2026-09-07

Pila Pharma

Clinical Phase Begins in Obesity

Pila Pharma AB ("Pila Pharma" or "the Company") develops XEN-D0501 for obesity, type 2 diabetes and erythromelalgia, an orally administered, small molecule TRPV1 antagonist that reduces overactive inflammation linked to metabolic disorders. As the industry seeks alternative mechanisms for improved weight loss and a more balanced tolerability profile, XEN-D0501 is assessed to be well positioned, as the candidate does not affect gut hormones and may thereby enable a higher quality weight loss. The candidate is assessed to be scalable, expected to be decisive in making obesity drugs more accessible. We consider that the potential in relation to the risks is not reflected in the current valuation, where an rNPV model derives SEK 5.5 (5.7) per share in a Base scenario.

Regulatory Approval Enables Clinical Start

Pila Pharma has received regulatory approval for PP-CT04, a two part, placebo controlled study evaluating the safety, tolerability, pharmacokinetics, and efficacy of XEN-D0501 over twelve weeks in 46 individuals with obesity. Through individual dose escalation, substantially higher doses and longer treatment duration are tested than in the Company's previous clinical studies. Analyst Group views the approval as the gate that needed to be passed for value development to be driven by clinical results, where the initial safety part (part 1) is expected to be completed around the turn of the year 2026/2027 and part 2 around the summer of 2027.

Part 1 of the Study is Financed With Existing Cash

Operating expenses amounted to SEK 3.9m (4.9) in H1-26, illustrating continued good cost control. Cash amounted to SEK 13.4m at the end of H1-26, which is assessed to be sufficient for the initial safety part of the study but not for the subsequent efficacy part. Analyst Group estimates that the Company carries out a capital raise of approximately SEK 44m during the forecast period, where the capital is then assessed to be sufficient to finance both the remaining obesity study and the planned studies in type 2 diabetes and erythromelalgia up to the estimated licensing agreement in 2028.

Updated Valuation Range

The financing uncertainty that in our previous report motivated an elevated required return is now handled by modeling the rights issue explicitly, whereby WACC is lowered to 15.4% (19.7%). At the same time, the studies in type 2 diabetes and erythromelalgia are assessed to be initiated only once the obesity study has been completed, which shifts the timeline in these indications and means that we have updated our cost estimates. The price assumption in obesity is lowered to USD 0.95k (1.05) given the structural price pressure following the US pricing agreements, while an extensive pipeline of new candidates is expected to press prices further going forward. Overall, an updated valuation range of SEK 1.0 to 9.0 (0.8 to 9.6) is derived, with the Base scenario amounting to SEK 5.5 (5.7) per share, where a higher derived enterprise value is offset by the dilution from the modelled rights issue.

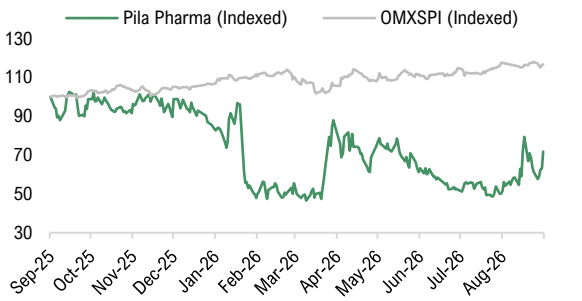
Valuation Range

Bear	Base	Bull
SEK 1.0	SEK 5.5	SEK 9.0

Key Information

Share Price (2026-09-04)	1.70
Shares Outstanding	45,682,121
Market Cap (SEKm)	77.7
Net cash(-)/debt(+) (SEKm)	-13.4[1]
Enterprise Value (SEKm)	64.3
List	Nasdaq First North Growth Market
H2-report 2026	2027-02-25

Share Price Development



Owners (Source: The Company, 2026-08-27)

	Insider
Virala Oy Ab	15.0%
Dorte X. Gram	13.8%
BNY Mellon Sa/Nv For Jyske[2]	7.4%
Goldman Sachs & Co[2]	5.9%
The Bank Of New York Mellon SA/NV W8IMY[2]	4.8%

Estimates (SEKm)	2026E	2027E	2028E	2029E
Riskadjust. revenues (type 2 diabetes)	0.0	0.0	0.0	0.0
Riskadjust. revenues (obesity)	0.0	0.0	0.0	0.0
Riskadjust. revenues (erythromelalgia)	0.0	0.0	0.0	0.0
Riskadjust. revenues (license deal)	0.0	0.0	59.6	0.0
Total riskadjust. Revenues	**0.0**	**0.0**	**59.6**	**0.0**
Operational expenses	-14.0	-27.0	-16.0	-6.0
EBIT	**-14.0**	**-27.0**	**43.6**	**-6.0**
EBIT margin (adj.)	neg.	neg.	73.1%	neg.

[1]Combined cash position of the parent company and the subsidiary.

[2]Custodian: Owner data not verifiable.

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Other
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The analyst does not own shares in the Company.

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