

Equity Research | SIMRIS GROUP: Lonza partnership brings ADC platform license deal closer

The strategic partnership with Lonza puts Simris in a stronger position going forward as it both validates Simris IP in the high value Antibody-Drug Conjugate (ADC) space and moves the company closer to licensing deals, where we see opportunities for large revenues even in the short term. Encouraged by the deal, we continue to find support for a fair value of SEK 170-230m, which translates to SEK 0.94-1.28 per share in 12-24 months.

Lonza partnership validating Simris ADC platform

What started with the acquisition of Cyano Biotech GmbH (now Simris Biologics GmbH), bringing an ADC-payload platform with it, Simris has now taken the next step in pursuing the highest value verticals in the microalgae and cyanobacteria space. The partnership deal means that Lonza Ltd will become Simris' Contract Development & Manufacturing Organization (CDMO) with global and exclusive rights to promote its ADC technology to biopharmaceutical companies. Lonza will integrate Simris' ADC payload platform into its Bioconjugation Toolbox and offer the tech to customers seeking payloads to develop ADC medicine. Whilst Lonza will introduce Simris' ADC payload technology to drug development companies any license deal will be directly between Simris and the drug developer. Due to the high value of such licensing deals within the fast-growing segment of ADC medicines, we see as a strong validation that is Simris moving in the right direction.

Forecasting a sharp rise in revenues

ADC medicines have been recognized as effective, stable and reliable cancer therapeutics, and in 2022 alone, over 210 clinical trials involving ADCs were initiated. Strengthened by the Lonza partnership, there are highlights to look out for also in the shorter term. Simris' new Omega-3 product is about to launch in the US on Amazon platform providing a platform for near term revenue. The photobioreactors were shut down and upgraded during the winter, putting the development work around Simris' Fucoxanthin product for B2B sale on pause. Now that they are again up and running again we expect the refined and expanded B2B-offering, will enable Simris to grow topline substantially in the second half of the year.

Positive momentum, with significant further upside potential

With a strong structural foundation in place and a clear strategy with a distinct roadmap for each of the verticals, we believe Simris is well positioned for an eventful year ahead. Based on a fraction of listed peer multiples, we continue to find support for a fair value of SEK 170-230m in 12-24 months, which translates to SEK 0.94-1.28 per share. We also note that an ADC platform licensing deal would boost potential further, and that big steps towards that end is now being taken.



Read the full report here https://www.emergers.se/simris_q/

Contact

Johan Widmark
johan@emergers.se

About Emergers

This is a press release from Emergers.

DISCLAIMER

Information provided here or on Emergers' website [emergers.se](https://www.emergers.se) is not intended to be financial advice. Emergers receives compensation for writing about the company in question. The company has been given the opportunity to influence factual statements before publication, but forecasts, conclusions and valuation reasoning are Emergers' own. Articles of analysis shall not be construed as a recommendation or solicitation to invest in the companies described. Emergers cannot guarantee that the conclusions presented in the analysis will be met. Emergers cannot be held liable for either direct or indirect damages caused by decisions made on the basis of information in this analysis. Investors are encouraged to seek additional information as well as consult a financial advisor prior to any investment decision.

For more information and complete terms, please see [emergers.se](https://www.emergers.se).

Attachments

[Equity Research | SIMRIS GROUP: Lonza partnership brings ADC platform license deal closer](#)