Trinity Delta

Avacta

Tailored tumour targetting with pre|CISION

Update

14 December 2023

Avacta's proprietary pre|CISION platform is key to the investment case, and further details on lead programme AVA6000, a tumour targeted form of the chemotherapy doxorubicin, continue to support key hypotheses. Data show that AVA6000 is selectively activated at the target tumour site, resulting in lower toxicities, improved tolerability, and greater potency. This has translated into promising, albeit early, signs of clinical activity. AVA6000's clinical success will help to validate pre|CISION, and could unlock an extensive opportunity to repurpose a range of proven, but currently sub-optimal, therapies, and alongside the Affimer platform, could be used in novel diagnostic and therapeutic applications. AVA6000 has now completed the seventh, and final, cohort of the Phase Ia three-weekly arm, with patient screening started in the two-weekly arm in the US. Data will direct the format of a potentially pivotal Phase II trial. News over the next 18-24 months should offer multiple value-inflection points. Our updated valuation including the Coris acquisition is £672m (237p/share).

Year-end: December 31	2021	2022	2023E	2024E
Revenues (£m)	2.9	9.7	22.1	25.9
Adj. PBT (£m)	(24.1)	(27.0)	(31.4)	(41.8)
Net Income (£m)	(26.3)	(39.2)	(34.3)	(43.3)
Adj.EPS (p)	(8.7)	(10.1)	(10.8)	(13.6)
Cash (£m)	26.2	41.8	12.3	(13.5)
EBITDA (£m)	(26.7)	(24.4)	(25.9)	(34.1)

Source: Trinity Delta Note: Adjusted numbers exclude share-based payments and exceptionals.

- **pre|CISION tumour targeting supported by clinical data** Preliminary results with AVA6000 following completion of the seventh and final dose cohort in the first arm of the Phase Ia safety study suggest that the potential seen in preclinical models has been replicated in humans. Systemically dosed AVA6000 was shown to be selectively activated in FAPα-rich tumours, with no activation in normal tissues. This localised release of doxorubicin results in lower systemic toxicities, improved tolerability, and offers the prospect of longer dosing than standard doxorubicin and greater anti-tumour potency. Although designed as a safety study, there were encouraging, albeit early, signs of clinical efficacy in defined FAPα-rich tumours.
- **Second arm, with improved dosing, being prepared** The improved safety profile seen to date means a two-weekly dosing regimen will replace the existing three-weekly dosing in the US arm of this Phase Ia trial. Patients with suitable FAPα-rich tumours are already being screened, with first enrolment expected shortly. The results will guide the format and scope of a potentially pivotal Phase II trial, which could commence as early as end-2024. Success would validate the whole approach and could unlock the development of a portfolio of pre|CISION enabled products. The breadth and scale of potential programmes would be beyond the scope of Avacta's capabilities, suggesting out-licensing opportunities would ensue.
- **Valuation of £672m, or 237p per share (209p fully diluted)** Our valuation is increased to £672m (from £641m), or 237p/share, with incorporation of the Coris acquisition, plus updating for H123 interim financials. AVA6000 efficacy data, progress with the proprietary platforms or earlier stage products, and/or higher growth or margins in the Diagnostics business offer upside potential.

Price	119.00p
Market Cap	£337.5m
Enterprise Value	£325.2m
Shares in issue	283.6m
12 month range	88.0p-187.9p
Free float	90.4%
Primary exchange	AIM London
Other exchanges	N/A
Sector	Healthcare
Company Code	AVCT.L
Corporate client	Yes

Company description

Avacta owns two novel technology platforms: Affimer and pre|CISION. Affimer proteins are antibody mimetics being developed as diagnostic reagents and oncology therapeutics. pre|CISION improves potency and reduces toxicity of cancer drugs by only activating them inside the tumour. Successful clinical trials would be transformative for Avacta.

Analysts

Lala Gregorek
lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Philippa Gardner
pgardner@trinitydelta.org
+44 (0) 20 3637 5042

Avacta: delivering Therapeutics with pre|CISION

Avacta continues to make notable progress on executing its strategy to exploit its proprietary technology platforms across both Therapeutic and Diagnostic applications. The pre|CISION platform underpins the near- and medium-term prospects of Avacta's investment case, and as such the progress of lead programme AVA6000 through clinical trials attracts understandable investor attention. Success would effectively validate the pre|CISION platform's ability to target tumours selectivity and provides the template for a broader pipeline of differentiated products. Recently announced Phase I data following conclusion of Cohort 7 dosing suggests that AVA6000 releases doxorubicin at the tumour site but not healthy tissues, with this selectivity resulting in fewer toxicities, and there are early indications of tumour responses. Recruitment of suitable FAPα rich patients for the US arm of the study is underway. These results will inform the proposed Phase II trial format, which could start in H224.

Earlier notes provide background on Avacta's technologies as the foundations of its Diagnostic and Therapeutics businesses

Prior Trinity Delta research notes have extensively covered the rationale, and prospects, of Avacta's now cash generative Diagnostics business (December 2022 Update), as well as the potential of the two proprietary technology platforms, pre|CISION and Affimer proteins, in creating novel therapeutic products (May 2023 Update). The latter Update report addressed the principles underlying pre|CISION's mechanism of action, its role in selectively targeting FAPα-rich TMEs (Tumour Micro-Environment), and how it offers the potential to transform the clinical profiles of existing chemotherapies, enhancing efficacy and reducing systemic toxicities. Here we present further supporting data on the lead pre|CISION programme, AVA6000, a FAPα activated doxorubicin chemotherapy, which has now completed the seventh dose cohort in its Phase Ia dose escalation study (ALS-6000-101).

AVA6000 provides validation of the pre|CISION platform

The importance of AVA6000 lies in its role as effectively demonstrating proof of concept for FAPα (Fibroblast Activation Protein-α) tumour targeting, with success opening an extensive opportunity to repurpose existing well characterised chemotherapies (where clinical utility is usually constrained by treatment-limiting systemic toxicities). pre|CISION uses a substrate, that is specifically cleaved by FAPα, to link to a known chemotoxin and so creates an inert prodrug that remains inactive until it reaches the TME. In a FAPα-rich environment the substrate is cleaved and the active form of the chemotoxin is released, with the increased local concentration resulting in greater potency and limiting systemic toxicities.

MTD not reached in seventh dose cohort; hence US arm to evaluate fortnightly dosing

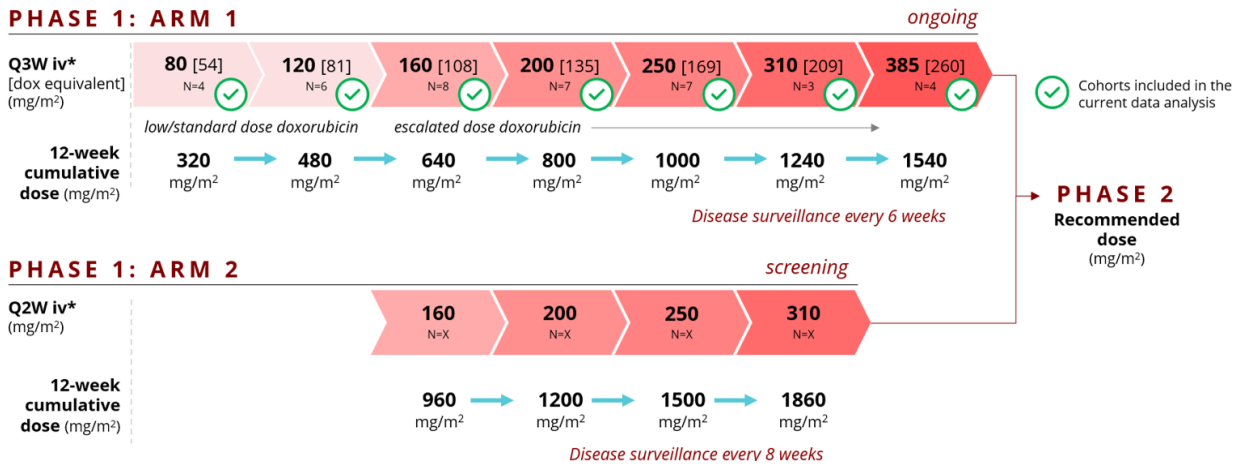
Recent data from the AVA6000 Phase Ia trial, following completion of the seventh and final cohort in the three-weekly dosing arm, showed encouraging evidence that pre|CISION does cleave as expected within FAPα-rich solid tumours - with active doxorubicin released within the TME at concentrations materially higher than seen elsewhere in the body. Despite using doses equivalent to c 3.5x the normal doxorubicin dose, the seventh cohort did not reach MTD (maximum tolerated dose). This improved safety profile and tolerability means a new two weekly dosing regimen will be evaluated in the US arm of the trial. Even though it was designed as a safety study, there were also promising early signs of activity in a number of tumour types, which is noteworthy as most patients were previously treated, unsuccessfully, with several rounds of various therapies.

AVA6000 Phase Ia study highlights to date

A heavily pre-treated patient population was recruited for the Phase Ia study

The AVA6000 Phase Ia study population included patients diagnosed with a solid tumour known to be high in FAPα, including soft tissue sarcoma (20%), pancreatic cancer (20%), colorectal cancer (27.5%), and head & neck cancers. Most patients had been heavily pretreated (median of three rounds) with various regimens, but any prior therapy with any anthracycline was limited to a total cumulative dose of less than 350mg/m^2 doxorubicin or equivalent. Life-threatening cardiotoxicity is a major limitation with doxorubicin, and is correlated with cumulative doxorubicin dose, effectively limiting treatment to only six cycles (typically 60-75mg/m^2 every three weeks until 450mg/m^2 is reached). Exhibit 1 outlines the study design and progression of AVA6000 dose escalation in the first arm (three weekly dosing).

Exhibit 1: Phase I study design for AVA6000



Source: Avacta

PK and tumour biopsy data supportive of pre|CISION's mechanism of action

PK and tumour biopsy data also support AVA6000's mechanism of action, with the reduced side-effect profile reflecting the lower doxorubicin levels measured in plasma (a proxy for healthy tissues) vs within the tumour (Exhibit 2). While these data are from a relatively small number of patients, the concentration of activated (cleaved) doxorubicin within the tumour, relative to the equivalent plasma concentration, appears to indicate preferential release of the active chemotherapy in tumour tissue. Thus, the pre|CISION technology, using FAP specificity, does selectively target tumours, delivering the active drug in the manner predicted by preclinical models.

Exhibit 2: Doxorubicin levels in plasma and tumour post AVA6000 cleavage

Dose cohorts by doxorubicin equivalent	AVA6000 dose cohorts (doxorubicin equivalent)	Plasma doxorubicin at 24h ng/ml mean (st dev)	Tumour doxorubicin level at 24h ng/gm mean (st dev)	Ratio tumour (ng/mg): plasma (ng/ml) mean
<75 mg/m² doxorubicin[1]	80 mg/m² (54 mg/m²)	4.9 (0)	161.5 (120.9)	33:1
>75 mg/m² doxorubicin	160-250 mg/m² (108-169 mg/m²)	8.3 (4.1)	860.9 (730)	104:1

Source: Avacta

Incidence of adverse events much lower with AVA6000 than doxorubicin

The key outcome measure of the Phase Ia study was safety. There was a low incidence of Grade 3 and 4 treatment-related adverse events (AEs) with AVA6000 treatment (<10%) compared to doxorubicin alone. Grade 3 or 4 AEs were seen in Cohort 3 (one Grade 3), Cohort 4 (two Grade 3; one Grade 4), Cohort 5 (two Grade 3 and one Grade 4), and Cohort 6 (three Grade 3). As Cohorts 5, 6, and 7 all have patients still under treatment these data will continue to mature.

Exhibit 3: AVA6000 toxicities compared to standard doxorubicin

Adverse event	AVA6000 (80–385 mg/m² Q3W) N=40 Grade 3-4 , n (%)	Doxorubicin[1] (75 mg/m² Q3W) N=323 Grade 3-4 , n (%)	Doxorubicin[2] (75 mg/m² Q3W) N=251 Grade 3-4 , n (%)
Neutropenia	3 (7.5)	92 (29)	122 (49)
Anemia	2 (5)	65 (21)	31 (12.4)
Febrile neutropenia	0	34 (11)	41 (16.5)
Leukopenia	0	17 (5)	59 (23.7)
Thrombocytopenia	2 (5)	4 (1)	21 (8.4)
Decreased WBC count	2 (5)	33 (11)	NR
Mucositis/stomatitis	1 (2.5)	7 (2)	7 (2.8)
Fatigue	1 (2.5)	11 (4)	12 (4.8)

AVA6000 data cutoff 27 Nov 2023
[1] Tap, WD *et al.* 2017. Phase 3 trial of evofosfamide with doxorubicin in patients with STS. Data reported from doxorubicin monotherapy arm
[2] Tap, WD *et al.* 2020. Phase 3 trial of olaratumumab with doxorubicin in patients with STS. Data reported from doxorubicin monotherapy arm

Source: Avacta

AVA6000 safety/toxicity profile supports evaluation of more frequent, fortnightly dosing

With our usual caveat about comparing data across different studies, Exhibit 3 provides insight into the reduced toxicity profile of AVA6000 compared with the toxicities seen in other trials for doxorubicin alone. The reduction in severe toxicities enables optimisation of the dosing schedule to every two weeks for the second arm. The lead investigators of the US Phase I arm, Dr William Tap (Memorial Sloan Kettering Cancer Center) and Dr Lee Cranmer (Fred Hutchinson Cancer Research Center), will explore the safety of the optimised two-weekly dosing regimen in selected FAPα-rich tumours. Screening for suitable patients has begun in the US, with the planned 12-week cumulative dosing expected to exceed that in Cohort 7. Although timings are uncertain, topline data from this arm could be available as early as end-Q224, and should inform the format and recommended dose for a potentially pivotal US Phase II study planned for 2024.

Individual case studies in high-FAP tumours indicate encouraging efficacy

The US arm of the Phase I should also contribute to a better understanding of AVA6000's clinical potential. While the Phase Ia study is primarily evaluating safety and toxicity, Avacta has presented three clinical observations (Exhibit 4) in which promising responses were seen in tumours with high FAPα expression.

Exhibit 4: AVA6000 clinical observations from Phase Ia study

Undifferentiated pleomorphic sarcoma (UPS)

59-year-old male with the diagnosis of UPS treated at 160 mg/m² Q3W.

Partial Response with duration >6 months with tumour volume reduction -65%, treatment is ongoing

Correlative studies demonstrate high FAP expression in the tumour tissue

Favourable PK profile with reduction in AUC which permits dosing for 7 additional cycles (~21 weeks)

Angiosarcoma of the spleen

79-year-old female with the diagnosis of angiosarcoma treated at 250 mg/m² Q3W.

Minor Response with visceral (hepatic) metastases reduction of 14% at cycle 2 and -22% at cycle 4

Continued shrinkage of liver metastases at cycle 4 scan with interval development of new bone metastases (mixed response)

Solitary fibrous tumour (SFT)

Three patients with the diagnosis of SFT have been treated at the dose levels of 250 mg/m² and 200 mg/m².

All 3 patients with prolonged stable disease of 4-8 months with 2 of 3 patients ongoing. 2 of 3 patients with rapid progression prior to enrollment

PK profile suggests in these patients additional cycles can be administered in all 3 patients

Source: Avacta

Valuation

We value Avacta at £672m, equivalent to 237p per share (209p per share diluted)

We value Avacta using a sum-of-the-parts, which includes a risk-adjusted net present value (rNPV) of the lead clinical asset AVA6000, an aggregate rNPV for the remainder of the proprietary platforms (Affimer proteins and pre|CISION), and a DCF valuation for the Diagnostics business, which are netted against operating costs. We include last reported net cash excluding the Convertible Bond (CB), as we assume this will be settled in shares. We have incorporated the Coris acquisition, outlined in more detail below, plus we have rolled forwards in time and updated net cash post interim financial results. With these changes, our valuation rises to £672m, equivalent to 237p per share, or 209p fully diluted for future shares to settle the CB (from £641m, equivalent to 228p/share, or 199p fully diluted). An overview of our valuation is in Exhibit 5 and more details on the methodology are in our December 2022 Update.

Exhibit 5: Avacta sum of the parts valuation

Programme	Total NPV (£m)	Total NPV ($m)	Success probability	rNPV (£m)	rNPV ($m)	rNPV/ share (p)	Notes
AVA6000 (tumour targeted doxorubicin)	712.1	854.5	10%	68.3	82.0	24.1	Royalty: 15%; Launch yr: 2026; Peak sales $1.5bn
pre|CISION platform (various preclinical)	1,932.4	2,318.9	10%	297.6	357.2	104.9	Royalty: 15%; Launch yr: 2027+
Affimer platform (various preclinical assets & diagnostics)	2,448.8	2,938.6	6%	294.2	353.0	103.7	Royalty: 20%; Launch yr: 2028+
Diagnostics	40.4	48.5	100%	40.4	48.5	14.3	Launch & Coris
Operating costs	(54.1)	(64.9)		(54.1)	(64.9)	(19.1)	
Net cash	26.0	31.2		26.0	31.2	9.2	At H123
Total	**5,105.6**	**6,126.8**		**672.5**	**807.0**	**237.1**	

Source: Trinity Delta Note: assumptions include a 12.5% discount factor, £/$ FX rate of 1.20

Coris acquisition drives higher revenues and DCF

Incorporation of the Coris acquisition (June 2023 Lighthouse) has led to an uptick in our Diagnostics DCF (over and above rolling forwards in time) largely owing to the higher revenues from the combined businesses, plus from future operational synergies. Recall Coris' FY22 revenues were £4.6m (unaudited), with a c 50% gross margin, an EBITDA of £0.35m, and a £0.02m net loss. Hence, together with Launch Diagnostics (fully consolidated FY23e revenues of £17m), we expect combined fully consolidated FY24e Diagnostics revenues of c £23-24m; more details on our Coris forecasts follow in the next section of this note.

AVA6000 efficacy data plus broader platform progress could lead to upside

The pre|CISION platform remains an important component of our valuation and the lead programme, on which we have the most visibility, is AVA6000. Our key underlying assumptions for AVA6000 are unchanged, with significant potential upside on material positive outcomes for AVA6000 (including meaningful efficacy from a proof-of-concept study). This could also act as validation for, and help to de-risk, the pre|CISION platform. Our pre|CISION platform valuation is based on an indicative value, with progress therefore resulting in sizeable upside potential. For example, preclinical asset AVA3996 is currently incorporated within the pre|CISION platform valuation, and as it advances into clinical development, this could lead to a refining of forecasts. Finally, as the Affimer technology is incorporated, the inherent value in this platform should unlock and be realised.

Financials

Revenues driven by diagnostic acquisitions

Avacta's H123 revenues increased to £11.9m (H122: £5.5m), largely owing to the Launch Diagnostics acquisition; Diagnostic revenues of £9.9m (H122: £0.1m) included six-months from Launch Diagnostics and one month for Coris Bioconcept. The Therapeutics division contributed revenues of £2.0m (H122: £5.5m) which reflected achievement of a further AffyXell milestone.

SG&A included diagnostics related spend, while R&D was maintained

H123 R&D spend was unchanged at £6.0m (H122: £6.0m), while SG&A increased to £8.6m (H122: £4.7m), due to incorporation of costs related to the diagnostic acquisitions. Operating loss was £11.9m (H122: £9.6m), and adjusted EBITDA loss (before non-recurring and non-cash items) was £7.9m (H122: £5.4m).

Cash of £26.0m; CB accounting remains complex but is largely non-cash

End-June 2023 cash and equivalents were £26.0m (end-December 2022 £41.8m) and were c £24.5m at 31 August following receipt of a £2.3m R&D tax credit. At-end June 2023 the £55m senior, unsecured Convertible Bond (CB) issued in October 2022 was held on the balance sheet with a value of £44.6m, including a debt component of £15.7m and a derivative fair value of £28.9m; the changes in these elements resulted in an H123 non-cash gain on revaluation in the P&L of £5.9m and a non-cash interest expense of £6.8m. Following the post period end amortisations (in July, September and October 2023), the CB principal remaining is £40.8m. For the purposes of our model, we assume the CB and coupon are repaid over five years from issuance, in shares priced at 118.75p ie. non-cash movements, resulting in total repayment by October 2027; for more details on the CB see our December 2022 Update.

Incorporation of the Coris acquisition drives a revenue uptick

Our FY23e revenue forecast has been increased slightly to £22.1m (from £21.2m) following the Coris acquisition, where we now include £2.2m of revenues from Coris (assuming seven months will be consolidated in FY23e). For FY24e we forecast increased revenues of £25.9m (from £22.1m), which includes a full year of Coris. Our R&D and SG&A forecasts have been updated to reflect H123 trends, and to incorporate SG&A related to Coris. Together, these changes drive slightly narrower Operating Losses of £29.2m in FY23e and £34.1m in FY24e, and Net Losses of £34.3m in FY23e and £43.3m in FY24e.

Cash should be sufficient beyond key AVA6000 newsflow

Our updated forecasts, shown in Exhibit 6, suggest that Avacta has sufficient cash well into 2024. This should be more than sufficient to reach key value inflection points, notably data from the AVA6000 two-weekly dosing study, which will inform dosing for a future potentially pivotal Phase II study, subject to funding.

Exhibit 6: Summary of financials

Year-end: Dec 31	£'000s	2020	2021	2022	2023E	2024E
INCOME STATEMENT						
Revenues		**2,144**	**2,941**	**9,653**	**22,064**	**25,946**
Cost of goods sold		(962)	(924)	(2,410)	(10,990)	(13,319)
Gross Profit		**1,182**	**2,017**	**7,243**	**11,074**	**12,628**
Manufacturing expenses		0	(2,143)	0	0	0
R&D expenses		(9,715)	(14,301)	(12,150)	(14,094)	(19,732)
SG&A expenses		(6,996)	(9,598)	(13,136)	(21,404)	(22,853)
Underlying operating profit		**(15,529)**	**(24,025)**	**(18,043)**	**(24,424)**	**(29,957)**
Share-based payments		(3,070)	(5,058)	(7,490)	(4,045)	(4,125)
Exceptionals		(217)	0	(7,112)	(706)	0
Other revenue/expenses		0	0	0	0	0
EBITDA		**(14,921)**	**(26,707)**	**(24,408)**	**(25,868)**	**(31,307)**
Operating Profit		**(18,816)**	**(29,083)**	**(32,645)**	**(29,175)**	**(34,082)**
Financing costs/income		(46)	(111)	(8,997)	(6,928)	(11,813)
Profit Before Taxes		**(18,862)**	**(29,194)**	**(41,642)**	**(36,103)**	**(45,896)**
Adj. PBT		**(15,575)**	**(24,136)**	**(27,040)**	**(31,353)**	**(41,770)**
Current tax income		2,464	2,820	2,102	1,832	2,565
Discontinued operations		(2,494)	58	351	0	0
Net Income		**(18,892)**	**(26,316)**	**(39,189)**	**(34,271)**	**(43,331)**
EPS (p)		**(8.4)**	**(10.5)**	**(15.3)**	**(12.5)**	**(15.0)**
Adj. EPS		**(6.0)**	**(8.7)**	**(10.1)**	**(10.8)**	**(13.6)**
DPS (p)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Average no. of shares (m)		225.6	249.5	255.4	275.0	289.0
BALANCE SHEET						
Current assets		**53,254**	**34,736**	**55,551**	**28,679**	**3,156**
Cash and cash equivalents		47,911	26,191	41,781	12,274	(13,538)
Accounts receivable		2,895	4,327	5,579	6,952	6,966
Other current assets		2,200	4,029	6,510	6,443	6,626
Non-current assets		**14,208**	**12,266**	**37,098**	**41,563**	**39,682**
Property, plant & equipment		2,696	2,612	7,798	6,266	5,210
Intangible assets		9,417	7,925	26,324	32,321	31,496
Other non-current assets		2,095	1,729	2,976	2,976	2,976
Current liabilities		**(3,781)**	**(4,368)**	**(9,784)**	**(11,227)**	**(11,227)**
Short-term debt		0	0	0	0	0
Accounts payable		(3,491)	(3,731)	(8,423)	(9,866)	(9,866)
Other current liabilities		(290)	(637)	(1,361)	(1,361)	(1,361)
Non-current liabilities		**(1,752)**	**(1,412)**	**(64,427)**	**(47,777)**	**(37,353)**
Long-term debt		0	0	(57,829)	(41,179)	(30,755)
Other non-current liabilities		(1,752)	(1,412)	(6,598)	(6,598)	(6,598)
Equity		**61,929**	**41,222**	**18,438**	**11,239**	**(5,742)**
CASH FLOW STATEMENTS						
Operating cash flow		**(10,642)**	**(20,506)**	**(16,432)**	**(21,174)**	**(24,919)**
Profit before tax		(18,862)	(29,194)	(41,642)	(36,103)	(45,896)
Non-cash adjustments		4,702	7,529	21,614	14,280	18,714
Change in working capital		722	(1,130)	3,873	(1,260)	(106)
Interest paid		42	17	75	10	(13)
Taxes paid		2,754	2,272	(352)	1,900	2,382
Investing cash flow		**(21,899)**	**18,703**	**(25,042)**	**(7,772)**	**(894)**
CAPEX on tangible assets		(1,665)	(1,314)	(709)	(876)	(894)
Acquisitions/disposals		(217)	0	(24,333)	(6,896)	0
Other investing cash flows		(20,017)	20,017	0	0	0
Financing cash flow		**51,647**	**232**	**56,904**	**(561)**	**0**
Proceeds from equity		51,902	522	8,868	224	0
Increase in loans		0	0	48,836	0	0
Other financing cash flow		(255)	(290)	(800)	(785)	0
Net increase in cash		**19,106**	**(1,571)**	**15,430**	**(29,507)**	**(25,812)**
Cash at start of year		8,788	27,894	26,191	41,781	12,274
Cash at end of year		**27,894**	**26,191**	**41,781**	**12,274**	**(13,538)**
Net cash at end of year		**47,911**	**26,191**	**41,781**	**12,274**	**(13,538)**

Source: Company, Trinity Delta

Philippa Gardner pgardner@trinitydelta.org
+44 (0) 20 3637 5042

Lala Gregorek lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Disclaimer

Trinity Delta Research Limited ("TDRL"; firm reference number: 725161), which trades as Trinity Delta, is an appointed representative of Equity Development Limited ("ED"). The contents of this report, which has been prepared by and is the sole responsibility of TDRL, have been reviewed, but not independently verified, by ED which is authorised and regulated by the FCA, and whose reference number is 185325.

ED is acting for TDRL and not for any other person and will not be responsible for providing the protections provided to clients of TDRL nor for advising any other person in connection with the contents of this report and, except to the extent required by applicable law, including the rules of the FCA, owes no duty of care to any other such person. No reliance may be placed on ED for advice or recommendations with respect to the contents of this report and, to the extent it may do so under applicable law, ED makes no representation or warranty to the persons reading this report with regards to the information contained in it.

In the preparation of this report TDRL has used publicly available sources and taken reasonable efforts to ensure that the facts stated herein are clear, fair and not misleading, but make no guarantee or warranty as to the accuracy or completeness of the information or opinions contained herein, nor to provide updates should fresh information become available or opinions change.

Any person who is not a relevant person under section of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom should not act or rely on this document or any of its contents. Research on its client companies produced by TDRL is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent, as defined by the FCA, but is 'objective' in that the authors are stating their own opinions. The report should be considered a marketing communication for purposes of the FCA rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. TDRL does not hold any positions in any of the companies mentioned in the report, although directors, employees or consultants of TDRL may hold positions in the companies mentioned. TDRL does impose restrictions on personal dealings. TDRL might also provide services to companies mentioned or solicit business from them.

This report is being provided to relevant persons to provide background information about the subject matter of the note. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information that we provide is not intended to be, and should not in any manner whatsoever be, construed as personalised advice. Self-certification by investors can be completed free of charge at www.fisma.org. TDRL, its affiliates, officers, directors and employees, and ED will not be liable for any loss or damage arising from any use of this document, to the maximum extent that the law permits.

Copyright 2023 Trinity Delta Research Limited. All rights reserved.

More information is available on our website: www.trinitydelta.org