with aura (sMwA), assuming the first market launches in 2030, granted use and dosage regimen patent until 2041 in the US, and 10-year data exclusivity in the EU, an annual treatment cost per patient of USD 1,825 (US) and EUR 730 (EU), and a 15% peak market penetration in sMwA patients. A partnering agreement is expected in 2025/2026 with up to CHF 196 mn milestone payments and 10% royalties on net sales. Using a 15% (phase II-ready) success and a 10% WACC, our risk-adjusted NPV amounts to CHF 20 mn or CHF 3.7 per share for C-AM-01 in sMwA.

Migraine with aura (MwA) presents a major opportunity with no approved treatments. C-AM-01 is a dual-action platelet aggregation inhibitor that targets migraines with aura, for which there are currently no specific preventive treatments. The compound has shown promise in two phase IIa clinical proof-of-concept (POC) trials. Curatis plans to out-license the rights to a (global) partner to fund and conduct the phase IIb trial and the two phase III trials needed for regulatory approval and commercialization of the drug in patients with severe migraine with aura (sMwA). In return, Curatis is expected to receive substantial milestone payments and royalties on sales. The first launches are expected in 2030, with peak sales expected to reach CHF 450+ mn based on our detailed bottom-up product forecasts.

Migraine differs from a "normal" headache as it occurs with symptoms, e.g., nausea. Migraine headaches are a type of headache that some people get repeatedly over time. Migraines differ from "normal" headaches because they occur with classical migraine symptoms such as nausea, vomiting, or hypersensitivity to light or sound. The prevalence of migraine is estimated at ~20% in the general population, with three times as many women as men suffering from migraine, with a strong link between the menstrual cycle and the occurrence of migraine. Migraine most commonly starts between 15 and 24 years of age and occurs most frequently in those 35 to 45 years of age. Migraine is now ranked by the World Health Organization as number 19 among all diseases worldwide causing disability.
Approximately 20-30% of people who get migraines have warning symptoms called an aura (usually visual phenomena such as flashing lights, zigzag lines, and loss of visual fields) before the headache begins. Although these auras are more frightful than harmful, as they disappear over time, they can cause serious anxiety with a considerable impact on the quality of life for patients.

The third edition of the International Classification of Headache Disorders (ICHD) distinguishes between three forms of migraine:

1. **Migraine without aura ("classic migraine"):** occurs in ~70-75% of migraine patients. Involves moderate to severe headache (usually one-sided), sensitivity to light and noise, and nausea/vomiting. Aura is absent.
2. **Migraine with aura (C-AM-01 target population):** ~25% of migraine patients experience aura, which is visual disturbances or changes in sensations, such as visual patterns, tingling, numbness, or disruptions in speech, that signal an impending attack. It can occur with or without a headache.

3. **Chronic migraine**: headaches or migraines on 15 or more days per month for over three months. The pain is often intense, throbbing, and usually involves nausea, vomiting, and hypersensitivity to light and sound.

Preventing the aura may prevent headaches – no approved therapies for MwA.
Approximately 80% of migraine patients with aura are classified as migraine with typical aura (MwA). Patients who experience >1 attack per month are classified as patients with severe migraine with aura (sMwA) and account for ~10% of the MwA patient population. In ~70% of patients with sMwA, migraine headache follows the aura. There is increasing evidence that aura is a prerequisite for the migraine headache that follows. Thus, by preventing the aura with C-AM-01, one could potentially prevent the migraine headache that follows in most patients with sMwA. MwA can cause significant disability in patients and compromise their daily life activities. MwA attacks are comparable to epileptic attacks in terms of unexpectedness and instant disability. MwA patients are three times more likely to have an ischemic stroke.

No approved preventive treatment specifically targets MwA and its associated headache. Drugs for treating classical migraine are not appropriate for the prevention of MwA (triptans are contraindicated in migraine with brainstem aura and hemiplegic migraine). Despite the introduction of several calcitonin gene-related peptide (CGRP) treatments such as Amgen's Aimovig (erenumab), Teva's Ajovy (fremanezumab) or Eli Lilly's Emgality (galcanezumab), leading to a new spurt of growth in the migraine and headache market, no drug has been specifically approved to reduce the number of aura attacks associated with MwA, presenting a high unmet medical need.

Platelet activation seems to be involved in MwA, which may be inhibited by C-AM-01
C-AM-01 is a dual-action platelet aggregation inhibitor. It selectively inhibits thromboxane A2 (TxA2) synthase and blocks thromboxane receptors without affecting prostaglandin synthesis. Platelets of migraine sufferers present several functional anomalies regarding the content of granules and their secretion after stimulation. Compared to healthy control subjects, higher levels of excitatory amino acids, such as glutamic and aspartic acids, are stored in dense bodies. During migraine attacks, platelet activation occurs by releasing dense body content in the cerebral circulation. The possible high concentration of glutamate and aspartate in the cerebrovascular bed may contribute to the initiation and propagation of cortical spreading depression (CSD) and aura.

Considering these facts, any prophylactic treatment with a platelet aggregation inhibitor may prevent migraine with aura by inhibiting the release of platelet-dense bodies. Acetylsalicylic acid (ASA – branded Aspirin by Bayer) is regularly used in countries such as France and the United Kingdom as a preventive treatment for MwA. Also, the platelet aggregation inhibitor clopidogrel (branded Plavix by Sanofi/BMS) has shown early efficacy in MwA in an exploratory clinical trial. However, there is no approved treatment. Therefore, treatment with C-AM-01, an antiplatelet drug with a dual action mechanism (inhibition of thromboxane A2 (TxA2) synthase and antagonism of TxA2 receptors), may be useful in the preventive treatment of MwA. This has been supported in two phase IIa proof-of-concept (POC) trials of C-AM-01 in patients with MwA.

Two POC trials suggest a reduction in the number of aura attacks with C-AM-01.
C-AM-01 was evaluated in two small POC trials, showing a compelling profile to prevent aura attacks in patients with sMwA:

1. **POC trial:** C-AM-01 was evaluated in a 9-month, open, preliminary trial of 22 women suffering from MwA. Patients underwent a 3-month run-in period free of preventive treatment followed by a 6-month treatment period with C-AM-01 subdivided in two trimesters (T I and T II). During the trial patients compiled a detailed diary reporting neurological symptoms, duration and frequency of MwA. The number of MwA significantly decreased during treatment and disappeared in 25% of treated patients. C-AM-01 caused no severe side effects.
2. **POC trial:** C-AM-01 was evaluated in a 7-month, multi-center, randomized, double-blind, placebo-controlled, crossover POC trial in 48 patients with MwA. While the overall trial results were inconclusive, MwA attacks in both C-AM-01 and placebo patients were significantly reduced. A post-hoc analysis of a subgroup of patients with 1-6 aura attacks per month before the trial suggested a positive effect of C-AM-01 on the number of aura attacks compared to placebo. C-AM-01 was safe and well-tolerated.

Partnering Readiness for C-MOH-01
Curatis is currently working on the partnering readiness for C-AM-01. The company plans to out-license the rights to C-AM-01 in sMwA to a (global) partner. The partner will fund and be responsible for conducting the phase IIb dose-ranging trial, the two pivotal phase III trials required for approval, regulatory filings, and the commercialization of C-AM-01. In return, Curatis is expected to receive considerable upfront, regulatory, and sales milestones, as well as royalties on net sales.

Global peak sales of CHF 450+ mn in SMWA (Curatis guides for USD 500 mn)
We forecast global peak sales of CHF 474 mn for C-AM-01 in treating severe migraine with aura (SMWA). In 2026, Curatis plans to partner C-AM-01 globally, in return for substantial upfront, regulatory, and sales milestones (we forecast up to CHF 196 mn) and royalties on net sales (we assume 10%). The partner will book all sales.

North America peak sales of CHF 342 mn: An estimated 20% of the population experience migraine, of which 20% have an aura, with 10% classified as severe, leading to approximately 1,5 mn patients with severe migraine with aura annually. We assume 90% of these patients are eligible for C-AM-01 treatment, the market penetration gradually increasing to 15% at peak, and 70% of patients complying with treatment. Applying an annual treatment cost of USD 1,825, first launches in 2030, and granted use and dosage regimen patents protecting until 2041, we forecast peak sales in North America to reach just over CHF 300 mn.

Europe peak sales of CHF 149 mn: An estimated 1.7 mn patients with severe migraine with aura will present annually. Assuming the same patient eligibility, peak market penetration, patient compliance, first launches in 2030, a EUR 730 annual treatment cost, and 10-year data exclusivity, we forecast peak sales in Europe to reach almost CHF 150 mn.

Additional upside to our forecasts: We only include North America and Europe in our forecasts. Geographical expansion in other regions would add to our forecasts.

Forecasts & Sensitivity Analysis

C-AM01 - FINANCIAL FORECASTS FOR PREVENTION OF SEVERE MIGRAINE WITH AURA (SMWA)

INDICATION	PREVENTION OF SEVERE MIGRAINE WITH AURA AND REDUCE THE NUMBER OF AURA ATTACKS ASSOCIATED WITH SMWA
DOSAGE	ONCE-A-DAY NEW FORMULATION - TABLET OR CAPSULE TO BE DETERMINED
PRICE	ANNUAL TREATMENT COST PER PATIENT: NORTH AMERICA: USD 1,825 (USD 5/DAY); EU: EUR 730 (EUR 2/DAY) - WE ASSUME 60% PATIENT COMPLIANCE
STANDARD OF CARE	NO APPROVED TREATMENTS FOR THE PREVENTION OF AURA ATTACKS IN PATIENTS SUFFERING FROM MIGRAINE WITH AURA
UNIQUE SELLING POINT	POTENTIALLY FIRST-EVER APPROVED THERAPY SPECIFICALLY TO PREVENT AURA ATTACKS IN PATIENTS WITH SEVERE MIGRAINE WITH AURA

7Ps ANALYSIS

PATENT	US; GRANTED USE AND DOSAGE REGIMEN PATENT UNTIL NOV 2041; EU: 10-YEAR DATA EXCLUSIVITY (EXCL. ITALY WHERE THE ORIGINATOR WAS LAUNCHED)
PHASE	PHASE IIB DOSE-RANGING TRIAL IN SEVERE MIGRAINE WITH AURA PATIENTS TO START IN 2026
PATHWAY	PHASE IIB TO DETERMINE DOSING, AND TWO PIVOTAL PHASE III TRIALS REQUIRED TO ESTABLISH POSITIVE BENEFIT/RISK
PATIENT	SIGNIFICANT IMPROVEMENT IN QUALITY OF LIFE BY A REDUCTION IN THE FREQUENCY AND SEVERITY OF AURA ATTACKS & HEADACHE FOLLOWING AURA
PHYSICIAN	FIRST-EVER APPROVED AND EFFECTIVE DRUG FOR PREVENTING SEVERE MIGRAINE WITH AURA LEADING TO AN IMPROVEMENT IN QOL FOR THE PATIENT
PAYER	EFFECTIVE DRUG THAT REDUCES THE AMOUNT IN LOST DAYS OF WORK, DOCTOR VISITS AND OTHER MEDICATION COSTS
PARTNER	PARTNERING IN 2026 UPON FINALIZING THE PHASE IIB DOSE-RANGING TRIAL DESIGN IN RETURN FOR UPFRONT, REGULATORY & SALES MILESTONES & SALES ROYALTIES

REVENUE MODEL

NORTH AMERICA (US & CANADA) - PARTNER TBD	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
PEOPLE EXPERIENCING MIGRAINE (~20% POPULATION) (MN)	72	74	75	77	78	80	81	83	84	86
PATIENTS WITH AURA (%)	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
PATIENTS WITH AURA (MN)	14.4	14.7	15.0	15.3	15.6	15.9	16.2	16.6	16.9	17.2
SEVERE MIGRAINE WITH AURA (%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
PATIENTS WITH SEVERE MIGRAINE WITH AURA	1'441'954	1'470'793	1'500'209	1'530'213	1'560'817	1'592'033	1'623'874	1'656'351	1'689'478	1'723'268
ELIGIBLE PATIENTS (%)	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
ELIGIBLE PATIENTS WITH SEVERE MIGRAINE WITH AURA	1'297'758	1'323'713	1'350'188	1'377'191	1'404'735	1'432'830	1'461'487	1'490'716	1'520'531	1'550'941
PENETRATION (%)	0%	0%	0%	0%	0%	0%	1%	4%	8%	10%
TOTAL NUMBER OF PATIENTS TREATED	0	0	0	0	0	0	8'119	57'972	126'711	172'327
ANNUAL TREATMENT COST (CHF)	1'649	1'649	1'649	1'649	1'649	1'649	1'649	1'649	1'649	1'649
COMPLIANCE (%)	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
ASSUMED ANNUAL COST PER PATIENT (CHF)	1'155	1'155	1'155	1'155	1'155	1'155	1'155	1'155	1'155	1'155
SALES (CHF MN)	**0**	**0**	**0**	**0**	**0**	**0**	**9**	**67**	**146**	**199**
CHANGE (%)								614%	119%	36%
UPFRONT & MILESTONES (CHF MN)	0	0	27	0	7	0	14	0	9	0
ROYALTY RATE (%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
ROYALTIES (CHF MN)	0	0	0	0	0	0	1	7	15	20
COSTS OF GOODS SOLD (5%) (CHF MN)	0	0	0	0	0	0	0	-3	-7	-10
PROFIT BEFORE TAX (CHF MN)	**0**	**0**	**27**	**0**	**7**	**0**	**14**	**3**	**16**	**10**
TAXES (CHF MN)	0	0	0	0	-1	0	-2	-1	-2	-1
PROFIT/(LOSS) (CHF MN)	**0**	**0**	**27**	**0**	**7**	**0**	**12**	**3**	**14**	**8**

EUROPE (EXCL. CEE COUNTRIES) - PARTNER TBD	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
PEOPLE EXPERIENCING MIGRAINE (~20% POPULATION) (MN)	86.0	87.7	89.4	91.2	93.0	94.9	96.8	98.7	100.7	102.7
PATIENTS WITH AURA (~20%) (MN)	17.2	17.5	17.9	18.2	18.6	19.0	19.4	19.7	20.1	20.5
PATIENTS WITH SEVERE MIGRAINE WITH AURA (~10%)	1'719'230	1'753'615	1'788'687	1'824'461	1'860'950	1'898'169	1'936'133	1'974'855	2'014'352	2'054'639
ELIGIBLE PATIENTS WITH SEVERE MIGRAINE WITH AURA (~90%)	1'547'307	1'578'254	1'609'819	1'642'015	1'674'855	1'708'352	1'742'519	1'777'370	1'812'917	1'849'176
PENETRATION (%)	0%	0%	0%	0%	0%	0%	1%	4%	8%	10%
TOTAL NUMBER OF PATIENTS TREATED	0	0	0	0	0	0	8'713	62'208	135'969	184'918
ANNUAL TREATMENT COST (CHF)	707	707	707	707	707	707	707	707	707	707
COMPLIANCE (%)	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
ASSUMED ANNUAL COST PER PATIENT (CHF)	495	495	495	495	495	495	495	495	495	495
SALES (CHF MN)	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**31**	**67**	**92**
CHANGE (%)								614%	119%	36%
UPFRONT & MILESTONES (CHF MN)	0	0	15	0	4	0	10	0	0	10
ROYALTIES (10%) (CHF MN)	0	0	0	0	0	0	0	3	7	9
COSTS OF GOODS SOLD (5%) (CHF MN)	0	0	0	0	0	0	0	-2	-3	-5
S&D COSTS (CHF MN)	0	0	0	0	0	0	0	0	0	0
PROFIT BEFORE TAX (CHF MN)	**0**	**0**	**15**	**0**	**4**	**0**	**10**	**2**	**3**	**14**
TAXES (CHF MN)	0	0	0	0	0	0	-1	0	-1	-2
PROFIT/(LOSS) (CHF MN)	**0**	**0**	**15**	**0**	**3**	**0**	**8**	**1**	**3**	**12**

	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
GLOBAL SALES (CHF MN)	**0**	**0**	**0**	**0**	**0**	**0**	**14**	**98**	**214**	**290**
CHANGE (%)								614%	119%	36%
GLOBAL PROFIT (CHF MN)	**0**	**0**	**42**	**0**	**10**	**0**	**20**	**4**	**17**	**21**
CHANGE (%)		100%	-20921%	-100%		-100%		-80%	304%	23%

WACC (%)	10%	
NPV TOTAL PROFIT (CHF MN)	**131**	
NUMBER OF SHARES (MN)	5.3	
NPV PER SHARE (CHF)	**25**	
SUCCESS PROBABILITY	15%	(PHASE IIB-READY)
RISK ADJUSTED NPV (CHF MN)	**3.7**	

SENSITIVITY ANALYSIS

RISK-ADJUSTED NPV ANALYSIS

		WACC (%)						
	CHF MN	7	8	9	10	11	12	13
	100%	32.1	29.3	26.9	24.7	22.8	21.1	19.5
	90%	28.9	26.4	24.2	22.3	20.5	19.0	17.6
	80%	25.7	23.5	21.5	19.8	18.2	16.9	15.6
SUCCESS PROBABILITY	65%	20.9	19.1	17.5	16.1	14.8	13.7	12.7
	50%	16.0	14.7	13.5	12.4	11.4	10.5	9.8
	35%	11.2	10.3	9.4	8.7	8.0	7.4	6.8
	15%	4.8	4.4	4.0	**3.7**	3.4	3.2	2.9

ESTIMATES AS OF 25 JULY 2024

SOURCE: VALUATIONLAB ESTIMATES

C-MOH-01 (Medication Overuse Headache based on Tension-Type Headache)

Medication overuse headache peak sales of CHF 475 mn – rNPV of CHF 3.7/share
We forecast peak sales of CHF 475 mn for C-MOH-01 for the treatment and prevention of medication overuse headache (MOH), assuming the first market launches in 2032, a granted use patent providing protection in the US until 2041, 10-year data exclusivity in the EU, a treatment cost per patient of USD 120 (US) and EUR 60 (EU/ROW), and a market penetration peaking at 15% of patients with MOH. A partnering agreement is expected in 2026 with up to CHF 169 mn in milestone payments and 10% royalties on net sales. Applying a 15% (phase II-ready) success rate and a WACC of 10%, our risk-adjusted NPV for C-MOH-01 in MOH amounts to CHF 20 mn or CHF 3.7 per share.

Treating and preventing headaches caused by overuse of painkillers for headache.
C-MOH-01 is a noradrenergic and specific serotonergic antidepressant (NASSA) that is being developed for treating and preventing medication overuse headache (MOH). A general problem of headache treatment is the overuse of painkillers to treat headaches. Discontinuing these painkillers is the treatment of choice; however, it is not successful, as most patients fail and relapse. There are currently no specific preventive treatments for MOH. C-MOH-01 has shown promise in a small POC trial as a prevention treatment for patients with chronic tension-type headache (CTTH). Curatis is preparing to out-license the rights to a (global) partner that will fund and conduct the phase IIb trial and the two phase III trials needed for regulatory approval and commercialization of the drug in patients with severe migraine with aura. In return, Curatis is expected to receive substantial milestone payments and royalties on sales. The first launches are expected in 2032, with global peak sales expected to reach CHF 475 mn based on our detailed bottom-up product model.

Headache is very common and costly to society – correct diagnosis is critical.
Headache disorders, characterized by recurrent headaches, are among the most common neurological conditions, affecting approximately 40% of the global population. The term headache comprises numerous different types of headaches, which differ from each other, for instance, in the character of pain, its location, frequency, and, mainly, the different pathophysiology involved. The most frequent types of headaches are tension-type headache (TTH) and migraine. Tension-type headache (TTH) is a common headache that causes mild to moderate pain and often feels like a tight band around the head; however, it does not have classical migraine features. While less severe than migraines, TTH still contributes to the overall burden of headache disorders. Migraine affects around 20% of the population and is an excruciating primary headache disorder and a leading cause of disability. Migraines typically produce more intense and debilitating symptoms and last longer than regular headaches, with classical migraine features such as nausea, vomiting, and hypersensitivity to light or sound.

In 2019, headache disorders ranked third (after stroke and dementia) in terms of neurological disease burden measured by age-standardized disability-adjusted life years (DALYs). Repeated headache attacks damage overall quality of life (QOL), including family life, social interactions, and employment. The financial burden includes healthcare costs, missed workdays, and reduced productivity.

MOH affects up to 4% of the population with no effective treatment

A general problem of headache treatment is the chronic overuse of drugs to treat headaches. Instead of curing the pain, overuse leads to even heavier secondary headaches, which are much more challenging to treat and are referred to as medication overuse headache (MOH) or rebound headache. Patients who tend to use acute medication to treat their headaches frequently over a prolonged period, like patients who report a history of tension-type headache (TTH), as well as patients who report a history of migraine, are predestined for medication overuse headache. Epidemiological data suggest that up to 4% of the population overuse painkillers and other drugs for the treatment of headache and that 1-2% of the general population in Europe, North America, and Asia suffer from MOH. In Europe, MOH is most prevalent in the middle-aged population of 30-50 years. Over-the-counter (OTC) painkillers are the most commonly overused drugs. Risk factors include a family history of medication overuse headache (hereditary susceptibility), a history of substance abuse, and a low socio-economic position. At the same time, women are 3 ½ times more likely to develop MOH than men. Economically, medication overuse headache is among the costliest of neurologic diseases and the costliest kind of headache disorder.

Discontinuation of the overused painkiller is challenging, with many patients failing

Currently, the treatment of choice for MOH is discontinuation of the overused medication. However, this is often associated with acute headache pain and withdrawal symptoms such as sleep disturbances, nausea, vomiting, anxiety, and depression. While tension-type headache (TTH) or migraine patients suffering from MOH who discontinue medication for 2 months have a reduction in headache frequency (45%), many patients were either unchanged (48%) following withdrawal or had an aggravation of headache. In addition, medication overuse headache may relapse (up to 40%). Thus, there remains a large unmet need for patients suffering from MOH.

Compelling profile of C-MOH- 01 in treating CTTH shown in a small POC trial

C-MOH-01 has demonstrated good tolerability and safety profile during its clinical development program as an antidepressant drug and is well documented. In a small POC trial with C-MOH-01 in patients with chronic tension-type headache (CTTH), a difficult-to-treat headache, Curatis saw compelling data, which forms the basis for evaluating its use in patients with MOH.

> **POC trial in CTTH:** C-MOH-01 was evaluated in an 8-week, randomized, double-blind, placebo-controlled, crossover POC trial in 22 patients with CTTH. During the trial patients compiled a detailed diary reporting neurological symptoms, duration and frequency of CTTH. C-MOH-01 had a significant effect in preventing CTTH and significantly reduced most of the secondary efficacy variables including headache frequency, headache duration, and headache intensity.

Similar efficacy than treatment of choice, however, with better tolerability

Other antidepressant drugs have also been studied for the treatment of tension-type headache (TTH), being more effective than placebo. According to EU treatment guidelines and various US guidelines, the tricyclic antidepressant amitriptyline is recommended as a drug of first choice for preventing chronic tension-type headache (CTTH) - approved for CTTH in the EU, used off-label for CTTH in the US. C-MOH-01, is a so-called noradrenergic and specific serotonergic antidepressant that blocks alpha2-adrenergic receptors on noradrenergic and serotonergic presynaptic neurons. This results in increased serotonergic and noradrenergic neurotransmission. The compound is more specific and, therefore,

generally better tolerated than tricyclic antidepressants such as amitriptyline. The efficacy of C-MOH-01 is comparable to that of amitriptyline in treating CTTH. In comparative studies, a significantly lower percentage of patients treated with C-MOH-01 complained of any adverse events than patients treated with amitriptyline. As C-MOH-01 will be taken in the evening, the compound has the potential to induce sleep, which is often a problem for headache patients. C-MOH-01 is also effective in treatment-resistant patients (difficult-to-treat patients) who have used amitriptyline and other medications for tension-type headaches (TTH). Further evidence was demonstrated in 3 case reports describing the efficacy of C-MOH-01 in treating MOH in migraine headache patients.

Curatis, together with the renowned Danish Headache Center at Rigshospitalet in Glostrup and the University of Copenhagen, both in Denmark, was granted a use patent for C-MOH-01, providing protection until December 2041. In the EU, C-MOH-01 would benefit from 10-year data exclusivity.

Partnering Readiness for C-MOH-01

Curatis is currently working on the partnering readiness for C-MOH-01. The company plans to out-license the rights to C-MOH-01 in MOH to a (global) partner. The partner will fund and be responsible for conducting the phase IIb dose-ranging trial, the two pivotal phase III trials required for approval, regulatory filings, and the commercialization of C-MOH-01. In return, Curatis is expected to receive considerable upfront, regulatory, and sales milestones, as well as royalties on net sales.

Global peak sales of CHF 450+ mn in MOH (Curatis guides for USD 500 mn)

We forecast global peak sales of CHF 475 mn for C-MOH-01 in treating medication overuse headache (MOH). In 2026, Curatis plans to partner C-MOH-01 globally in return for substantial upfront, regulatory, and sales milestones (we forecast up to CHF 169 mn) and royalties on net sales (we assume 10%). The partner will book all sales.

North America peak sales of CHF 290 mn: Annually, an estimated 4% of the population or approximately 14.4 mn have medication overuse headache. We assume 80% of these patients are eligible for C-MOH-01 treatment, the market penetration gradually increasing to 15% at peak, and 90% of patients complying with treatment. Applying a monthly treatment cost of USD 60 and a 2-month treatment duration, first launches in 2032, and a granted use patent protecting until 2041, we forecast peak sales in North America to reach just under CHF 300 mn.

Europe peak sales of CHF 185 mn: An estimated 17.2 mn of patients with MOH will present annually. Assuming the same patient eligibility, peak market penetration, patient compliance, treatment duration, first launches in 2032, a EUR 30 monthly treatment cost, and 10-year data exclusivity, we forecast European peak sales to reach CHF 185 mn.

Additional upside to our forecasts: We only include North America and Europe in our forecasts. Geographical expansion in other regions would add to our forecasts. C-MOH-01 could potentially be developed for chronic tension-type headache (CTTH), adding substantially to our forecasts.

Forecasts & Sensitivity Analysis

C-MOH-01 - FINANCIAL FORECASTS FOR MEDICATION OVERUSE HEADACHE (MOH)

INDICATION	TREATMENT AND PREVENTION OF MEDICATION OVERUSE HEADACHE (MOH)
DOSAGE	NEW TABLET FORMULATION, 1X DAILY BEFORE SLEEP (DOSAGE TO BE DETERMINED)
PRICE	ANNUAL COST PER PATIENT ASSUMING 2 MONTHS TREATMENT (90% COMPLIANCE): NORTH AMERICA: USD 120 (USD 2.00/DAY); EUROPE: EUR 60 (EUR 1.00/DAY)
STANDARD OF CARE	NO APPROVED DRUG FOR TREATMENT/PREVENTION OF MOH; DISCONTINUATION WITH OVERUSED MEDICATION, HOWEVER, HIGH RELAPSE RATE
UNIQUE SELLING POINT	FIRST-EVER APPROVED DRUG SPECIFICALLY FOR TREATING MOH WITH THE POTENTIAL TO REDUCE THE HIGH RELAPSE RATE SEEN IN DRUG DISCONTINUATION

7Ps ANALYSIS

PATENT	ORIGINATOR PATENT EXPIRED; US: GRANTED USE PATENT PROTECTS UNTIL 2041, EU: 10-YEAR DATA EXCLUSIVITY, NEW DOSAGES, NEW GALENICAL FORMULATION
PHASE	PHASE IIB DOSE-RANGING TRIAL IN MOH PATIENTS TO START IN 2027; POC IN CHRONIC TENSION TYPE HEADACHE ESTABLISHED (POTENTIAL EXPANSION)
PATHWAY	PHASE IIB TO DETERMINE DOSING, AND TWO PIVOTAL PHASE III TRIALS REQUIRED TO ESTABLISH POSITIVE BENEFIT/RISK
PATIENT	SIGNIFICANT IMPROVEMENT IN QUALITY OF LIFE BY A REDUCTION IN THE FREQUENCY AND SEVERITY OF ACUTE HEADACHES AFTER MEDICATION DISCONTINUATION
PHYSICIAN	FIRST-EVER APPROVED AND EFFECTIVE DRUG FOR TREATING AND PREVENTING OF MOH LEADING TO AN IMPROVEMENT IN QOL FOR THE PATIENT
PAYER	EFFECTIVE DRUG THAT REDUCES THE AMOUNT IN LOST DAYS OF WORK, DOCTOR VISITS AND OTHER MEDICATION COSTS
PARTNER	PARTNERING IN 2026 UPON FINALIZING THE PHASE IIB DOSE-RANGING TRIAL DESIGN IN RETURN FOR UPFRONT, REGULATORY & SALES MILESTONES & SALES ROYALTIES

REVENUE MODEL

NORTH AMERICA (US & CANADA) - PARTNER TBD	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**
POPULATION (MN)	360	368	375	383	390	398	406	414	422	431
GROWTH (%)	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
POPULATION WITH MEDICATION OVERUSE HEADACHE (%)	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
POPULATION WITH MEDICATION OVERUSE HEADACHE (MN)	14.4	14.7	15.0	15.3	15.6	15.9	16.2	16.6	16.9	17.2
ELIGIBLE PATIENTS (%)	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
ELIGIBLE MOH PATIENTS (MN)	11.5	11.8	12.0	12.2	12.5	12.7	13.0	13.3	13.5	13.8
PENETRATION (%)	0%	0%	0%	0%	0%	0%	0%	0%	1%	3%
TOTAL MOH PATIENTS TREATED	0	0	0	0	0	0	0	0	168'948	516'980
ANNUAL TREATMENT COST (CHF)	108	108	108	108	108	108	108	108	108	108
COMPLIANCE (%)	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
ASSUMED ANNUAL COST PER PATIENT (CHF)	98	98	98	98	98	98	98	98	98	98
SALES (CHF MN)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**16**	**50**
CHANGE (%)										206%
UPFRONT & MILESTONES (CHF MN)	0	0	27	0	7	0	0	0	14	0
ROYALTY RATE (%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
ROYALTIES (CHF MN)	0	0	0	0	0	0	0	0	2	5
COSTS OF GOODS SOLD (CHF MN)	0	0	-4	0	-1	0	0	0	-2	0
PROFIT BEFORE TAX (CHF MN)	**0**	**0**	**23**	**0**	**6**	**0**	**0**	**0**	**13**	**5**
TAXES (CHF MN)	0	0	0	0	0	0	0	0	-2	-1
PROFIT/(LOSS) (CHF MN)	**0**	**0**	**23**	**0**	**6**	**0**	**0**	**0**	**11**	**4**

EUROPE (EXCL. CEE COUNTRIES) - PARTNER TBD	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**
POPULATION (MN)	430	438	447	456	465	475	484	494	504	514
POPULATION WITH MEDICATION OVERUSE HEADACHE (~4%) (MN)	17.2	17.5	17.9	18.2	18.6	19.0	19.4	19.7	20.1	20.5
ELIGIBLE PATIENTS WITH MOH (~80%) (MN)	13.8	14.0	14.3	14.6	14.9	15.2	15.5	15.8	16.1	16.4
PENETRATION (%)	0%	0%	0%	0%	0%	0%	0%	0%	1%	2%
TOTAL MOH PATIENTS TREATED	0	0	0	0	0	0	0	0	100'718	410'928
ANNUAL TREATMENT COST (CHF)	58	58	58	58	58	58	58	58	58	58
COMPLIANCE (%)	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
ASSUMED ANNUAL COST PER PATIENT (CHF)	52	52	52	52	52	52	52	52	52	52
SALES (CHF MN)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**21**
CHANGE (%)										308%
UPFRONT & MILESTONE PAYMENTS (CHF MN)	0	0	15	0	4	0	0	0	10	0
ROYALTIES (10%) (CHF MN)	0	0	0	0	0	0	0	0	1	2
COSTS OF GOODS SOLD (CHF MN)	0	0	-2	0	-1	0	0	0	-1	0
R&D COSTS (CHF MN)	0	0	0	0	0	0	0	0	0	0
PROFIT BEFORE TAX (CHF MN)	**0**	**0**	**12**	**0**	**3**	**0**	**0**	**0**	**9**	**2**
TAXES (CHF MN)	0	0	0	0	0	0	0	0	-1	0
PROFIT/(LOSS) (CHF MN)	**0**	**0**	**12**	**0**	**3**	**0**	**0**	**0**	**7**	**2**

	2024E	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**
GLOBAL SALES (CHF MN)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**22**	**72**
CHANGE (%)										231%
GLOBAL PROFIT (CHF MN)	**0**	**0**	**35**	**0**	**9**	**0**	**0**	**0**	**18**	**6**
CHANGE (%)		100%	-17798%	-100%		-100%				-68%

WACC (%)	10%	
NPV TOTAL PROFIT (CHF MN)	**130**	
NUMBER OF SHARES (MN)	5.3	
NPV PER SHARE (CHF)	**25**	
SUCCESS PROBABILITY	15%	(PHASE IIB-READY)
RISK ADJUSTED NPV (CHF MN)	**3.7**	

RISK-ADJUSTED NPV ANALYSIS

		WACC (%)						
	CHF MN	7	8	9	10	11	12	13
	100%	33.6	30.2	27.2	24.6	22.4	20.4	18.6
	90%	30.2	27.2	24.5	22.2	20.1	18.3	16.7
	80%	26.9	24.1	21.8	19.7	17.9	16.3	14.9
SUCCESS PROBABILITY	65%	21.8	19.6	17.7	16.0	14.5	13.2	12.1
	50%	16.8	15.1	13.6	12.3	11.2	10.2	9.3
	35%	11.8	10.6	9.5	8.6	7.8	7.1	6.5
	15%	5.0	4.5	4.1	**3.7**	3.4	3.1	2.8

ESTIMATES AS OF 25 JULY 2024

SOURCE: VALUATIONLAB ESTIMATES

Income Statement

CURATIS									SHARE PRICE (CHF)	6.00	
CH GAAP											
INCOME STATEMENT (CHF MN)	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
PRODUCT SALES (INCLUDING PARTNER SALES)	**0**	**0**	**0**	**10**	**38**	**77**	**123**	**227**	**373**	**503**	**648**
CHANGE (%)					272%	99%	60%	84%	65%	35%	29%
PRODUCT SALES (BY CURATIS)	**0**	**0**	**0**	**0**	**5**	**19**	**34**	**44**	**48**	**49**	**50**
CHANGE (%)						257%	75%	30%	11%	2%	2%
ROYALTIES	**0**	**0**	**0**	**2**	**5**	**9**	**13**	**23**	**37**	**50**	**64**
CHANGE (%)					220%	73%	48%	77%	64%	35%	29%
UPFRONT & MILESTONES	**0**	**9**	**83**	**4**	**25**	**6**	**23**	**2**	**33**	**18**	**32**
DISTRIBUTION BUSINESS (SPECIALTY & ORPHAN DRUGS)	**8**	**9**	**10**	**10**	**11**	**12**	**12**	**13**	**13**	**14**	**15**
CHANGE (%)	15%	10%	8%	5%	5%	5%	5%	5%	5%	5%	5%
REVENUES (EXCL. PARTNER SALES)	**8**	**18**	**93**	**16**	**47**	**46**	**82**	**81**	**132**	**131**	**161**
CHANGE (%)	15%	118%	408%	-83%	199%	-2%	79%	-1%	63%	-1%	23%
COGS (INCL. ROYALTY PAYMENTS)	**-6**	**-7**	**-14**	**-8**	**-11**	**-13**	**-17**	**-23**	**-34**	**-36**	**-42**
CHANGE (%)	15%	10%	96%	-42%	39%	14%	31%	40%	47%	3%	17%
GROSS PROFIT	**2**	**11**	**79**	**8**	**36**	**33**	**65**	**57**	**98**	**96**	**120**
CHANGE (%)	15%	477%	605%	-90%	368%	-7%	97%	-12%	70%	-2%	25%
MARGIN (%)	23.2%	61.3%	85.1%	48.5%	76.1%	72.2%	79.5%	71.0%	73.9%	72.9%	74.2%
S&D	**-2**	**-2**	**-2**	**-2**	**-2**	**-2**	**-2**	**-2**	**-2**	**-2**	**-2**
CHANGE (%)		53%	-13%	0%	0%	0%	0%	0%	0%	0%	0%
S,G&A	**-2**	**-2**	**-2**	**-4**	**-6**	**-7**	**-9**	**-10**	**-10**	**-10**	**-10**
CHANGE (%)	-83%	0%	0%	100%	50%	23%	17%	14%	2%	1%	1%
OTHER OPERATING INCOME/(EXPENSE)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
CHANGE (%)											
EBIT	**-2**	**7**	**75**	**2**	**28**	**24**	**54**	**46**	**86**	**84**	**108**
CHANGE (%)	-85%	-555%	981%	-98%	1591%	-14%	130%	-16%	88%	-2%	29%
MARGIN (%)	-18.2%	38.0%	80.8%	10.4%	59.0%	51.7%	66.5%	56.4%	64.8%	63.7%	66.7%
EBITDA	**3**	**9**	**78**	**4**	**30**	**26**	**57**	**48**	**88**	**86**	**110**
CHANGE (%)	-150%	173%	722%	-95%	629%	-13%	117%	-15%	83%	-2%	28%
MARGIN (%)	41.2%	51.6%	83.5%	26.4%	64.4%	57.2%	69.6%	59.5%	66.7%	65.6%	68.3%
D&A	**-5**	**-3**	**-3**	**-3**	**-3**	**-3**	**-3**	**-3**	**-3**	**-3**	**-3**
NET FINANCIAL INCOME/(EXPENSES)	**0**	**0**	**2**	**2**	**2**	**2**	**2**	**3**	**3**	**5**	**5**
PROFIT BEFORE TAXES	**-7**	**4**	**74**	**1**	**27**	**23**	**54**	**46**	**86**	**86**	**110**
CHANGE (%)	-50%	-168%	1564%	-99%	4102%	-12%	131%	-16%	88%	0%	28%
MARGIN (%)	-77.6%	24.3%	79.7%	4.0%	56.9%	51.1%	66.1%	56.4%	64.8%	65.3%	67.9%
TAXES	**0**	**0**	**0**	**0**	**-1**	**-2**	**-5**	**-3**	**-9**	**-8**	**-12**
NET PROFIT	**-7**	**4**	**74**	**1**	**26**	**22**	**49**	**42**	**77**	**78**	**98**
CHANGE (%)	-49%	-168%	1564%	-99%	3927%	-15%	123%	-13%	81%	1%	27%
MARGIN (%)	-77.6%	24.3%	79.7%	4.0%	54.5%	47.6%	59.5%	52.6%	58.3%	59.1%	60.8%
EPS (CHF)	**-1.25**	**0.85**	**14.22**	**0.12**	**4.88**	**4.16**	**9.29**	**8.12**	**14.71**	**14.82**	**18.75**

ESTIMATES AS OF 25 JULY 2024

NOTE: For FY 2024, Curatis expects a single-digit million CHF loss, mainly due to one-off transaction costs for the business combination with Kinarus Therapeutics Holding AG and non-cash relevant charges incurred in relation to the amendment of its employee shareholder and option plan (ESOP), in particular the amendment to the exercise period and price, and the annual amortization of additional intangible assets created in the context of the business combination with Kinarus Therapeutics Holding AG.

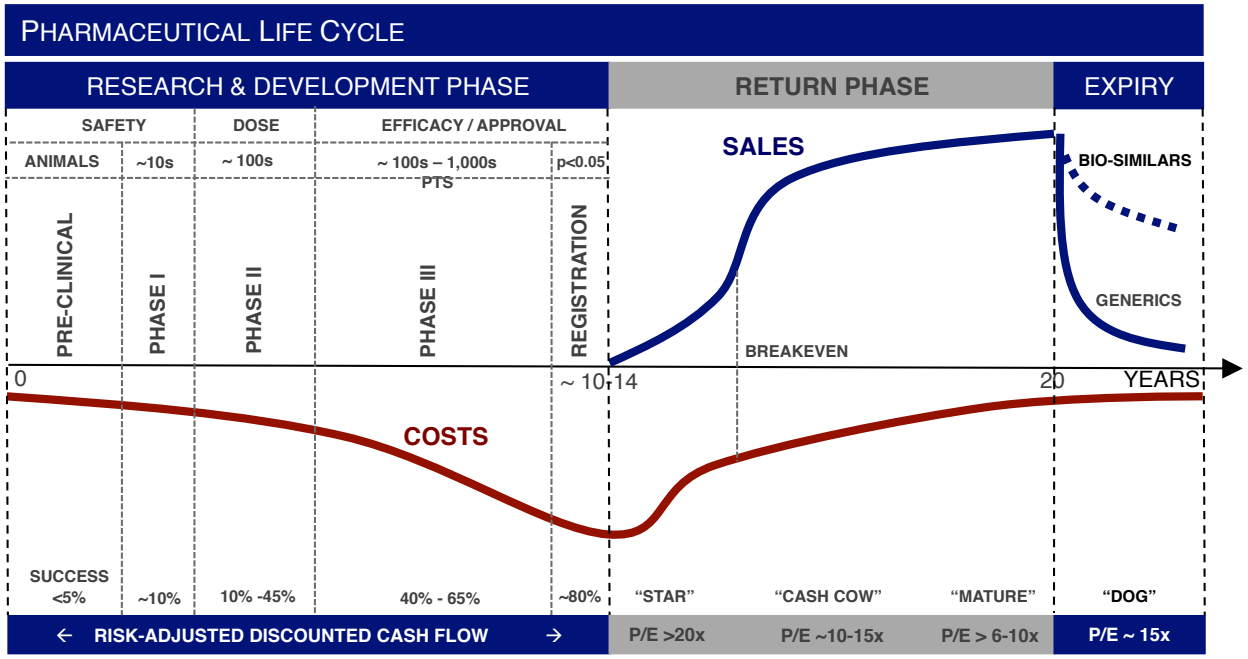
Ratios & Balance Sheet

CURATIS									SHARE PRICE (CHF)	6.00
CH GAAP										
RATIOS	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
P/E	-4.8x	7.0x	0.4x	49.5x	1.2x	1.4x	0.6x	0.7x	0.4x	0.4x	0.3x
P/S	3.7x	1.7x	0.3x	2.0x	0.7x	0.7x	0.4x	0.4x	0.2x	0.2x	0.2x
P/NAV	0.7x	0.7x	0.3x	0.3x	0.3x	0.3x	0.3x	0.3x	0.2x	0.2x	0.2x
EV/EBITDA	7.3x	2.7x	0.3x	6.2x	0.8x	1.0x	0.4x	0.5x	0.3x	0.3x	0.2x
PER SHARE DATA (CHF)	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
EARNINGS	**-1.25**	**0.85**	**14.22**	**0.12**	**4.88**	**4.16**	**9.29**	**8.12**	**14.71**	**14.82**	**18.75**
CHANGE (%)	-56%	-168%	1564%	-99%	3927%	-15%	123%	-13%	81%	1%	27%
CASH	**0.46**	**1.32**	**13.63**	**10.88**	**11.94**	**11.32**	**14.87**	**15.34**	**21.44**	**25.75**	**32.07**
CHANGE (%)	-53%	185%	935%	-20%	10%	-5%	31%	3%	40%	20%	25%
DIVIDENDS **	**0.00**	**0.00**	**1.91**	**2.87**	**3.82**	**4.78**	**5.74**	**7.65**	**8.61**	**10.52**	**12.43**
PAYOUT RATIO (%)	0%	0%	13%	2367%	78%	115%	62%	94%	59%	71%	66%
NET ASSET VALUE	**8.34**	**9.19**	**21.50**	**18.76**	**19.81**	**19.19**	**22.74**	**23.21**	**29.32**	**33.62**	**39.95**
CHANGE (%)	-18%	10%	134%	-13%	6%	-3%	18%	2%	26%	15%	19%
** VALUATIONLAB ESTIMATES											
BALANCE SHEET (CHF MN)	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
NET LIQUID FUNDS	**2**	**7**	**71**	**57**	**62**	**59**	**78**	**80**	**112**	**135**	**168**
TOTAL ASSETS	**55**	**59**	**124**	**109**	**115**	**112**	**130**	**133**	**165**	**187**	**220**
SHAREHOLDERS' EQUITY	**44**	**48**	**112**	**98**	**104**	**100**	**119**	**121**	**153**	**176**	**209**
- CHANGE IN %		5%	134%	-13%	6%	-3%	18%	2%	26%	15%	19%
- RETURN ON EQUITY	-667%	1075%	151%	15478%	406%	461%	245%	286%	199%	227%	213%
FINANCIAL DEBT	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
- FIN. DEBT % OF TOTAL ASSETS	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
EMPLOYEES	**8**	**9**	**12**	**14**	**17**	**20**	**22**	**25**	**27**	**29**	**30**
- CHANGE IN %	*33%*	*13%*	*33%*	*17%*	*21%*	*18%*	*10%*	*14%*	*8%*	*7%*	*3%*
ESTIMATES AS OF 25 JULY 2024											

APPENDIX

Pharmaceutical life cycle

To determine the value of a prescription (bio)pharmaceutical compound, it is critical to understand its life cycle. Fortunately, all compounds follow the same life cycle. The clock starts ticking after the compound is patented, providing 20 years of protection from generic competition. Market exclusivities can extend this protection period. The average Research & Development Phase takes 10-14 years, leading to an effective Return Phase of 6-10 years. The Development Phase has 3 distinct Phases, focused on safety (Phase I), dose (Phase II), and efficacy/clinical benefit (Phase III). The compound is filed for registration/approval at the FDA (US) or EMA (EU). The Return Phase is characterized by a star, cash cow, and mature phase. After patent expiry (or loss of market exclusivity), generic manufacturers may copycat the branded prescription drug at significantly lower costs, leading to a sharp decline in sales and earnings of the branded drug.



SOURCE: VALUATIONLAB

Success probabilities & Royalties

In our risk-adjusted NPV calculations, we use standardized success probabilities based on historical clinical success rates. The success rate increases as the project progresses through development. Sales and earnings forecasts are based on the clinical and competitive profile of the compound. The more advanced the compound is, the more accurate the forecasts become as the target market can be defined. We conservatively exclude projects that lack Phase IIa proof-of-concept data in our valuations.

SUCCESS PROBABILITIES & ROYALTIES

DEVELOPMENT STAGE	AIM	WHAT / WHO	SUCCESS PROBABILITY (%)	COSTS (USD MN)	ROYALTIES (%)
PRE-CLINICAL	SAFETY & PHARMACOLOGY DATA	LAB TESTS / ANIMALS - NO HUMANS!	< 5	3	
PHASE I	SCREENING FOR SAFETY	HEALTHY VOLUNTEERS (10'S)	5-15	3	< 5
PHASE IIA	PROOF-OF-CONCEPT	PATIENTS WITH DISEASE (10'S)	10-20		
PHASE II	ESTABLISH THE TESTING PROTOCOL	PATIENTS WITH DISEASE (100'S)	15-35	5	5-15
PHASE IIB	OPTIMAL DOSAGE	PATIENTS WITH DISEASE (100'S)	20-45	5-10	
PHASE III	EVALUATE OVERALL BENEFIT/RISK	PATIENTS WITH DISEASE (1,000'S)	40-65	> 20-1,000	10-25
REGULATORY FILING	DETERMINE PHYSICIAN LABELING	CLINICAL BENEFIT ASSESSMENT	80-90		
APPROVAL	MARKETING AUTHORIZATION	PHYSICIANS FREE TO PRESCRIBE	100		15-30

SOURCE: VALUATIONLAB, TUFTS, FDA, EMA, CLINICALTRIALS.GOV

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Our financial analyses are based on the "Directives on the Independence of Financial Research" issued by the Swiss Bankers Association in January 2008.

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Speculative	less than 1 year cash and breakeven beyond 1 year
High Risk	profitable within 2 years and 1 approved product/key indication (patent expiry > 5 years)
Medium Risk	profitable and/or sales from at least 2 marketed products/key indications (patent expiry > 5 years)
Low Risk	profitable and sales from >2 marketed products/key indications (patent expiry > 5 years)

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