

# **IRLAB Therapeutics**

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Q1 results

# Screening platform continues to bear fruit

Pharma and biotech

IRLAB Therapeutics' Q122 report recapped many of the research and development highlights shared on the company's inaugural capital markets day in March, including Phase Ilb/III clinical trial for lead asset mesdopetam, for the treatment of levodopa induced dyskinesias (LIDS) in Parkinson's disease (PD) through a partnership with Ipsen and Phase Ilb clinical trials for pirepemat in the prevention of falls in PD. Management continues to demonstrate the value of its Innovative Screening Platform (ISP). In the quarter, IRL757 was nominated as a new preclinical candidate that IRLAB will investigate as a potential treatment for apathy. IRL757 joins IRL942 (a potential cognitive function modulator) in the preclinical pipeline. Both are expected to begin Phase I trials in 2023. We are reviewing our forecasts.

Year end	Revenue (SEKm)	PBT* (SEKm)	EPS* (SEK)	DPS (SEK)	DPS (%)	Yield (%)
12/20	0.4	(91.7)	(1.92)	N/A	N/A	N/A
12/21	207.8	52.0	1.00	N/A	N/A	N/A

Note: \*Reported.

IRLAB emphasised its efforts to expand its clinical pipeline in its Q122 report. The nomination of IRL757 to pre-clinical candidate status represents yet another testament to IRLAB's ISP discovery platform. The ISP is based on a unique combination of systems biology (phenotypic screening) and Al-based machine learning methods that leverage a database of animal model, pharmacokinetic, safety and biomarker data from around 1,400 compounds. We see the efficiency of the ISP in selecting new central nervous system (CNS) candidates as encouraging and highlight the potential for licensing this platform to other companies.

The newly nominated candidate, IRL757, will be investigated for treating apathy in CNS disorders. Apathy is a common symptom in most neurodegenerative disorders and the company asserts that 10 million patients in both the EU and US may be affected. We note there are currently no drugs approved for the treatment of apathy in CNS disorders. IRLAB intends to initiate Phase I trials for IRL757 in 2023. On the clinical side, IRLAB initiated a Phase IIb trial in Q1 with pirepemat, a prefrontal cortex enhancer, for the prevention of falls in PD; top-line data are expected in Q423. Additionally, mesdopetam continues through Phase IIb/III trials (partnered with Ipsen), for the treatment of LIDS in PD, with top-line results expected in H222.

Following revenue recognised from Ipsen in 2021, IRLAB held cash of SEK368m at end-March 2022 and we see this as funding operations past the expected pirepemat readout in Q423. We anticipate IRLAB will continue to use this position to drive aggressive pipeline investment in the near term.

13 May 2022

Price SEK36.15 Market cap SEK1.87bn

Net cash (SEKm) end-March 2022 368

Shares in issue 51.7m
Free float 72%

Code IRLAB-A

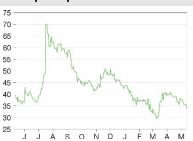
Primary exchange Stockholm Stock

Exchange

N/A

#### Share price performance

Secondary exchange



## **Business description**

IRLAB Therapeutics is focused on developing novel, potential first-in-class treatments for the symptoms of Parkinson's disease and other central nervous system disorders. The company has two lead assets, mesdopetam and pirepemat and a burgeoning preclinical pipeline (IRL757, IRL942). Owing to a recent licensing deal with Ipsen, IRLAB is well funded in the medium term.

#### **Analysts**

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