

Yaqrit

A Five-Way Play on Liver Disease Therapy

- Yaqrit has created three sets of medical technologies to address liver disease in revelatory new ways.** Its first set aim to prevent (Yaq-001) and to treat (Yaq-002) liver failure by removing endotoxins from the gut (Yaq-001) and the blood (Yaq-002). Its second set aims to diagnose liver disease via assessing severity (Yaq-003) and immune system strength (Yaq-004). Its third set aims to diagnose and to treat (Yaq-005) liver disease via inhibiting the bodily mechanism for recognition of endotoxins. The founder and lead inventor, Prof. Rajiv Jalan, has run a laboratory for 20 years at University College London that has identified biochemical pathways in liver disease and failure.
- Competitor therapies are highly expensive, and the market size is large.** Competitor products in our view, tend to be very expensive, and occasionally lacking in efficacy. The ultimate treatment of a transplant costs \$1.4m in the US. Chronic liver diseases are one of the most prevalent and highest-mortality health conditions, with 844m cases and 2m deaths annually.
- Potential exit value of €957m.** A 20-year Discounted Cash Flow valuation, using a 20% WACC and peak market shares of 9.0% in the US & Europe, 6.7% in Asia-Pacific, and 4.5% in the Rest of the World produces a €957m estimated equity value in 2024, subject to risks.
- Risks.** The key risks to the achievement of our estimates and valuation, including the risk that the company fails and is worthless, are success in key clinical trials, timely regulatory approvals, achievement of favourable licensing terms, cost and cash management in the initial years, competition (particularly from large incumbents with strong distribution), and pricing pressure from competitors or customers.

Healthcare Sector

Pharmaceutical Drugs & Medical Devices

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Yaqrit Key Financial Forecasts

	2019E	2024E	2029E	2038E
Revenue (€m)	0.0	26.4	284.3	663.3
Operating margin (%)	-	55.4%	96.8%	98.2%
Net profit (€m)	-10.7	12.4	233.5	575.4
Free cashflow to the firm (€m)	-11.2	11.1	228.8	549.3

Source: Quantum Research & Valuation Ltd.

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