


Update: Report Q4 2024

2025-03-05

Lipum: A busy year ahead

- The phase I study is successfully completed
- Planning for a financing round in Q2
- Our model suggests a fair value of SEK 15.83 per share

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Stock ticker:	LIPUM												
Industry:	Biotech												
Listed on:	Nasdaq First North												
Latest share price (SEK):	17,00												
Market cap (MSEK):	360,6												
Enterprise Value (MSEK):	355,8												
Total number of shares (M):	21,2												
- of which free float (M):	12,1												
<hr/>													
VHCF fair value per share													
DCF model	SEK 15.83												
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	Lipum												
Address:	Tvistevägen 48C 907 36 Umeå												
Webpage:	lipum.se												
CEO:	Ola Sandborgh												
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Main owners (30 sep 2024)	Capital (%)												
Flerie Invest AB	56,8												
Craafordska Stiftelsen	6,1												
Försäkringsbolaget Avanza Pension	6,0												
Nordnet Pensionsförsäkring AB	5,8												
Christian von Koenigsegg	3,3												
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Share price history (SEK)													
													
	<table border="1"> <tr> <td></td> <td>-1m</td> <td>-3m</td> <td>-12m</td> </tr> <tr> <td>Change (%)</td> <td>21,4</td> <td>0,6</td> <td>94,1</td> </tr> <tr> <td>52 w k range (Low /Hi) - SEK</td> <td colspan="3">5.85 / 20.80</td> </tr> </table>		-1m	-3m	-12m	Change (%)	21,4	0,6	94,1	52 w k range (Low /Hi) - SEK	5.85 / 20.80		
	-1m	-3m	-12m										
Change (%)	21,4	0,6	94,1										
52 w k range (Low /Hi) - SEK	5.85 / 20.80												
Source: Västra Hamnen Coporate Finance													

Just before the release of the year-end report, **Lipum** announced positive topline results from its phase I study with *SOL-116* in rheumatoid arthritis (RA).

The data show that the drug candidate is safe and tolerable, with no serious adverse events observed. The drug candidate also exhibits favourable pharmacokinetics and low immunogenicity. The complete study report is expected in March, in which the analysis of the exploratory objectives will be fully presented.

The topline data is the first of several milestones for Lipum to reach in 2025. A second is the results from the collaboration with **Karolinska Institutet** investigating the mode of action of SOL-116, expected in Q3. By the end of the year, another milestone will be applying to initiate the phase II study.

Entering phase II is an inflection point; Lipum is expected to reach this level in 2026. Until then, the company will have a busy 2025 preparing for the next phase. In his CEO statement, **Ola Sandborgh** repeated the ambition to carry out the next financing round during the first half of 2025. On the agenda is also finalising the production of the drug candidate together with **NorthX Biologics** and appointing a contract research organisation to carry out the study.

We do not doubt the medical need that SOL-116 could fill or the market potential of an alternative approach to RA. Drug development is risky, and evaluating such projects is a matter of probabilities.

In our model, we have risk-adjusted the present value of the future cash flows by 14.8 per cent. This probability reflects the likelihood of approval (LOA) for a drug candidate in phase I according to industry benchmarks. This LOA corresponds to a value per share of SEK 15.83. For a biologic drug candidate in phase II, the LOA is 22.4 per cent – implying SEK 23.84 per share. We argue that the company is in transition to phase II and that the current fair value of Lipum would be in this interval.

As the company advances in preparations and reaches milestones, the LOA increases. For now, we keep the LOA at 14.8, which leads us to a fair value of SEK 15.83 per share.

Table 1: Sensitivity analysis

		Sensitivity analysis (value per share, SEK)				
		LOA				
WACC		4,8%	9,8%	14,8%	19,8%	22,4%
	18,2%	6,61	13,27	19,92	26,57	30,03
	19,2%	5,90	11,82	17,73	23,65	26,72
	20,2%	5,29	10,56	15,83	21,10	23,84
	21,2%	4,75	9,45	14,16	18,87	21,32
	22,2%	4,27	8,48	12,70	16,91	19,10

Positive topline data from the phase I study

Successful completion of the phase I study

The topline data from the phase I study show that SOL-116 is safe and tolerable, with no serious adverse events. The pharmacokinetic data show predictable and favourable properties, supporting a once-monthly dosing regimen. Further, the drug candidate showed low immunogenicity. Anti-drug antibodies were detected in one instance, an RA patient treated with SOL-116 on day 49. This patient tested negative on day 90, the next time point.

Exploratory objectives included measuring the impact of SOL-116 on bile salt-stimulated lipase (BSSL) concentrations in the blood. The data confirmed BSSL suppression; the full analysis will be available in the final report, expected in March 2025.

Strong support for phase II

In conclusion, the topline data strongly support advancing SOL-116 to a phase II proof-of-concept study. Learn more in Lipum's [webcast](#) in connection with the year-end report, presented by Ola Sandborgh and CMO **Peter Hovstadius**.

Production of SOL-116 underway

Preparations for phase II have started. Last year, NorthX Biologics was assigned to produce the study material. According to Lipum, the process has advanced as planned.

Exploring the mode of action

In parallel with the clinical programme, Lipum collaborates with **Karolinska Institutet** to explore SOL-116's mode of action and the role of BSSL in inflammatory processes. The two-year project is nearing its completion, and the findings are expected to be reported in Q3, according to Lipum's management.

Collaboration with Age Labs

Together with Norwegian **Age Labs**, Lipum will develop a diagnostic method to find the RA patients most suitable for SOL-116 treatment. The ambition is to find biomarkers for the early detection of RA and estimate the risk of developing the disease. In the long run, a successful companion diagnostic could help patients receive an effective treatment sooner. The project has been granted funding from **Eurostars** of MEUR 1.9, a sum that will be evenly split between the two companies.

Financing activities in H1 2025

Financial update

In Q4, Lipum reported an operating cash flow of MSEK -16.2 and ended the year with cash holdings of MSEK 6.6. The company has used the loan facility of MSEK 20 provided by its main owner, **Flerie**. Half of the sum was used in December 2024, and the other half was used in January 2025. According to the conditions, the loan will be repaid by May 31.

Financially, the focus lies on the expected financing round during the spring of 2025. We will update our model once the details are made public.

Moving from phase I to phase II

Given the medical need, the market potential and current alternatives, we believe Lipum has a significant potential with its new approach in RA. Even if the phase I study is a great achievement, many steps remain before SOL-116 can be considered a real alternative to RA patients.

The LOA changes when entering phase II

In our model, we adjust the present value of future cash flows with the LOA to accommodate for the development risk. The benchmark probability for a biological drug candidate in phase I is 14.8 per cent, and for an asset in phase II, it is 22.4 per cent. As Lipum has not yet reached this stage, we keep our risk adjustment at 14.8 per cent at this point. This leads us to a fair value of SEK 15.83 per share.

Activities to enter phase II

In 2025, the company will carry out several value-enhancing activities:

- Presenting conclusions from the final phase I study report
- Addressing the financing of the phase II study
- Finishing production of the drug candidate
- Reporting results from mode of action project with Karolinska Institutet
- Appointing a suitable contract research organisation to carry out the study
- Applying to start the phase II study

Completing these activities will de-risk the project and prompt us to increase the LOA in our model, depending on the outcomes. A LOA of 22.4 per cent corresponds to a value per share of SEK 23.84.

Strategically, the phase II study will be decisive for SOL-116 to realise its potential. We expect Lipum's partnering discussions to intensify as the drug candidate enters this phase. Later-stage development will most likely be carried out together with a partner.

Income Statement - Annual Data

TSEK	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
Net revenues	0	0	0	0	0	0	0	0
Other revenues	165	909	0	0	0	0	0	0
Total revenues	165	909	0	0	0	0	0	0
Cost of goods sold	0	0	0	0	0	0	0	0
Research and development cost	-30 300	-47 491	-5 251	-27 692	-27 692	-27 692	-209 423	-270 000
Personnel expenses	-6 872	-8 426	-7 265	-10 378	-11 233	-12 159	-13 162	-14 247
Sales expenses	0	0	0	0	0	0	0	0
Other operating income	0	0	0	0	0	0	0	0
Other operating expenses	-207	-164	0	0	0	0	0	0
EBITDA	-37 214	-55 172	-12 515	-38 070	-38 926	-39 852	-222 585	-284 247
Amortisation & depreciation	-40	-48	-31	-34	-37	-41	-45	-50
EBIT	-37 254	-55 220	-12 546	-38 104	-38 963	-39 893	-222 630	-284 297
Financials, net	76	-296	-2 623	-65	0	0	0	0
EBT	-37 178	-55 516	-15 169	-38 169	-38 963	-39 893	-222 630	-284 297
Taxes	0	0	0	0	0	0	0	0
Net profit	-37 178	-55 516	-15 169	-38 169	-38 963	-39 893	-222 630	-284 297
Earnings per share (SEK)	0,00	-1,29	-0,72	-1,80	-1,84	-1,88	-10,50	-13,40
Growth (%)								
Net revenues	na	na	na	na	na	na	na	na
EBITDA	na	na	na	na	na	na	na	na
EBIT	na	na	na	na	na	na	na	na
Net profit	na	na	na	na	na	na	na	na
Of revenues (%)								
EBITDA margin	neg	neg	neg	neg	neg	neg	neg	neg
EBIT margin	neg	neg	neg	neg	neg	neg	neg	neg
EBT margin	neg	neg	neg	neg	neg	neg	neg	neg
Profit margin	neg	neg	neg	neg	neg	neg	neg	neg
Personnel costs	neg	neg	neg	neg	neg	neg	neg	neg
Total OPEX	neg	neg	neg	neg	neg	neg	neg	neg
Profitability (%)								
ROE	neg	neg	neg	neg	neg	neg	neg	neg
ROIC	neg	neg	neg	neg	neg	neg	neg	neg

Source: Västra Hamnen Corporate Finance

Balance Sheet - Annual Data

TSEK	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
Accounts receivables	0	0	0	0	0	0	0	0
Prepaid costs & accrued income	374	37 426	40 511	43 851	47 465	51 378	55 613	60 197
Inventories	0	0	0	0	0	0	0	0
Tax claims	0	0	0	0	0	0	0	0
Other short-term receivables	1 313	1 303	1 410	1 527	1 653	1 789	1 936	2 096
Cash and cash equivalents	10 226	6 632	77 891	34 943	692 957	649 805	423 648	135 533
Total current assets	11 913	45 361	119 813	80 320	742 075	702 972	481 198	197 826
Shares in subsidiaries	0	0	0	0	0	0	0	0
Tangible assets	197	147	162	179	198	218	241	266
Intangible assets	0	0	0	0	0	0	0	0
Financial assets	0	0	0	0	0	0	0	0
Total fixed assets	197	147	162	179	198	218	241	266
Total assets	12 110	45 508	119 975	80 499	742 272	703 190	481 438	198 092
Accounts payable	4 100	7 690	8 324	9 010	9 753	10 557	11 427	12 369
Short term tax liabilities	515	69	75	81	88	95	103	111
Short term debt	0	10 000	0	0	0	0	0	0
Other short term liabilities	230	177	107	95	94	93	93	93
Accrued cost & prepaid income	932	3 708	2 774	2 655	2 643	2 643	2 643	2 643
Total current liabilities	5 777	21 644	11 280	11 841	12 577	13 388	14 266	15 217
Long term liabilities	1 761	1 868	1 868	0	0	0	0	0
Total equity	4 572	21 996	106 827	68 658	729 695	689 802	467 172	182 876
Total equity and liabilities	12 110	45 508	119 975	80 499	742 272	703 190	481 438	198 092

Source: Västra Hamnen Corporate Finance

Cash flow statement

TSEK	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
Operating activities	-38 423	-55 361	-15 138	-38 136	-38 926	-39 852	-222 585	-284 247
Changes in working capital	195	-31 174	-3 557	-2 895	-3 004	-3 238	-3 504	-3 793
Investing activities	-188	0	-46	-51	-56	-62	-68	-75
Financing activities	13 833	82 915	90 000	-1 868	700 000	0	0	0
Cash flow for the period	-1 430	-3 620	71 259	-42 949	658 014	-43 151	-226 157	-288 115
Beginning cash balance	8 343	10 226	6 606	77 865	34 917	692 931	649 779	423 622
Ending cash balance	10 226	6 606	77 865	34 917	692 931	649 779	423 622	135 507

Source: Västra Hamnen Corporate Finance

Income Statement - Quarterly Data

TSEK	Q3 2024	Q4 2024	Q1 2025e	Q2 2025e	Q3 2025e	Q4 2025e	Q1 2026e	Q2 2026e
					x			
Net revenues	0	0	0	0	0	0	0	0
Other revenues	109	486	0	0	0	0	0	0
Total revenues	109	486	0	0	0	0	0	0
Cost of goods sold	0	0	0	0	0	0	0	0
Research and development cost	-48	-23 552	-1 274	-1 299	-1 325	-1 352	-6 923	-6 923
Sales expenses	-1 669	-2 489	-1 736	-1 789	-1 842	-1 897	-2 518	-2 568
Sales expenses	0	0	0	0	0	0	0	0
Other operating income	0	0	0	0	0	0	0	0
Other operating expenses	-12	-63	0	0	0	0	0	0
EBITDA	-1 620	-25 618	-3 010	-3 088	-3 168	-3 249	-9 441	-9 491
Amortisation & depreciation	-12	-12	-7	-8	-8	-8	-8	-8
EBIT	-1 632	-25 630	-3 018	-3 095	-3 175	-3 257	-9 449	-9 500
Financials, net	-48	-97	-831	-1 531	-131	-131	-65	0
EBT	-1 680	-25 727	-3 848	-4 626	-3 306	-3 388	-9 514	-9 500
Taxes	0	0	0	0	0	0	0	0
Net profit	-1 680	-25 727	-3 848	-4 626	-3 306	-3 388	-9 514	-9 500
Earnings per share (SEK)	-0,08	-1,21	-0,18	-0,22	-0,16	-0,16	-0,45	-0,45
Y-o-Y Growth (%)								
Net revenues	na	na	na	na	na	na	na	na
EBITDA	na	na	na	na	na	na	na	na
EBIT	na	na	na	na	na	na	na	na
Net profit	na	na	na	na	na	na	na	na
Of revenues (%)								
EBITDA margin	neg	neg	neg	neg	neg	neg	neg	neg
EBIT margin	neg	neg	neg	neg	neg	neg	neg	neg
EBT margin	neg	neg	neg	neg	neg	neg	neg	neg
Profit margin	neg	neg	neg	neg	neg	neg	neg	neg
Personnel costs	neg	neg	neg	neg	neg	neg	neg	neg
Total OPEX	neg	neg	neg	neg	neg	neg	neg	neg
Profitability (%)								
ROE	neg	neg	neg	neg	neg	neg	neg	neg
ROIC	neg	neg	neg	neg	neg	neg	neg	neg

Source: Västra Hamnen Corporate Finance

Balance Sheet - Quarterly Data

TSEK	Q3 2024	Q4 2024	Q1 2025e	Q2 2025e	Q3 2025e	Q4 2025e	Q1 2026e	Q2 2026e
Accounts receivables	0	0	0	0	0	0	0	0
Prepaid costs & accrued income	483	37 426	38 175	38 938	39 717	40 511	41 321	42 148
Inventories	0	0	0	0	0	0	0	0
Tax claims	0	0	0	0	0	0	0	0
Other short-term receivables	52 624	1 303	1 329	1 356	1 383	1 410	1 439	1 467
Cash and cash equivalents	12 873	6 632	10 508	85 627	81 854	77 891	65 690	55 495
Total current assets	65 980	45 361	50 011	125 920	122 953	119 813	108 450	99 110
Shares in subsidiaries	0	0	0	0	0	0	0	0
Tangible assets	160	147	151	154	158	162	166	170
Financial assets	0	0	0	0	0	0	0	0
Intangible assets	0	0	0	0	0	0	0	0
Total fixed assets	160	147	151	154	158	162	166	170
Total assets	66 140	45 508	50 162	126 075	123 112	119 975	108 617	99 281
Accounts payable	3 906	7 690	7 844	8 001	8 161	8 324	8 490	8 660
Short term tax liabilities	260	69	70	72	73	75	76	78
Short term debt	10 017	10 000	20 000	0	0	0	0	0
Other short term liabilities	20	177	85	77	90	107	89	91
Accrued cost & prepaid income	2 428	3 708	2 148	2 536	2 705	2 774	2 541	2 639
Total current liabilities	16 631	21 644	30 146	10 686	11 028	11 280	11 197	11 468
Long term liabilities	1 761	1 868	1 868	1 868	1 868	1 868	107	0
Total equity	47 748	21 996	18 148	113 521	110 215	106 827	97 313	87 813
Total equity and liabilities	66 140	45 508	50 162	126 075	123 112	119 975	108 617	99 281

Source: Västra Hamnen Corporate Finance

Cash flow statement

TSEK	Q3 2024	Q4 2024	Q1 2025e	Q2 2025e	Q3 2025e	Q4 2025e	Q1 2026e	Q2 2026e
Operating activities	-1 668	-25 608	-3 841	-4 619	-3 298	-3 380	-9 506	-9 491
Changes in working capital	-5 590	9 391	-2 272	-251	-463	-571	-921	-584
Investing activities	0	0	-11	-11	-12	-12	-12	-12
Financing activities	0	9 975	10 000	80 000	0	0	-1 761	-107
Cash flow for the period	-7 258	-6 242	3 876	75 119	-3 773	-3 963	-12 201	-10 195
Beginning cash balance	20 106	12 873	6 632	10 508	85 627	81 854	77 891	65 690
Ending cash balance	12 873	6 632	10 508	85 627	81 854	77 891	65 690	55 495

Source: Västra Hamnen Corporate Finance

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