

IRLAB Therapeutics

Financing improves operational flexibility

Financing update

IRLAB Therapeutics has renegotiated its loan terms with Fenja Capital, allowing it to extend the duration of its SEK55m loan from 22 May 2025, potentially to 30 June 2026. The loan value may also be bolstered by an additional SEK20m under certain predefined conditions. In addition, the company raised SEK22.4m in loans from four major shareholders which mature on 31 December 2025, with the potential to extend to 30 June 2026 for an additional fee. Despite the high servicing costs (detailed below), we believe this financing is practical, as it provides non-dilutive funding and additional liquidity to manage operations past key upcoming milestones. If both the shareholder loan and the additional SEK20m loan from Fenja are fully utilised, we estimate that IRLAB will have an operational runway into Q425 (versus end Q125 previously).

Year end	Revenue (SEKm)	PBT (SEKm)	EPS (SEK)	DPS (SEK)	P/E (x)	Yield (%)
12/23	5.7	(177.8)	(3.43)	0.00	N/A	N/A
12/24	114.1	(83.1)	(1.60)	0.00	N/A	N/A
12/25e	20.9	(145.0)	(2.80)	0.00	N/A	N/A
12/26e	32.6	(144.0)	(2.78)	0.00	N/A	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

IRLAB has improved its operational flexibility through two avenues of [financing](#): a loan term extension and a new shareholder loan. Firstly, it has extended the duration of its [existing](#) SEK55m loan from Fenja from 22 May 2025 to 31 December 2025, with the potential to extend to 30 June 2026 for an additional fee of 2% of the loan amount. In addition, this loan may be enhanced by an extra SEK20m under certain predefined conditions (not disclosed). The terms are similar to the previous loan with a 5% set-up fee and an annual interest rate of STIBOR + 10% (minimum of 13%). There are also certain obligatory conditions, including the issue of warrants to the lender to subscribe for c 1.6m shares at SEK19.25/share (140% of the closing price the day before signing the renegotiated loan agreement). Also, the lender may call for a rights issue to service the debt on certain predefined terms if the loan is not repaid by 30 June 2026 or if IRLAB does not fulfil its obligations. Secondly, IRLAB has raised SEK22.4m from four major shareholders. This loan carries a 5% set-up fee and a 1.5% monthly interest rate. It matures on 31 December 2025, with the right to extend to 30 June 2026 for an additional fee of 3% of the outstanding loan amount. We estimate that the new shareholder loan extends the cash runway into Q325 and, if the company receives the additional SEK20m from Fenja, the runway may further extend to Q425.

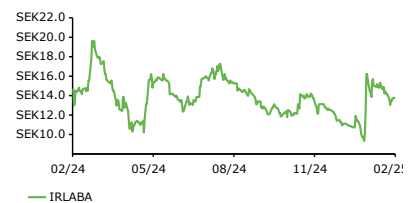
While these new loan conditions are associated with high costs, we believe they offer a practical solution to IRLAB's financing needs, as discussed in our FY24 results [update note](#). Importantly, this new financing serves as a non-dilutive source of funding, while providing additional liquidity to manage operations beyond key upcoming inflection points, including the Phase IIb top-line results for pirezepamat (expected in Q125) and Phase I completion for IRL757 (also expected in Q125), which is funded through to proof-of-concept through a research collaboration with the McQuade Center for Strategic Research and Development. Importantly, the financing also enables greater flexibility to negotiate deal terms with potential partners for lead asset, mesdopetam, for which management aims to secure a partner and subsequently initiate a Phase III programme by end 2025. We will update our estimates for this latest fund-raise in due course.

Healthcare

18 February 2025

Price	SEK13.75
Market cap	SEK713m
	SEK10.72/US\$
Net cash at 31 December 2024 (including lease liabilities)	SEK6.5m
Shares in issue	51.9m
Free float	61.5%
Code	IRLABA
Primary exchange	OMX
Secondary exchange	N/A

Share price performance



Business description

Based in Sweden, IRLAB Therapeutics is focused on developing novel drugs for the treatment of neurodegenerative diseases utilising its ISP technology platform. Its two lead assets are in late-stage clinical trials for the symptomatic treatment of Parkinson's disease: mesdopetam (D3 antagonist) and pirezepamat (PFC enhancer).

Analysts

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