EDISON

Mendus

New strategy broadens vididencel potential

Q325 results and company outlook

Healthcare

20 November 2025

We have updated our investment view on Mendus following its expanded strategy for vididencel to chronic myeloid leukaemia (CML) and a broader acute myeloid leukaemia (AML) population, including chemo-eligible and chemo-ineligible patients, regardless of their measurable residual disease (MRD) status. In our view, this is a bold strategic pivot for a programme nearing Phase III readiness, but one that aligns with shifting treatment paradigms in AML and the growing clinical emphasis on achieving treatment-free remission (TFR) in CML. The broader positioning could strengthen partnering prospects, and we note that the recent SEK52.5m equity raise ameliorates any near-term capital-related risks stemming from the previously short cash runway. With clinical preparations underway, we have pushed our expected licensing timeline to early 2027 (previously Q126). Our valuation adjusts to SEK1.87bn, with the per-share valuation shifting to SEK29.8, due to the higher share count following the raise.

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	6.0	(98.2)	(1.92)	0.00	N/A	N/A
12/26e	5.0	(87.8)	(1.69)	0.00	N/A	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).

2026 to be a transition year

With several trial readouts expected in the coming months, Mendus is approaching a pivotal period that will define its future development path. Central to this will be the interim readouts in Q326, including the Phase II CADENCE trial (combination with oral azacitidine in chemo-fit AML patients), the newly announced Phase Ib DIVA study (combination with venetoclax and azacitidine in chemo-unfit AML patients) and the Phase Ia/Ib study in CML. While we view the refreshed strategy as ambitious, if successful, it could significantly broaden vididencel's commercial potential, making it a more attractive prospect for licensing partners.

New funding secures runway through 2026

Mendus ended Q3 with SEK37.6m in gross cash, bolstered by the recent directed share issue worth SEK52.5m and an additional SEK50m loan facility (undrawn). We view the raise as timely given the increased funding needs for the new trials and a licencing deal now more likely in early 2027. We estimate the equity injection to support operations through 2026 with an additional buffer from the loan facility.

Valuation: SEK1.87bn or SEK29.8 per share

Our revised valuation reflects Mendus's expanded strategy for vididencel. For AML, we estimate peak sales of $1.4bn (from $0.8bn) with a 2030 launch, but a lower 20% PoS. For CML, we model $1bn peak sales and a 2032 launch. With the focus on these indications, we assume a partner to advance any further development in OC. Incorporating these changes and the latest pro-forma net cash, our valuation adjusts to SEK1.87bn or SEK29.8/share (from SEK1.98bn or SEK37.9/share).

Price	**SEK5.30**
Market cap	**SEK332m**
Net cash at 30 September 2025 adjusted for the SEK52.5m equity raise in November 2025	SEK89.2m
Shares in issue (including 10.5m shares issued as part of the November 2025 equity raise)	62.6m
Free float	25.0%
Code	IMMU
Primary exchange	OMX
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	3.4	(26.9)	(37.3)
52-week high/low		SEK11.0	SEK4.2

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

ADVANCE II (AML) & ALISON (OC) updates	December 2025
CADENCE trial update	H126
DIVA (AML) and Phase Ia/Ib trial (CML) update	Q326

Analysts

Jyoti Prakash, CFA +44 (0)20 3077 5700
Arron Aatkar, PhD +44 (0)20 3077 5700

healthcare@edisongroup.com
Edison profile page

Mendus is a research client of Edison Investment Research Limited

Investment summary

Company description: All in on lead cancer vaccine vididencel

Mendus is a clinical-stage immuno-oncology company developing innovative therapies to address tumour recurrence and improve long-term survival in cancers. It aims to utilise its proprietary dendritic cell biology capabilities to create a pipeline combining clinical efficacy with favourable safety profiles. Management recognises the successes that immune checkpoint inhibitors (ICIs) have had in immunotherapy, but also acknowledges the challenges in proving incremental efficacy when combining such treatments with other therapies. As such, its strategy focuses on indications where ICIs have been less successful. Primarily, this is blood-based cancers, with AML as the main indication for cancer vaccine vididencel, an allogenic off-the-shelf active immunotherapy. Mendus recently announced a renewed strategy to broaden the potential of vididencel. Historically, the company was focused on vididencel as an AML maintenance therapy in patients following complete remission after induction chemotherapy. It is now also exploring vididencel's potential in AML patients who are unfit for intensive chemotherapy, in combination with venetoclax and azacitidine (Ven-Aza). Clinical trial readouts in these two populations (the Phase IIb CADENCE trial and the Phase Ib DIVA trial) are expected in Q326, and will inform Mendus's go-to-market strategy in AML. In addition, Mendus's strategy now includes CML, and safety data from a planned Phase Ia/Ib trial are anticipated in Q326, which, if positive, may support plans for Phase II. Separately, in the solid tumour space, vididencel is being developed as a maintenance therapy for ovarian cancer (OC), with the next interim readout from the Phase I ALISON trial expected in December 2025.

Valuation: Revised to SEK1.87bn or SEK29.8 per share

We update our model and valuation for Mendus to reflect its broader market strategy for vididencel. For AML maintenance in chemo-fit patients (the subpopulation targeted previously), we expand the target cohort to incorporate MRD negative patients (c 30% of the population). We also include vididencel as a combination treatment in chemo-unfit patients (c 50% of all newly diagnosed AML patients). Given the broader target, we trim our peak penetration estimate to 25% (from 30% previously), which translates to peak sales potential of $1.4bn (up from $0.8bn). We also reduce our probability of success (PoS) for AML to 20%, from 30% previously, to reflect the additional clinical work required. Assuming a Phase III pivotal trial will commence in 2027, we conservatively push back our launch estimate in AML maintenance by a year to 2030. In CML, we project peak sales of $1bn, based on a 20% peak penetration, a 10% PoS and a 2032 launch. We assume any further development in OC will be undertaken by the partner as a label expansion opportunity, with a launch potentially in 2033 (2031 previously). We continue to include ilixadencel in our valuation but will reassess our stance with the FY25 results. Overall, our valuation adjusts to SEK1.87bn or SEK29.8/share (reflecting the higher share count following the SEK52.5m equity raise).

Financials: New funding provides headroom through 2026

Mendus's net cash position stands at SEK89.2m (after adjusting end-Q325 cash for the November 2025 raise). With the planned initiation of the Phase Ib DIVA trial and the Phase Ia/Ib trial in CML in 2026 (this Phase I trial may be self-sponsored), we estimate a licensing deal to be more probable in early 2027 and calculate a total of c SEK75m in external capital required before the partner takes over subsequent development from 2027. We believe this clinical plan has been de-risked with the November 2025 SEK52.5m equity raise from a directed issue (against 10.5m shares at SEK5.0/share) as well as another SEK50m through a loan facility with Fenja Capital (maturing 31 January 2027).

Sensitivities: Q326 readouts represent a series of inflection points

Mendus is subject to typical risks faced by biotech companies, such as the unpredictable outcome of trials, regulatory discussions, the success of competitors, as well as financing and commercial risks. Proof-of-concept has been established with vididencel in AML, however, near-term R&D sensitivities include its assessment in the new DIVA trial, in combination with Ven-Aza in chemo-unfit patients, as it represents a new AML subpopulation. We note that DIVA will run in parallel with the ongoing CADENCE trial, and that DIVA and the first stage of CADENCE will have interim readouts in Q326. Another key near-term sensitivity relates to the new CML programme. While preclinical studies have been supportive in this indication, the outcome of the planned Phase Ia/Ib trial in CML, with a readout also expected in Q326, will confirm the viability of this application. If these trials are successful, they could notably bolster the value proposition for vididencel in blood-based cancers and, hence, Q326 may include a series of inflection points.

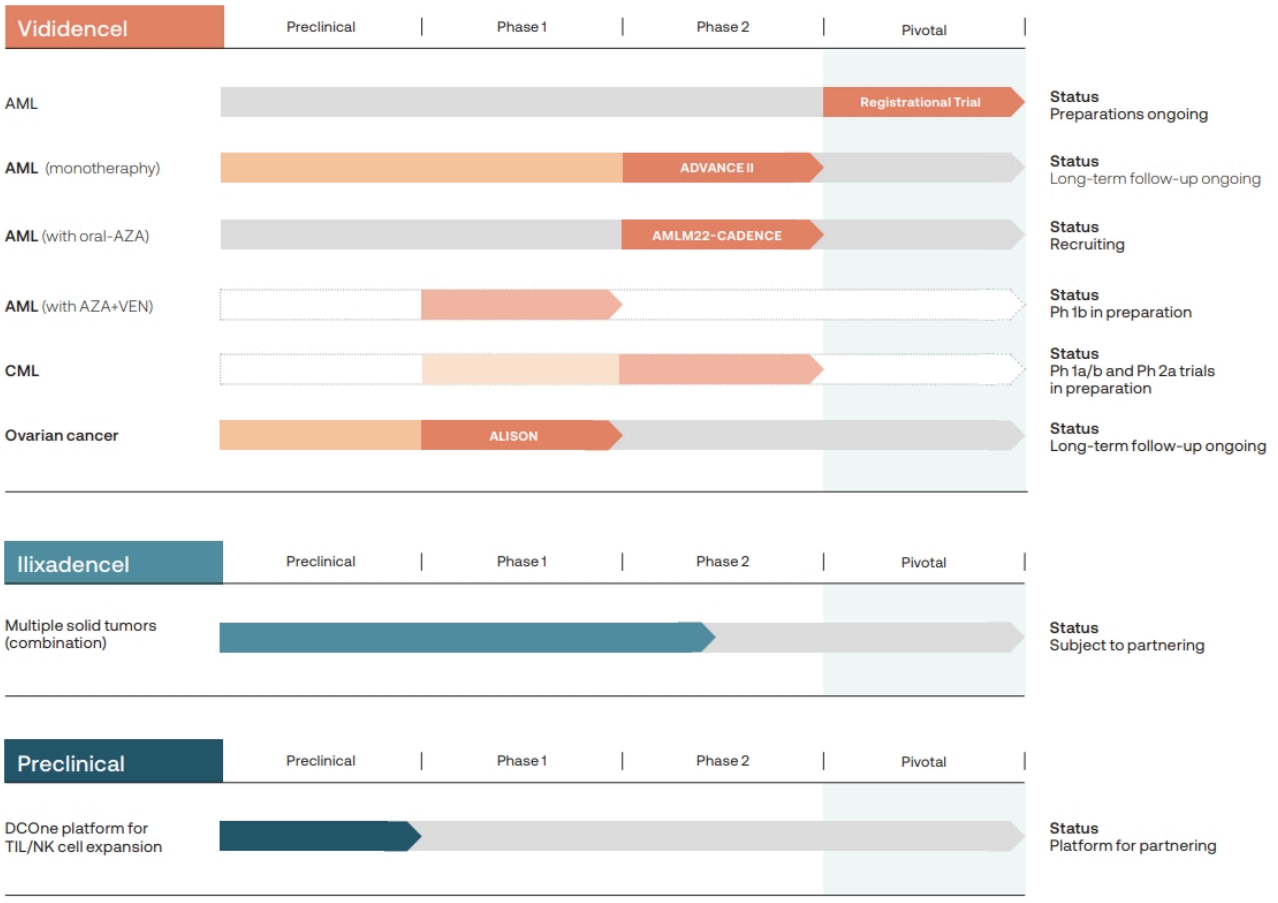
Pipeline offers expandable opportunities for vididencel

Mendus's development pipeline has been built from the company's experience and capabilities in allogenic cell therapies and dendritic cell biology, designed to include programmes aiming to improve survival outcomes for cancer patients (Exhibit 1). The lead candidate, vididencel, an off-the-shelf cellular immunotherapy, is derived from Mendus's proprietary DCOne cell line platform and the company is exploring the use of the platform to expand therapeutic quantities of natural killer (NK) cells, which could form the basis for new NK cell-based therapeutics.

While the prior focus for vididencel was as a maintenance therapy for AML patients following induction chemotherapy, the renewed strategy now includes its potential application in AML patients who are unfit for chemotherapy (in combination with Ven-Aza), in addition to CML, an avenue backed by encouraging preclinical data. This pivot follows the appointment of Dr Tariq Mughal as chief medical officer earlier this year. Beyond blood-based cancers, vididencel has shown promise in OC, and is being tested in the Phase I ALISON trial.

We highlight that Mendus has a second clinical candidate, ilixadencel, but this is not involved in any active programmes, as the company's new strategy is purely focused on expanding the application of vididencel.

Exhibit 1: Mendus's development pipeline



Source: Mendus Q325 report

Renewed strategy targets both AML and CML

In October 2025, Mendus announced its updated clinic strategy and renewed operational focus, broadening the application of vididencel to include both AML and CML, driven by the company's relatively new chief medical officer. Following encouraging preclinical results presented at the ASH 2024 conference, Mendus has planned a Phase Ib trial (DIVA) to assess vididencel in combination with Ven-Aza in patients unfit for intensive chemotherapy, which will run alongside the (already planned and underway) Phase IIb CADENCE trial (in AML patients following complete remission after induction chemotherapy). Management has communicated that readouts for both DIVA and the first stage of CADENCE are anticipated in Q326. In CML, a new Phase Ia/Ib trial is being prepared to assess safety and feasibility in

this indication, with first data expected in Q326. Provided the data are supportive, Mendus will subsequently conduct a Phase II trial to further explore vididencel in this application.

While a pivotal programme was previously planned from 2026 in AML, these new trials will now guide Mendus's go-to-market approaches in AML and CML. We note that the new strategy may lead to shifts in timelines and pathways and potentially incur additional costs, though these may be at least partially offset by Mendus's corporate reorganisation, with the long-term goal of maximising the value proposition for vididencel.

Mendus has also reported that it entered into a preclinical research collaboration with an international biopharmaceutical company during Q3, though we note that precise details of this arrangement have not yet been disclosed. We understand that this collaboration will study vididencel in combination with targeted therapies in AML, with potentially extended applicability to solid tumour programmes. We await further details on this front.

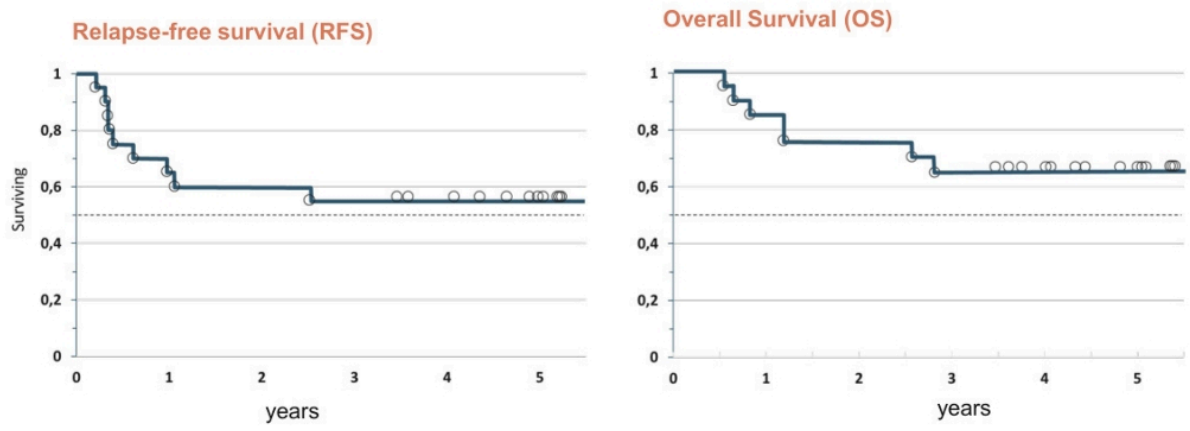
AML: Broader potential backed by encouraging clinical outcomes

ADVANCE II data paved the way for the renewed strategy

Vididencel has demonstrated a favourable track record in AML in clinical studies to date, with the most substantial results coming from the ADVANCE II trial. ADVANCE II is an international, multi-centre, open-label, proof-of-concept Phase IIa study designed to assess vididencel as a monotherapy to prolong survival for AML patients as a maintenance therapy. The trial included 20 participants who had previously responded to induction chemotherapy and achieved complete remission (CR), but still had MRD (ie, they were MRD+); all patients were ineligible for haemostatic stem cell transplantation (HSCT, the only potentially curative treatment option for AML patients who have already undergone induction chemotherapy). Survival data were presented in December 2024 at ASH 2024, and subsequently, updated results were reported from mid-2025.

As of the 25 June 2025 data cut-off, the median follow-up for all patients was 48 months. According to the extended survival data, median relapse-free survival (RFS) and overall survival (OS) had not been reached, as the majority of patients were alive and disease-free (Exhibit 2). The data showed that 13 of 20 patients were still alive and 11 were in CR. At the follow-up date, all patients had passed the three-year follow-up, and five patients had reached the five-year follow-up. The estimated five-year OS rate was 61%, reflecting the durable benefit of vididencel in this patient population compared to the current standard of care (<30% with oral azacitidine). Continued long-term follow-up data from ADVANCE II is due to be presented in December 2025.

Exhibit 2: Updated survival data from ADVANCE II



Survival parameters and range

	1 year	3 year	5-year estimate
RFS	75% (55-87%)	60.6% (38-77%)	50.2% (35-70%)
OS	73%(50%-86%)	67% (43%-82%)	61% (35%-79%)

Source: Company resources

Mendus presented two further abstracts at ASH 2024. The key takeaway from these was that preclinical data supported the potential synergy between vididencel and Ven-Aza in AML, as well as a further application to CML, forming the early

basis of the company's renewed strategy. The newly planned clinical studies will run in parallel with the CADENCE trial, which followed ADVANCE II.

CADENCE up and running, remains a key part of the strategy

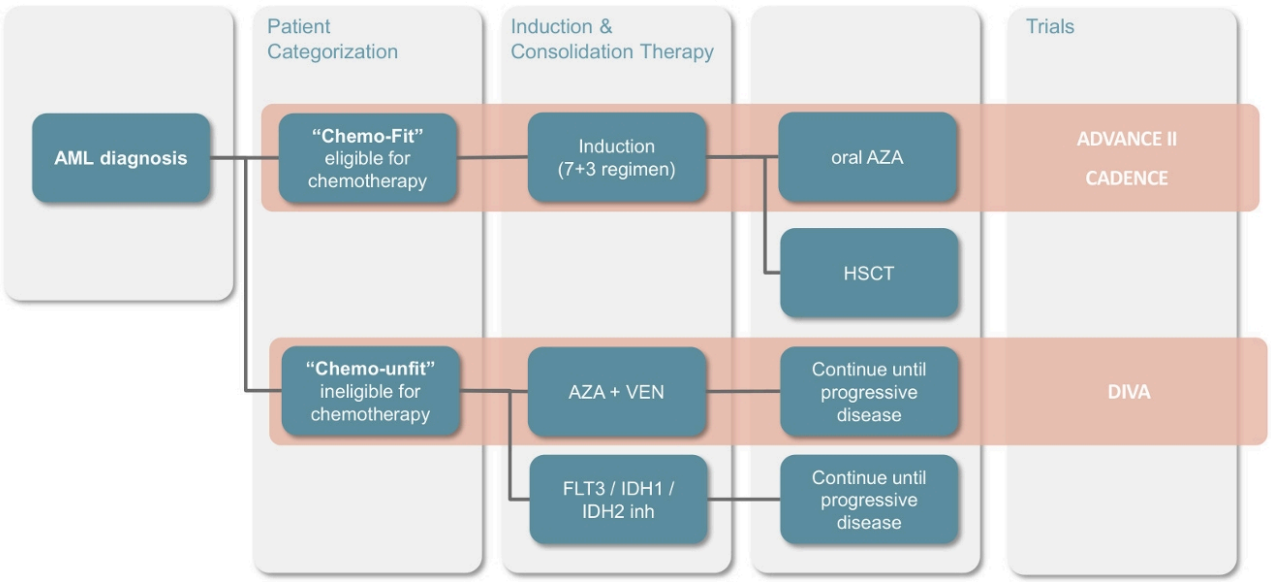
At present, vididencel is being tested in the Phase IIb CADENCE trial (sponsored and conducted by the Australasian Leukaemia and Lymphoma Group). CADENCE (expected n=140) is an adaptive, randomised, multi-centre Phase II clinical trial. It consists of two stages, the first of which is assessing safety in c 40 participants, while the second stage will assess efficacy in c 100 patients. In this trial, vididencel is being evaluated in combination with oral azacitidine (the current standard of care in AML maintenance in patients who have undergone induction chemotherapy), and includes both MRD+ and MRD- patients. The first patient was enrolled in February 2025 and, according to the updated strategy announcement, 12 participants had been enrolled, with the updated goal of reaching 20 patients within Q126, before the interim readout in Q326.

Looking to bolster the Ven-Aza effect

As part of Mendus's renewed clinical strategy in AML, it is looking to broaden the application of vididencel to include both patients who are eligible for chemotherapy (covered with the ADVANCE II and CADENCE programmes) and those who are ineligible (Exhibit 3). The Ven-Aza combination treatment has been found to be particularly effective, and is now the standard of care in this chemo-unfit AML patient population, offering longer OS and higher incidence of remission compared to azacitidine alone. The effectiveness of the combination has also extended to chemo-fit patients, having been administered off-label. These observations were key drivers of Mendus's plans to explore vididencel in combination with Ven-Aza, by keeping its strategy in line with the evolving treatment landscape. It is also backed by preclinical research presented at ASH 2024, where in vitro data showed that Ven-Aza did not appear to interfere with vididencel's mechanism of action, and that venetoclax stimulated the processing of vididencel by antigen-presenting cells, supporting its application in this setting.

We understand that the Phase Ib DIVA trial has been designed to evaluate vididencel as an adjuvant immunotherapy for patients receiving Ven-Aza as a first-line treatment, involving c 24 participants and 12-month treatment duration, though the interim readout in Q326 will correspond to c eight participants from the trial. While the primary focus will be on safety, it should provide some early signs of efficacy.

Exhibit 3: Current AML treatment landscape and vididencel positioning



Source: Company resources

Collectively, the DIVA trial readouts, alongside the ADVANCE II and CADENCE updates, will start to inform Mendus's go-to-market strategy from H226 (Exhibit 4). This will include multiple key readouts from December 2025 to Q326, after which, Mendus plans to conduct a global registrational trial in AML. We expect this to include a lager patient population (c 250 participants versus 150–200 with the previous strategy). While we believe that this may extend the time taken to reach potential commercialisation, management does not expect a material impact on guided timelines, and remains confident that the broader target population should facilitate a fast pace of enrolment. Indeed, the target population is

now broader, with Mendus no longer limited to MRD+ patients, CADENCE including MRD+ and MRD- patients who had previously undergone chemotherapy, and the DIVA programme, exploring vididencel in combination with Ven-Aza in patients who are unfit for chemotherapy. Provided these incremental studies are supportive, as discussed, the new strategy has the potential to improve the value proposition for vididencel.

Exhibit 4: Go-to-market strategy for vididencel in AML

Source: Company resources

CML: New indication, addressing the unmet medical need

CML represents a distinct form of blood cancer, characterised by the uncontrolled proliferation of myeloid cells (a type of white blood cell) in the bone marrow. Unlike its more aggressive counterpart (AML), CML typically progresses slowly through defined phases, starting with the chronic phase, which may persist for multiple years if left untreated. The fundamental difference between AML and CML lies in the maturation of cancer cells. In CML, the malignant cells retain some ability to mature and function, whereas in AML, immature blast cells accumulate rapidly and fail to develop into functional blood cells. This distinction translates into different clinical courses and treatment approaches.

The molecular hallmark of CML is the oncogene, BCR-ABL1, which produces a constantly active protein that drives the excessive production of white blood cells. It has been estimated that 95% of CML cases harbour this genetic abnormality, making it one of the most consistent markers in blood-based cancers. Patients often present with non-specific symptoms (eg fatigue, weight loss, fever), though a substantial portion of cases are discovered incidentally through routine blood tests that show elevated white blood cell counts, as the chronic phase may be asymptomatic.

The treatment landscape for CML has been revolutionised by tyrosine kinase inhibitors (TKIs) that specifically target the aberrant BCR-ABL1 protein. Imatinib, the first TKI (approved in 2001), transformed CML from a fatal diagnosis into a manageable chronic condition. Second-generation TKIs (such as dasatinib and nilotinib) offer alternative treatment options for patients who develop resistance or intolerance to initial therapy. Many patients achieve deep responses (significant reductions in detectable cancer cells) and enjoy near-normal life expectancy, though they are subject to continuous TKI therapy. As such, the focus of CML treatment development has shifted from short-term disease control to quality of life, which is often affected by long-term TKI usage. Treatment-free remission (ie sustained remission without continuous therapy) has become a key goal in the field for patients who have achieved deep responses, though success is limited by relapse after discontinuing TKI treatment. Therefore, treatment options beyond TKIs remain the ongoing medical need. While HSCT can be applicable, it carries substantial risks and many patients are not eligible, meaning there is a demand for new immunotherapies to control residual disease in CML, without reliance on TKIs.

Current CML landscape

The CML treatment market was valued at c $5.7bn in 2024, and is projected to reach $8.9bn by 2035, corresponding to a CAGR of 4.1%. This market size stems from the growing prevalence of the condition, with over 150k cases in the US alone in 2024, expected to nearly triple to 400–450k cases from 2040. Big pharma has been looking to address unmet needs in the space, as exemplified by Novartis's Scemblix (generic name: asciminib), which was approved by the FDA for adult patients with newly diagnosed Philadelphia chromosome-positive CML in the chronic phase in October 2024, with sales expected to reach $3.4bn by 2032 (according to Evaluate Pharma). Multiple companies are aiming to develop next-generation treatment options in this space, including Terns Pharmaceuticals with TERN-701 (positive Phase I data presented last year; next update expected in December 2025) and Enliven Therapeutics with ELVN-001 (encouraging updated Phase I data presented earlier this year; planning to initiate Phase III in 2026).

Mendus's plans in CML

Mendus's renewed strategy in CML first involves a Phase Ia/Ib study to provide an assessment of the safety of vididencel in this indication, alongside early insights into potential efficacy. We understand that the Phase I programme will involve the addition of vididencel treatment to CML patients taking TKIs, and this is due to start in early 2026, with the first readout expected in Q326.

Provided the initial data are supportive, the company plans to conduct a Phase IIa trial. We understand that this will include a larger patient population, with a greater focus on efficacy. This will involve starting vididencel treatment with patients who are taking TKIs, and then stopping the TKI treatment to see whether the disease progresses, measuring the potential of vididencel to improve TFR rates.

As a reminder, this avenue is supported by preclinical research presented at ASH 2024, where the data showed that vididencel stimulated cellular immunity against a CML cell line, demonstrating the possibility to improve immunity against residual cancer cells. We view these expanded plans as ambitious for the company, but believe that should the data be supportive, it could significantly broaden the potential for vididencel, potentially translating to a sizeable commercial opportunity.

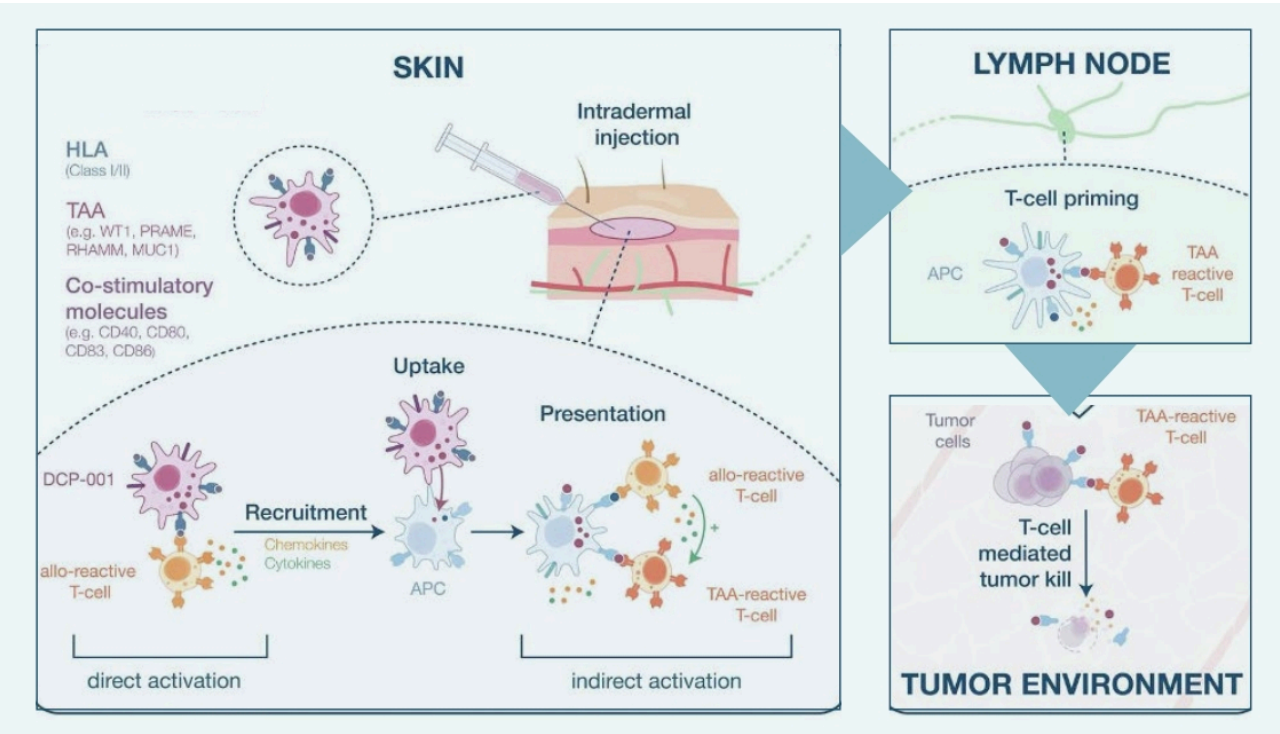
Ovarian cancer: Application for vididencel in solid tumours

Vididencel is also being explored as a potential maintenance therapy for OC and is involved in the ongoing Phase I ALISON trial. This is a single-centre Phase I study (n=17) conducted by the University Medical Center Groningen; the trial completed patient recruitment in December 2023 and the long-term follow-up is ongoing. According to a previous update (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 who showed vaccine-induced immune responses (VIRs) compared to those who did not show VIRs (40% stable disease rate). In June 2025, an incremental update was presented at the ASCO 2025 conference. 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. Further, two patients with VIRs showed stable disease for over three years, which we view as an encouraging result for Mendus's active immunotherapy approach, representing an expandable opportunity for vididencel, beyond the blood-based cancer space. The next readout for ALISON is expected in December 2025, and could represent an upcoming catalyst for investor attention.

How does vididencel work?

Vididencel comprises irradiated leukaemic-derived dendritic cells that are administered via intradermal injection. Upon injection, the product triggers a local immune response and is phagocytosed by skin-resident antigen-presenting cells, which subsequently migrate out of the skin and towards the lymph nodes to trigger immune responses against the antigens carried by vididencel. Vididencel is manufactured based on the proprietary DCOne leukaemic cell line, which has been selected for stable growth in cell culture, making it suitable for scalable production. During manufacturing, the DCOne leukaemic cells undergo a cytokine-induced phenotypic shift and as a result express dendritic cell surface markers. This renders them highly immunogenic and suitable as the basis for vaccination. Because the cells contain a full spectrum of tumour-associated antigens, vididencel treatment triggers a broad immune response, including T-cell responses against common leukaemic antigens such as WT-1, RHAMM and PRAME (Exhibit 5).

Exhibit 5: Overview of vididencel's mechanism of action



Source: Company resources

Ilixadencel (legacy asset)

Ilixadencel is Mendus's second clinical asset. It is an intratumoural immune primer, comprising pro-inflammatory activated allogeneic dendritic cells, 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 Phase I/II, there are currently no active clinical trials running for the candidate. Management is considering alternative options for ilixadencel and will likely focus on seeking partnering and/or licensing opportunities.

Management team

CEO: Erik Manting. Dr Erik Manting worked for a number of years as a post-doctoral researcher in the field of immunology before making a career switch to banking in 2001. He has more than 15 years of experience in different commercial and management roles in banking, including five years as executive director corporate finance at Kempen & Co. He acted as CEO of DCPrime from March 2018 and was appointed as CEO of Immunicum in March 2021, following the merger between the companies in December 2020. The combined company was renamed Mendus in June 2022. Erik holds an MSc in medical biology and a PhD in molecular microbiology from the University of Groningen.

CFO: Lotta Ferm. Lotta Ferm has nearly 30 years of finance and controlling experience from a range of corporations, including most recently Doktor24 Healthcare and Medivir, in the healthcare and life science sectors. She has held CFO, head of finance and head of controlling positions consistently over the last decade and has led the corporate finance and accounting functions for multiple transitions for dynamic and innovative companies. Lotta joined Mendus as CFO in October 2021. She holds a degree in business administration and economics from Högskolan Kristianstad and Växjö University.

CMO: Tariq Mughal. Dr Tariq Mughal (MD FRCP FRCPath) completed his medical training in London, UK, and Denver Colorado. He has made pioneering contributions to society, academic haematology and oncology, pharmaceutical medicine and cancer charity. He is internationally recognised as an expert in the development of targeted therapies and molecular diagnostics in cancer, particularly myeloid leukaemias. Prior to joining Mendus, Dr Mughal was senior vice president and head of clinical drug development in haematology at Stemline Therapeutics/Menarini, New York, and previously served as vice president clinical/medical affairs at Foundation Medicine/Roche, Cambridge, Massachusetts.

He is a clinical professor at Tufts University Medical School and founder of the Alpine Oncology Foundation, supporting efforts to advance the treatment of myeloid leukaemias in Tanzania.

See our recent executive interview with Dr Manting and Dr Mughal, where we discuss Mendus's renewed strategy, alongside details of the newly planned clinical programmes in AML and CML, and an overview of the key upcoming milestones.

Mendus – Executive interview with Dr Erik Manting and Dr Tariq Mughal

Source: Edison Investment Research

Sensitivities

As with all biotechs, Mendus is subject to risks associated with the unpredictable outcome of clinical trials, regulatory discussions, successes of competitors, as well as financing and commercial risks. For the purposes of our model, we now assume that Mendus will secure a licensing deal for vididencel in early 2027 (Q126 previously), making our valuation sensitive to the precise timing of such deals and actual deal terms; the forecasting of licensing deals is a common challenge in this sector. In AML, while proof-of-concept for vididencel has been established with the ADVANCE II data, near-term R&D sensitivities mostly will be associated with the outcome of the ongoing Phase IIb CADENCE trial and Phase Ib DIVA trial, both with expected readouts in Q326. These results will inform Mendus's go-to-market strategy in AML. Conversely, the CML programme is at an earlier stage, though management aims to report initial Phase Ia/Ib safety data in Q326, which, if positive, may support plans for a subsequent Phase IIa trial. This series of trial readouts in Q326 will correspond to multiple inflection points for the company, though we note that an important sensitivity will be executing these trials in line with the guided timelines. If successful, these additional programmes have the potential to bolster the value proposition for vididencel, with broader applications compared to the prior strategy.

Mendus's pro-forma net cash position of SEK89.2m should provide a runway through 2026, though we highlight that this is based on several assumptions regarding the newly planned clinical trials (discussed in further detail below). We note that Mendus has implemented a corporate reorganisation, which we believe should at least partially offset some of the costs of these studies. The necessity for further funding will be contingent on the company's ambitions to progress its programmes to the late stages of clinical development, as well as potential partner interest, which may alleviate the need for dilutive financing.

Financials

Operating performance: R&D expenses trended lower in Q325

Mendus recently announced its Q325 results, the key takeaway from which was the continued quarter-on-quarter decline in R&D expenses thus far in FY25 (SEK13.0m versus SEK15.5m in Q225 and SEK21.7m in Q125), which we believe was directly attributed to the lower technology transfer costs to NorthX Biologics. Note that costs related to the technology transfer to NorthX were pre-paid by the company in Q323 (c SEK90m) and therefore do not affect cash flows. At the end of Q325 SEK22m of pre-paid expenses remained outstanding, and we expect these to be expensed over the coming periods, albeit with some lumpiness, as large-scale good manufacturing practice (GMP) batches of vididencel are delivered (the first large-scale GMP batch is expected to be delivered in Q425). Based on this expectation and ongoing preparatory activities for the upcoming Phase I trials, we estimate R&D expenses to rise in Q425 and into 2026. Administrative expenses for the quarter were recorded at SEK9.5m, in line with the figures in the previous quarters. Other operating income trended up to SEK2.1m in Q325 (SEK1.2m in Q225) and mainly related to patent transfer revenue and a research grant from Oncode-PACT. Overall, Mendus reported an operating loss of SEK20.4m in Q325, versus losses of SEK24.1m in Q225 and SEK30.2m in Q125. The operating performance also reflected in the cash flow statement, with the company reporting SEK20.5m in operating cash outflows (SEK25.7m in Q225).

Estimates revision

Based on the year-to-date performance and considering the updated clinical strategy for vididencel, we make have made certain adjustments to our FY25 and FY26 estimates. For FY25, we project an operating income of SEK6m (SEK5m previously), reflecting this as revenue in our model. Furthermore, given that we now expect a licensing deal and related upfront inflows in 2027 (versus 2026 previously), we cut our revenue estimate for FY26 to SEK5.0m from SEK864.7m. In terms of operating expenses, while we expect a quarter-on-quarter rise in R&D expense in Q425, we trim our full-year estimate to SEK70.5m (from SEK89.3m) to account for the lower-than-expected Q325 figure. For FY26, we forecast R&D expenses of SEK54.2m, up slightly from SEK50.0m. We marginally raise our estimates for administrative expenses for FY25 (SEK30.3m excluding D&A versus SEK28.4m previously) and FY26 (SEK31.2m versus SEK29.2m previously). Overall, we now estimate operating losses of SEK101.3m in FY25 (previously SEK119.1m) and SEK86.9m in FY26 (previously an operating profit of SEK779m).

Balance sheet: Strengthened with the post-period capital injection

Mendus ended Q325 with a net cash position of SEK36.7m (gross cash of SEK37.6m adjusted for SEK0.9m in long-term liabilities – conditional credits from Region Västra Götaland). This capital position was subsequently strengthened with the recent announcement of a c SEK52.5m directed equity issue to institutional investors and other qualified investors, which was intended to be minimally dilutive and a close-to-market transaction. The transaction involved the subscription of 10.5m shares at SEK5.0/share (c 10% discount to closing price as on 18 November 2025), providing the pro-forma net cash position of SEK89.2m. Of these, SEK33m has been subscribed by Van Herk Investments and Flerie Invest, the two largest shareholders in Mendus with a combined holding of 57.3%. We understand that Van Herk Investments will be subscribing to upwards of 4m shares, taking its shareholding in the company to 35.7% (from 34.5% previously) and will require an exception approval for a mandatory bid obligation from the Swedish Securities Council. Note that part of the directed issue (total of 310k shares subscribed by CEO Erik Manting and board members Sven Andreasson and Dharminder Chahal) is subject to approval by an extraordinary general meeting to be held on 16 December 2025. While this equity raise will be dilutive to existing shareholders (16.8% dilution) we believe that it ameliorates the funding overhang, particularly in light of the increased outlay towards executing the revised clinical strategy.

Related to the directed issue, Mendus has also entered a SEK50m loan facility with Fenja Capital. The facility will be split into two tranches of SEK30m (available for drawdown by 31 January 2026) and SEK20m (available for drawdown in Q326). The drawdown will be conditional to completion of the directed issue and Mendus maintaining a predefined market cap threshold. The loan matures on 31 January 2027, with an interest rate of 3m STIBOR+8% for the drawn amounts and 3m STIBOR+2% on the undrawn amount.

Based on our burn estimates for Q425 and FY26, we view the company requiring c SEK75m in additional capital in FY26 and therefore believe that the capital injection from the directed issue and the loan facility should be sufficient to cover operations through FY26 and into FY27 before entering into a licensing agreement, which we estimate will be in early 2027.

Valuation

We update our valuation for Mendus to reflect the company's broader clinical strategy for vididencel, using a risk-adjusted net present value (NPV) approach for each of the target programmes. We use a bottom-up approach to calculate the market sizes and industry and market research data for the basis of our other assumptions, such as PoS, eligible patient populations and pricing (discussed in further detail below).

Vididencel – AML

Prior to the recent strategic realignment, Mendus had focused on evaluating vididencel as a maintenance treatment for chemo-fit AML patients in combination with oral azacitidine. In this setting, we keep our underlying assumptions broadly unchanged, save for the target patient cohort, where we now include MRD- patients (c 30% of the overall post-remission AML population) in addition to the MRD+ patients we were previously considering. This is in line with management's assertion on vididencel's applicability across the larger AML patient population and de-emphasis on using MRD as selection criteria for treatment.

Our valuation currently incorporates the market potential in the US and Europe, as these regions make up the majority of the commercial opportunity for the company. We include an AML incidence of 22,000 patients in the US and 25,000 in Europe, of whom 50% are eligible for induction chemotherapy as a first-line treatment (11,000 and 12,400 patients in the US and Europe, respectively). Of these induction chemotherapy patients, we estimate 30% to opt for HSCT. We therefore assume that the remaining 70% of patients with induction chemotherapy (c 7,700 patients in the US, 8,700 in Europe) will be the target population for vididencel plus oral azacitidine.

In the chemo-unfit setting (50% of all newly diagnosed AML patients), which we now include in our valuation (vididencel in combination with Ven-Aza), we estimate a target patient population of 11,000 in the US and 12,400 in Europe.

We estimate a per patient realisable price of $150k in the US (based on a 40% discount to a $250k list price for the treatment) and $75k in Europe (drug pricing in Europe is typically 50% of the US pricing). This is based on the $250k annualised (c $20k treatment cost per month) list price for Onureg (oral azacitidine). Given the additional Phase I study required, we expect the pivotal Phase III programme to commerce in 2027, with a market launch in 2030 (2029 previously).

While we had previously assumed a peak penetration of 30%, given the broader target population, we reduce this to 25% across both settings. This translates to a combined peak sales potential of $1.4bn for vididencel in AML, which we estimate will be achieved in 2036 (vididencel holds Orphan Drug designation in the US and Europe, which provides seven and 10 years of market exclusivity, respectively). Finally, we reduce our PoS for the broader AML indication to 20%, from 30% previously, to account for the increased uncertainty and riskiness related to the early-stage study planned ahead of defining the go-to-market strategy.

Vididencel – CML

We include vididencel in CML, modelling a prevalence of 150,000 patients each in the US and Europe. Of these patients, 50% achieve deep remission with TKIs and are eligible for TKI discontinuation. We assume the addressable patient population to be the 50% of patients who relapse following TKI discontinuation. This translates to a target patient population of 34,400 each in the US and Europe. We assume a six-month treatment duration with vididencel and a realisable treatment price of $78k/patient in the US and $39k/patient in Europe (assuming a 40% payor discount to a list price of $130k for the six-month treatment). The pricing estimate is based on the treatment costs of TKIs, which range from $15–25k per month. For CML, we assume a peak penetration of 20%, with a peak sales potential of $1bn, to be achieved in 2037. We ascribe a PoS of 10% to the CML programme with an expected launch in 2032.

Vididencel – OC

Given the broadened focus for vididencel in haematological conditions, we now estimate any further development work in OC to be undertaken by the licensing partner. While we had previously modelled the Phase II study to commence within 2025, we now push this to 2027 with an expected launch in 2033 (2031 previously). We trim our PoS to 7.5% from 15% previously.

Our revised valuation continues to assume an out-licensing deal for vididencel, however, we revise the likely timeline to early 2027, from Q126 previously. We continue to assume a total deal value of $850m, including an upfront payment of $75m and milestones of $750m. We also assume that the milestone payments will be split 30:70 between development

and sales milestone payments, which we have accounted for over the course of clinical development and subsequent commercialisation of vididencel. We have also included tiered royalty payments on commercial sales, ranging from 10–14%. The royalty and milestone payments have been split between the AML, CML and OC programmes, based on sales potential and other parameters.

Ilixadencel

We continue to include the ilixadencel opportunity in our valuation but acknowledge that it is increasingly becoming peripheral to Mendus's overall business strategy, more so following the recent strategy pivot for vididencel. We will reassess our stand on the programme with the FY25 results.

Incorporating the aforementioned revisions and the latest pro-forma net cash position, our valuation for Mendus adjusts to SEK1.87bn, from SEK1.98bn previously. The per-share valuation shifts to SEK29.8/share from SEK37.9, on account of the higher shares outstanding following the recent SEK52.5m directed issue (62.6m shares outstanding versus 52.1m previously). Our rNPV valuation for Mendus, detailed by assets, is presented in Exhibit 6.

Exhibit 6: Mendus rNPV valuation

Product	Indication	Launch	Peak sales ($m)	NPV (SEKm)	Probability of success	rNPV (SEKm)	NPV/share (SEK)
Vididencel (DCP-001)	AML	2030	1410	4,427.4	20%	1,071.2	17.1
	CML	2032	1010	2,057.8	10%	246.1	3.9
	OC	2033	580	1,201.2	8%	276.0	4.4
Ilixadencel	STS	2033	400	1,026.6	5%	182.1	2.9
Pro-forma net cash (debt) as on 30 September 2025				89.2	100%	89.2	1.4
Valuation				**8,802.2**		**1,864.5**	**29.8**

Source: Edison Investment Research. Per share valuation based on 62.6m shares outstanding (including 10.5m shares to be issued as part of the November 2025 equity raise)

Exhibit 7: 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	6,000	5,000
Cost of sales	0	0	0	0	0
Gross profit	3,375	29,612	5,048	6,000	5,000
SG&A (expenses)	(44,028)	(30,748)	(27,551)	(30,306)	(31,215)
R&D costs	(87,049)	(92,653)	(101,075)	(70,460)	(54,200)
Other income/(expense)	(1,134)	(559)	(558)	0	0
Reported EBITDA	(128,836)	(94,348)	(124,136)	(94,766)	(80,415)
Depreciation and amortisation	(4,848)	(6,303)	(6,519)	(6,493)	(6,460)
Reported Operating Profit/(loss)	(133,684)	(100,651)	(130,655)	(101,259)	(86,875)
Finance income/(expense)	(5,101)	(968)	2,256	3,078	(966)
Reported PBT	(138,785)	(101,619)	(128,399)	(98,181)	(87,842)
Adjusted PBT	(138,785)	(101,619)	(128,399)	(98,181)	(87,842)
Income tax expense	0	0	0	0	0
Reported net income	(138,785)	(101,619)	(128,399)	(98,181)	(87,842)
Basic average number of shares, m	9.97	23.13	48.56	51.22	52.08
Basic EPS (SEK)	(13.92)	(4.39)	(2.64)	(1.92)	(1.69)
Diluted EPS (SEK)	(13.92)	(4.39)	(2.64)	(1.92)	(1.69)
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	63,516	225
Prepaid expenses and accrued income	1,919	64,359	28,927	23,927	3,927
Other current assets	3,442	3,302	3,151	1,680	1,680
Total current assets	47,212	188,443	133,983	89,123	5,832
Non-current loans and borrowings	22,845	850	850	850	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	19,962
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	599,468	511,626
Cash flow statement					
Operating profit/(loss)	(133,684)	(100,651)	(130,655)	(101,259)	(86,875)
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	2,671	20,000
Interest paid / received	(1,135)	(968)	2,256	3,078	(966)
Income taxes paid	0	0	0	0	0
Cash from operations (CFO)	(109,331)	(162,761)	(79,672)	(89,018)	(61,382)
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	52,500	0
Movements in debt	8,194	(55,807)	(2,976)	0	0
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)	(38,389)	(63,291)
Cash and equivalents at beginning of period	155,313	41,851	120,781	101,905	63,516
Cash and equivalents at end of period	41,851	120,781	101,905	63,516	225
Net (debt)/cash	(10,192)	119,932	101,055	62,666	(625)

Source: Company documents, Edison Investment Research

Contact details

Västra Trädgårdsgatan 15
Stockholm – 11153
Sweden
+46 (0)8 732 8400
https://mendus.com/

Revenue by geography

N/A

Management team

CEO: Erik Manting

Dr Erik Manting worked for a number of years as a post-doctoral researcher in the field of immunology before making a career switch to banking in 2001. He has more than 15 years of experience in different commercial and management roles in banking, including five years as executive director corporate finance at Kempen & Co. He acted as CEO of DCPrime from March 2018 and was appointed as CEO of Immunicum in March 2021, following the merger between both companies in December 2020. The combined company was renamed Mendus in June 2022. Erik holds an MSc in medical biology and a PhD in molecular microbiology from the University of Groningen.

CFO: Lotta Ferm

Lotta Ferm has nearly 30 years of finance and controlling experience from a range of corporations, including most recently Doktor24 Healthcare and Medivir, in the healthcare and life science sectors. She has held CFO, head of finance and head of controlling positions consistently over the last decade and has led the corporate finance and accounting functions for multiple transitions for dynamic and innovative companies. Lotta joined Mendus as CFO in October 2021. She holds a degree in business administration and economics from Högskolan Kristianstad and Växjö University.

CMO: Tariq Mughal

Dr Tariq Mughal (MD FRCP FRCPath) completed his medical training in London and Denver. He has made pioneering contributions to society, academic haematology and oncology, pharmaceutical medicine and cancer charity. He is internationally recognised as an expert in the development of targeted therapies and molecular diagnostics in cancer, particularly myeloid leukaemias. Prior to joining Mendus, Dr Mughal was senior vice president and head of clinical drug development in haematology at Stemline Therapeutics/Menarini, New York, and previously served as vice president clinical/medical affairs at Foundation Medicine/Roche, Cambridge, Massachusetts. He is a clinical professor at Tufts University Medical School and founder of Alpine Oncology Foundation supporting efforts to advance the treatment of myeloid leukaemias in Tanzania.

Principal shareholders

	%
Adrianus Van Herk	34.5%
Flerie Invest AB	22.8%
Fourth Swedish National Pension Fund	9.4%
Avanza Pension	3.1%
Mendus AB	2.6%
Nordnet Pension Insurance	1.3%
Holger Blomstrand Byggnads AB	1.3%
Erik Manting	1.0%
SEB Funds	0.6%
Dharminder Chahal	0.5%

General disclaimer and copyright

This report has been commissioned by Mendus and prepared and issued by Edison, in consideration of a fee payable by Mendus. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or sol icitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom