EDISON

Mendus

Steady progress throughout Q225

Q225 results

Healthcare

22 August 2025

Mendus's Q225 results reflect a period of progress across the pipeline. The lead programme, vididencel in acute myeloid leukaemia (AML), remains on track to be pivotal-stage ready in H225, creating anticipation as Mendus prepares for its registrational programme. We expect a launch in early 2026, representing a major upcoming milestone. Mendus also advanced its solid tumour programme, primarily vididencel in ovarian cancer (OC), with an encouraging clinical update in June 2025 and a strengthened intellectual property position (announced post period in July). Mendus ended Q225 with SEK58.1m in net cash, which should provide a runway to Q126. Following the Q225 results, our valuation shifts to SEK1.98bn (from SEK1.94bn) with the per-share valuation adjusting to SEK37.9 (from SEK38.4/share previously), reflecting the higher count following 1.7m shares issued in May.

Year end	Revenue (SEKm)	PBT (SEKm)	EPS (SEK)	DPS (SEK)	P/E (x)	Yield (%)
12/23	29.6	(101.6)	(4.39)	0.00	N/A	N/A
12/24	5.0	(128.4)	(2.64)	0.00	N/A	N/A
12/25e	5.0	(120.5)	(2.33)	0.00	N/A	N/A
12/26e	864.7	777.6	14.93	0.00	0.5	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. EPS is adjusted for 20:1 share consolidation (June 2024).

Vididencel in AML remains the priority

The Phase II Australasian Leukaemia and Lymphoma Group (ALLG)-sponsored CADENCE trial is ongoing, assessing vididencel in combination with oral azacitidine (the current standard of care in AML maintenance). As ALLG is responsible for CADENCE, Mendus has limited control over how it runs and, although it is not reliant on the results, the trial's data will contribute to the registrational dossier for vididencel in AML. Management is on track to be pivotal-stage ready in H225, including having large-scale manufacturing in place through its alliance with NorthX Biologics. We anticipate the launch the global registrational study in 2026.

OC may represent an expanded opportunity

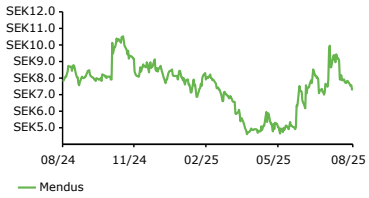
Beyond AML, vididencel is being assessed in the Phase I ALISON trial with the University Medical Center Groningen (UMCG). The latest clinical update was presented at the 61st Annual American Society of Clinical Oncology conference (ASCO 2025). Survival data showed that vididencel treatment was associated with stable disease in patients with high-risk OC, with six out of seven patients with stable disease exhibiting vaccine-induced responses. The next clinical readout, at two years of follow-up, is due December 2025 and could be an important catalyst for Mendus, shedding more light on the candidate's potential in this additional indication.

Valuation: SEK1.98bn or SEK37.9 per share

With Mendus's Q225 results in line with our expectations and its plans on track, we maintain our long-term assumptions for its clinical programmes. Accounting for the latest net cash figure and updated share count, our valuation adjusts to SEK1.98bn or SEK37.9/share (from SEK1.94bn or SEK38.4/share).

Price	**SEK7.66**
Market cap	**SEK399m**
Net cash at 30 June 2025	SEK58.1m
Shares in issue	52.1m
Free float	25.0%
Code	IMMU
Primary exchange	OMX
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(0.8)	42.9	(3.8)
52-week high/low		SEK11.0	SEK4.5

Business description

Mendus is a clinical-stage immunoncology company based in Sweden and the Netherlands. The company specialises in allogeneic dendritic cell biology and currently has two lead cell-based, off-the-shelf therapies for haematological and solid tumours.

Next events

Clinical development strategy update	Late September or early October 2025
ALISON update	December 2025

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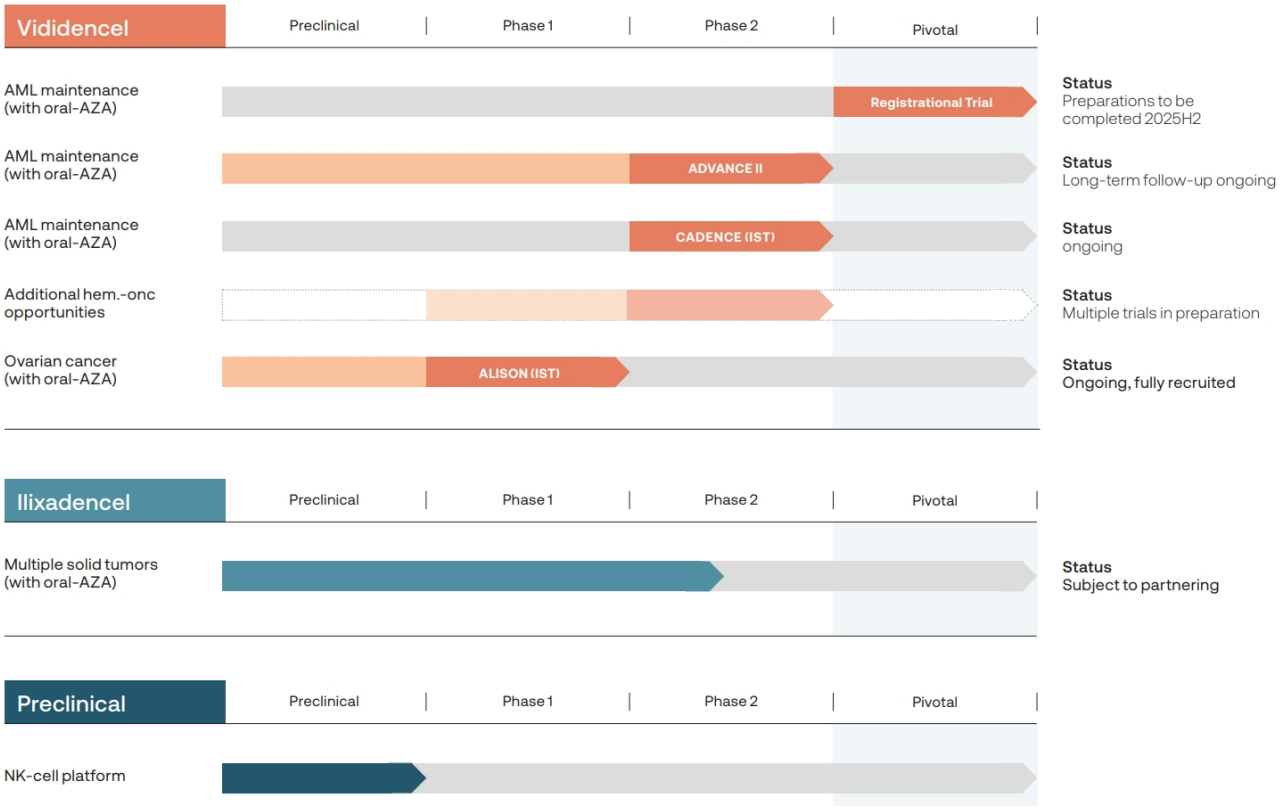
Pipeline focused on vididencel's potential

Mendus's clinical development pipeline uses the company's capabilities and experience in allogenic cell therapies and dendritic cell (DC) biology with the goal of improving survival outcomes for cancer patients (Exhibit 1). Lead asset, vididencel, was derived from the company's proprietary DCOne cell line platform, and the priority remains on developing vididencel as a maintenance therapy for AML, a challenging-to-treat cancer with five-year survival rate below 30% due to disease relapse being a major barrier to long-term survival.

Exhibit 1: Overview of Mendus's clinical development pipeline



Source: Mendus Q225 report

Vididencel in the blood-borne tumour space

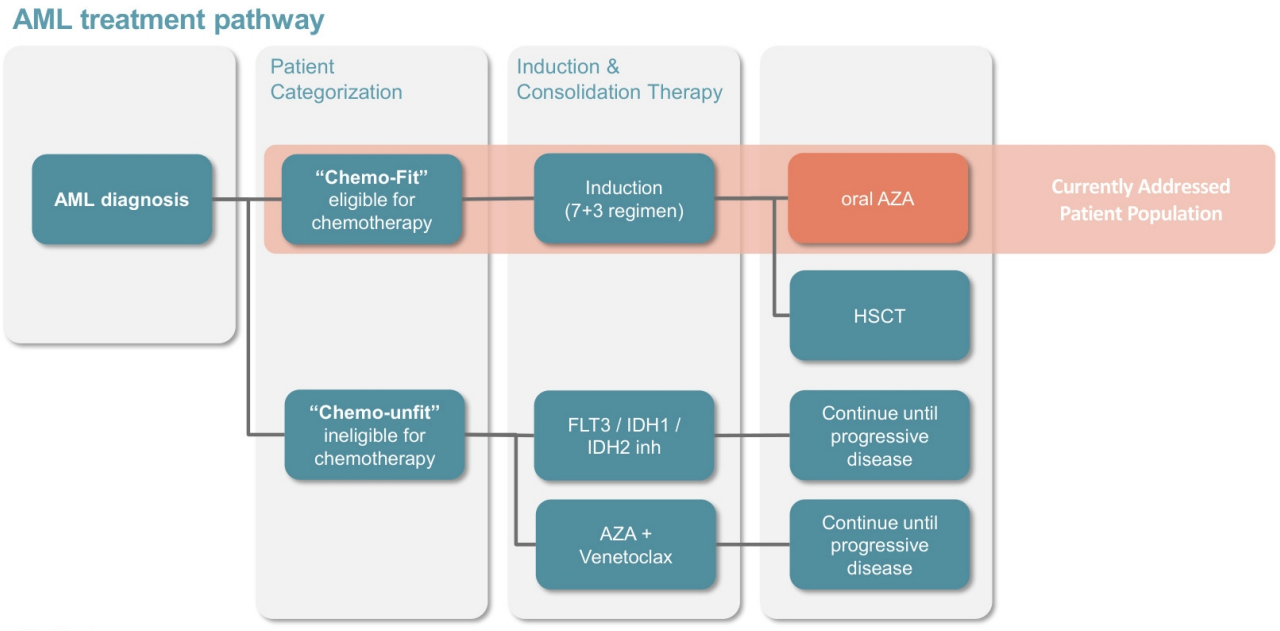
Vididencel has been designed as an off-the-shelf cellular cancer vaccine that can be easily administered via intradermal injection. The lead programme, assessing vididencel as a maintenance therapy in AML, previously reported encouraging results in the ADVANCE II trial, showing highly favourable long-term survival data, in our view, when tested as a monotherapy. Vididencel is currently being assessed in the CADENCE trial (sponsored and conducted by ALLG), in combination with oral azacitidine (the current standard of care in AML maintenance) and the first patient was enrolled in February 2025. CADENCE (expected n=140) is an adaptive, randomised, multi-centre Phase II clinical trial. It consists of two stages, the first of which assesses safety in c 40 patients, and the second will assess efficacy in c 100 patients. CADENCE will include patients that are both measurable residual disease (MRD) positive and negative.

While not the priority, we note that initial safety data from the first stage of the CADENCE trial, expected from H225, will contribute to the safety dossier of vididencel, as well as regulatory discussions for the global registration trial, which is Mendus's current focus. Following positive endorsements from the FDA and European Medicines Agency (EMA) for the design of the registrational trial (including patient population, the control arm and primary/secondary endpoints), and with manufacturing capabilities in place with NorthX Biologics, Mendus is on track to be pivotal-stage ready in H225. The global registrational Phase III trial will involve 100–120 sites in the EU, US and Australasia. It will investigate vididencel in combination with oral azacitidine in MRD+ patients, aiming to include a total of 150–200 participants. We understand that the registrational trial remains on track to commence from 2026.

There are currently only limited treatment options for AML maintenance (Exhibit 2):

- Allogenic hematopoietic stem cell transplantation (allo-HSCT) is the only potentially curative treatment option for AML patients who have already undergone induction chemotherapy. However, relapse remains a risk even after HSCT. Furthermore, a significant portion of AML patients are ineligible for allo-HSCT, due to either age, state of health or a lack of a matched transplant donor. Patients who are ineligible for allo-HSCT often have a poor prognosis.
- Oral azacitidine (brand name: Onureg) is the current standard of care for AML maintenance, following FDA approval in September 2020. While it is considered a chemotherapeutic agent, it has a more favourable safety profile compared to traditional chemotherapy, making it more suitable for longer-term use. While effective for some patients, relapse-free survival data suggests it only has a temporary effect (especially in the MRD+ patient population), compared to the more durable responses that Mendus is targeting with vididencel and its active immunotherapy approach.

Exhibit 2: Current AML treatment landscape



Source: Mendus Q225 results presentation

As it prepares for the late stages of clinical development, Mendus remains in active dialogue with the international key opinion leader landscape, as well as with the pharmaceutical industry, to ensure the next steps of its clinical development plans match both medical needs and industry expectations. We believe this has the potential to effectively position Mendus's approach within a fast-moving, competitive oncology space. In the company's Q225 results presentation, management said it will present a clinical development strategy update in early autumn (most likely late September or early October 2025). We expect this to provide more clarity on what the tangible next steps will be for Mendus's lead clinical development programme, potentially also including confirmation that it is indeed pivotal-stage ready.

Vididencel, beyond AML

Mendus is also considering exploring the potential of vididencel in other blood-borne tumour applications. These include a potential synergy between vididencel, azacitidine, and venetoclax in AML, as well as possible additional potential in chronic myeloid leukaemia (CML). While preclinical data support these potential applications, we believe that the pursuit of such programmes may be contingent on the company securing a suitable strategic partnership. As of the Q225 results update, CML has been selected as the prioritised additional indication that Mendus will pursue. We understand that the upcoming clinical development strategy update in early autumn will provide more clarity on the company's plans to explore this additional opportunity.

See below for our recent Edison TV executive interview with Dr Tariq Mughal, who joined Mendus as chief medical officer in May 2025, where we discuss the company's activities in the blood-borne tumour space, including both AML and CML, in more detail.

Mendus – Edison TV executive interview

Source: Edison Investment Research

Vididencel in solid tumours

Beyond the blood-borne tumour space, Mendus's ALISON trial is evaluating vididencel as a potential maintenance therapy in OC. ALISON (n=17) is a single-centre Phase I study conducted by the UMCG. Per a previous update (reported in December 2024), at week 22, 10 participants had stable disease while seven had progressive disease (all 17 patients were alive at this stage). It was found that stable disease rates were highest (67%) in patients that showed vaccine-induced immune responses (VIRs) compared to those that did not show VIRs (40% stable disease rate). In June 2025, Mendus presented an update for ALISON at ASCO 2025. As of March 2025, the updated survival data showed that seven participants continued to exhibit stable disease and 10 patients had progressive diseases. At this stage, 10 patients were still alive. Stable disease was associated with vididencel-induced responses as six of seven of the patients with stable disease showed VIRs. Furthermore, two patients with VIRs showed stable disease for over three years, a highly encouraging result for Mendus's active immunotherapy approach, in our view, representing an expandable opportunity for vididencel, beyond the lead AML programme. We believe the next readout for ALISON, expected in December 2025, could represent an upcoming catalyst for the company.

In July 2025, Mendus was granted a new patent by the United States Patent and Trademark Office covering the use of vididencel as a potential maintenance treatment for OC. This was an encouraging step forward for the programme, in our view, especially as the US will represent a key market for vididencel, should it be successful with regulatory approval. The patent expires in November 2042 and management has communicated that corresponding patent applications are pending in other regions, including Europe, which would be another key market.

Ilixadencel

Ilixadencel is Mendus's second clinical asset. The candidate is an intratumoural immune primer, comprising pro-inflammatory activated allogeneic DCs, intended for intratumoural administration, and it is backed by encouraging preclinical and clinical data in solid tumours. While it was previously being evaluated as a potential treatment for soft tissue sarcomas in a Phase I/II trial, there are currently no active clinical trials running for the candidate. At present, management is considering alternative options for the candidate and will likely focus on seeking partnering and/or licensing opportunities.

Financials

Mendus's Q225 operating performance was broadly in line with our expectations, with the company recording an operating loss of SEK24.1m, down 36.4% y-o-y (Q224: SEK37.9m) and 20.2% q-o-q (Q125: SEK30.2m). This was driven by a decline in recognised R&D expenses as Mendus approaches pivotal Phase III readiness. R&D expenses for the quarter were SEK15.5m (SEK28.9m in Q224 and SEK21.7m in Q125) and primarily comprised the costs related to the DCOne platform, as well as the vididencel and ilixadencel programmes. We believe the period-on-period decline was attributed to the lower R&D expenses related to the NorthX Biologics technology transfer recognised in the income statement during the quarter (zero vs c SEK13m in Q224). We note that SEK90m in costs related to the technology transfer were paid by Mendus to NorthX Biologics in Q323 (recognised as prepaid expenses in the balance sheet), which have since been expensed quarterly as the tech transfer progresses. At the end of Q225, SEK25m in prepaid expenses remain outstanding, and we expect these will be recognised as R&D expenses in the income statement in H225, in line with the planned pivotal Phase III readiness in H2.

General and administrative expenses were broadly in line with previous quarter at SEK9.6m (Q224: SEK9.4m; Q125: SEK9.2m), and were mainly related to financing and investor relations functions, as well as general group management. Other operating income, which primarily consisted of a research grant from Oncode-PACT, increased to SEK1.2m, from SEK0.6m in Q224. The corresponding figure for Q125 was SEK1.3m. The cash outflow from operating activities was SEK25.7m, versus SEK22.4m in Q224 (which benefited from a favourable working capital position). Given the in-line results, we keep our FY25 and FY26 estimates unchanged.

Mendus ended Q225 with a net cash balance of SEK58.1m (excluding lease liabilities of SEK19.9m) comprising SEK58.9m in gross cash and SEK0.9m in long-term debt. Based on our cash burn projections, we estimate that this provides a runway into Q126, consistent with management guidance. In May 2025, the company issued a total of 1.725m in class C shares (subsequently converted to ordinary shares) in an effort to preserve liquidity by offering board members and employees an option to receive remuneration and bonuses in the form of shares instead of cash. Of the newly issued shares, c 330k have been used for share-based bonus payments and c 14m shares remain on the books. During the Q225 earnings call, management said up to 12m of these shares can be issued under an at-the-market (ATM) offering, to meet capital requirements, as needed.

Valuation

Following Mendus's Q225 results, we have rolled forward our model and adjusted our valuation for the latest net cash figure, while keeping all other long-term assumptions unchanged. Our overall valuation improves slightly to SEK1.98bn (from SEK1.94bn) with our per-share valuation adjusting to SEK37.9 (SEK38.4/share previously) on account of the increased shares outstanding (52.1m vs 50.4m previously) following the aforementioned share issue. Exhibit 3 presents a breakdown of our risk-adjusted net present value (rNPV).

Exhibit 3: Mendus rNPV valuation

Product	Indication	Launch	Peak sales ($m)	NPV (SEKm)	Probability of success	rNPV (SEKm)	NPV/share (SEK)
Vididencel (DCP-001)	AML	2029	780	3,197.3	30%	1,228.4	23.6
	OC	2031	720	2,037.3	15%	489.8	9.4
Ilixadencel	STS	2033	400	997.9	8%	198.6	3.8
Net cash (debt) as on 30 June 2025				58.1	100%	58.1	1.1
Valuation				**6,290.6**		**1,974.8**	**37.9**

Source: Edison Investment Research

Our model assumes a licensing deal for vididencel in 2026 although, given the uncertainties around the precise timing of and inflows from a partnering deal, we continue to estimate the company needing c SEK50m in funding in Q126. This can partially be met through equity issues under the ATM facility although, for our model, we reflect this inflow as illustrative debt. As an added sensitivity, should a licensing agreement not materialise and Mendus takes over the development of vididencel in AML, we estimate that it would need to raise c SEK200m per year between FY26 and FY28, prior to the market launch in FY29. If Mendus were to raise these funds through an equity fundraise (a total of SEK600m between FY25 and FY28), it would need to issue c 78.3m shares (assuming the current trading price of SEK7.7), which would dilute our per-share valuation to SEK19.7, from SEK37.9 currently (shares outstanding would increase to 130.4m).

Exhibit 4: Financial summary

Accounts: IFRS; year end 31 December; SEK'000s	2022	2023	2024	2025e	2026e
Income statement					
Total revenue	3,375	29,612	5,048	5,000	864,693
Cost of sales	0	0	0	0	0
Gross profit	3,375	29,612	5,048	5,000	864,693
SG&A (expenses)	(44,028)	(30,748)	(27,551)	(28,378)	(29,229)
R&D costs	(87,049)	(92,653)	(101,075)	(89,254)	(50,000)
Other income/(expense)	(1,134)	(559)	(558)	0	0
Reported EBITDA	(128,836)	(94,348)	(124,136)	(112,632)	785,464
Depreciation and amortisation	(4,848)	(6,303)	(6,519)	(6,493)	(6,460)
Reported Operating Profit/(loss)	(133,684)	(100,651)	(130,655)	(119,125)	779,004
Finance income/(expense)	(5,101)	(968)	2,256	(1,346)	(1,393)
Reported PBT	(138,785)	(101,619)	(128,399)	(120,471)	777,611
Adjusted PBT	(138,785)	(101,619)	(128,399)	(120,471)	777,611
Income tax expense	0	0	0	0	0
Reported net income	(138,785)	(101,619)	(128,399)	(120,471)	777,611
Basic average number of shares, m	9.97	23.13	48.56	51.65	52.08
Basic EPS (SEK)	(13.92)	(4.39)	(2.64)	(2.33)	14.93
Diluted EPS (SEK)	(13.92)	(4.39)	(2.64)	(2.33)	14.93
Balance sheet					
Property, plant and equipment	13,899	11,197	8,497	6,573	4,374
Intangible assets	532,441	532,441	532,441	532,441	532,441
Right of use assets	26,216	23,247	21,070	18,373	16,021
Other non-current assets	618	624	373	373	373
Total non-current assets	573,174	567,509	562,381	557,760	553,209
Cash and equivalents	41,851	120,782	101,905	7,687	839,849
Prepaid expenses and accrued income	1,919	64,359	28,927	3,927	3,927
Other current assets	3,442	3,302	3,151	2,719	2,719
Total current assets	47,212	188,443	133,983	14,333	846,495
Non-current loans and borrowings	22,845	850	850	850	50,850
Non-current lease liabilities	23,706	21,115	19,112	19,112	19,112
Total non-current liabilities	46,551	21,965	19,962	19,962	69,962
Trade and other payables	7,411	8,129	7,601	3,801	3,801
Current loans and borrowings	29,198	0	0	0	0
Short-term lease liabilities	2,413	2,523	2,745	2,745	2,745
Other current liabilities	20,376	18,609	20,907	20,907	20,907
Total current liabilities	59,398	29,261	31,253	27,453	27,453
Equity attributable to company	514,437	704,726	645,149	524,678	1,302,289
Cash flow statement					
Operating profit/(loss)	(133,684)	(100,651)	(130,655)	(119,125)	779,004
Depreciation and amortisation	4,848	6,303	6,519	6,493	6,460
Other adjustments	(6,390)	(1,966)	1,978	0	0
Movements in working capital	27,030	(65,479)	40,230	21,632	0
Interest paid / received	(1,135)	(968)	2,256	(1,346)	(1,393)
Income taxes paid	0	0	0	0	0
Cash from operations (CFO)	(109,331)	(162,761)	(79,672)	(92,346)	784,071
Capex	(12,324)	(1,823)	(1,835)	(1,872)	(1,909)
Acquisitions & disposals net	0	0	0	0	0
Other investing activities	0	1,380	258	0	0
Cash used in investing activities (CFIA)	(12,324)	(443)	(1,577)	(1,872)	(1,909)
Net proceeds from issue of shares	0	297,904	64,491	0	0
Movements in debt	8,194	(55,807)	(2,976)	0	50,000
Other financing activities	0	0	0	0	0
Cash from financing activities (CFF)	0	0	0	0	0
Increase/(decrease) in cash and equivalents	(113,461)	78,893	(19,734)	(94,218)	832,162
Cash and equivalents at beginning of period	155,313	41,851	120,781	101,905	7,687
Cash and equivalents at end of period	41,851	120,781	101,905	7,687	839,849
Net (debt)/cash	(10,192)	119,932	101,055	6,837	788,999

Source: Company documents, Edison Investment Research

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