POST RESULTS

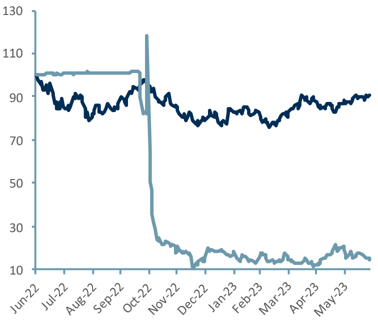
ACF EQUITY RESEARCH

VALUE RANGE

Coeptis Therapeutics Inc.

7.99 – 8.40

YE22A/1Q23A results and de-SPAC combined note



COEP price chart (lighter line) showing share consolidation spike followed by De-SPAC redemptions on Nasdaq up list

Wednesday, 28 June 2023

Intrinsic Price ($)	8.20
Value Range Low ($)	7.99
Value Range High ($)	8.40
Implied MCAP (m)	$256.12
Implied EV (m)	$256.01
Nasdaq	COEP
Financial YE	31-Dec
Currency	USD

Business Activity
Healthcare

Key Metrics

Close Price ($)	1.49
MCAP (m)	$35.30
Net Debt (Cash) (m)	-$1.82
EV (m)	$33.48
52 Wk Hi	21.42
52 Wk Lo	1.03

Key Ratios

Net Cash / Shareholder Equity %	5.14%

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Coeptis Therapeutics Inc. (NASDAQ: COEP) is a pre-clinical stage biopharmaceutical Corp focused on fighting cancer via a pipeline of potentially novel products targeting CD38+ related unmet need and solid tumor cancers. The YE22A results show wash through of the SPAC merger and redemptions, which may run around ~90%. The 1Q23A results add additional insights into operational costs in particular. During YE22A raise 'costs' are dominated by warrant liabilities and redemptions. The diagnostics platform is expected to have multiple applications and so is similar in this respect to the GEAR-NK platform. The Parkinson's Disease oral delivery product (CPT60621) is no longer a primary focus. Number of shares in issue has risen to 23,941,036 vs. WAN 20,084,169 for the results period.

- C&CE 1Q23A $2.1m, burn 1Q $1.6m, S-1MEF filed for raise;
- YE22A Opex $34.2m vs. $14.1 y/y, Δ is redemptions/merger costs;
- 1Q23A Opex $6.4m vs. $15.7m y/y;
- Warrants booked as liabilities (SEC de-SPAC ruling Apr 12, 2021);
- Outstanding warrant liabilities 1Q23A $2.5m vs. $1.1m YE22A.

ACF est. $ (m)	Revenue	EBITDA	FCF	EPS	EPS (diluted)	CPS	CPS (diluted)
2023E	0.0	-13.8	-14.3	-0.26	-0.18	-0.60	-0.46
2024E	0.0	-14.0	-14.5	-0.36	-0.27	-0.61	-0.46

Multiples	EV/ Sales	EV/ EBITDA	EV/ FCF	P/ EPS	P/ EPS (diluted)	P/ CPS	P/ CPS (diluted)
2023E	NM	NM	NM	NM	NM	NM	NM
2024E	NM	NM	NM	NM	NM	NM	NM

Share Price History	No. of Shares in issue	Fully diluted
NoSh (m)	23.7	31.2
Implied Intrinsic Price	10.81	8.20
Value Range Low	10.27	7.79
Value Range High	11.35	8.61
OTC	COEP	
Financial YE	31-Dec	
Reporting Currency	USD	
NoSh (m)		23.7
NoSh (m) expected dilution (Exp D)		31.2
NoSh (m) full dilution (FD)		31.2

Key Metrics	$	adj.
MCAP (m)	35.3	35.3
Net Debt (Cash) (m)	(1.8)	(1.8)
EV (m)	33.5	33.5
52 Wk Hi	21.42	21.42
52 Wk Lo	1.03	1.03
Free Float	49%	49%

*Key Metrics FCF adj.	2023E	2024E
CPS ($)	-0.60	-0.61
CPS (Exp D) ($)	-0.46	-0.46
CPS (FD) ($)	-0.46	-0.46
P/CPS	NM	NM
P/CPS (Exp D)	NM	NM
P/CPS (FD)	NM	NM

The potential to prevent NK cell fratricide when used in combination with CD38 anti-mAbs has significant revenue and so valuation potential. COEP's CD38-GEAR-NK is such a candidate - we assess, if approved, it should be a major Coeptis revenue generator.

Investment Case

Coeptis Therapeutics Inc. (NASDAQ: COEP) has published its post SPAC merger YE22A and 1Q23A accounts in quick succession. The merger impacts now appear to have washed through. We estimate SPAC redemptions were ~90%, (or $43m, 9M22A) which is no longer unusual during the de-SPAC process, leaving around $3.8m new cash after costs. COEP filed an S-1/A with the SEC on April 27, 2023, suggesting an offering for up to $8m is in preparation and has since filed an S-1MEF 14th June 2023. COEP is a biotech company fighting cancer using novel approaches and combinations ('universal wrench' technology platform). COEP's innovative oncology cell therapy platforms include (CD38-GEAR-NK), an in vitro diagnostic (CD38-Diagnostic) targeting CD38+-related cancers (including unmet need) and SNAP-CAR 'universal wrench' for solid tumors – a pipeline of early-stage buyout candidates.

Up list to Nasdaq in 4Q22A: Under the (SPAC) Bull Horn deal, COEP was **valued at USD 175m, which in turn dropped to ~$30m shortly after the merger was complete; this is now a comment decline for SPAC acquisitions as part of the de-SPAC process.** Many SPAC investors are highly incentivized to redeem their original capital on which interest is paid and to rely on upside returns from cashless warrants. COEP, like all biotech R&D companies, will need to raise capital throughout its research and development phase pre commercialization, to advance its product portfolio, especially its CD38-GEAR-NK therapy and CD38-Diagnostic.

Large addressable market opportunity – CD38-GEAR-NK first indication target (potential for many) is expected to be multiple myeloma (MM). Value estimates for the MM market vary, however central tendency is around US$ 17bn YE18/19A with estimates running as high as ~30bn YE26E (e.g., DelveInsight, Fortune Business Insights).

Rights to CAR-T technologies ('universal wrench') adds future value - COEP has exclusive rights to the SNAP-CAR (**chimeric antigen receptor T cell)** technology to broaden COEP's therapy portfolio to include solid tumors. COEP plans, initially, to target **breast cancer** and **ovarian cancer** with its CAR-T therapy.

1Q23A Post Balance Sheet Events – S-1/A filing, appointment of new CFO Brian Cogley, S-1MEF filing and related effectiveness notice filed.

Catalysts

Research news; Positive pre-clinical results; Licensing announcements; Initiation of IND studies for SNAP-CAR and GEAR-NK; Successful raise.

Results Analysis

The effects of the SPAC merger wash through the YE22A income and cash flow statements and the share price. There are relatively few new developments in the 1Q23A management discussion. Therefore, we focus on the balance sheet and dilution in our combined YE22A / 1Q23A results analysis.

• **Cash and Cash Equivalents** - As of YE22A COEP had cash and cash equivalents of \$3.8m vs. \$0.014m in the 9M222A report and accounts, which also capture \$43m in SPAC shareholder ordinary share redemptions. We infer that COEP netted approximately \$3.8m in new capital as a result of the merger with the Bullhorn SPAC.

• **Cashless Warrants -** The SPAC that COEP merged into issued largely cashless warrants to investors in the SPAC that were there prior to the identification of the merger target (COEP), i.e. at the SPAC IPO.

This redemption level of around 90% is now not uncommon as the result of a target merging with a SPAC. Many SPAC shareholders redeem their cash plus an interest payment above the Fed funds rate and receive cashless warrants. Cashless warrants do not require the holder to pay any new cash to the company to exercise, but rather are paid for by the value of a proportion of the shares due at exercise that equate to the equivalent cash payment required to exercise cash call warrants. Cashless warrants are essentially a risk-free upside ticket for investors.

As a result cashless warrants are a very strong incentive for SPAC investors to redeem their total investment plus the interest due to them, whilst still gaining exposure to potentially significant upside via the cashless call warrants at no capital (cash) cost to the investor.

• **Warrants booked as liabilities rise -** In April 2021 the SEC ruled that SPAC warrants should be accounted for as derivative liabilities rather than equity assets (ASC 815-40). Given cashless call warrants are not a way for companies to raise further funds but do create dilution, this approach can be rationalized. By classifying cashless call warrants as a liability they are booked through the income statement and the balance sheet thereby bringing additional attention to their dilution potential to the eyes of post-merger investors.

• **Increase in volatility -** We infer that the increase in the warrant derivative fair value, and so liability to \$2.5m 1Q23A up \$1.4m vs. \$1.1m YE22A, is largely driven by increased volatility in COEP’s share price since the closure of the merger. Volatility is a driver in the models used to calculate derivative values.

• **Illegal naked short selling -** The increase in volatility has in part been driven by redemptions but has been compounded by the effects of persistent shorting, which according to management may well be driven in part by algorithmic trading and possibly illegal shorting (naked short selling - where the seller is unable to borrow the shares but sells them anyway). **On February 7th, 2023 COEP announced it had engaged ShareIntel to target illegal short sellers.**

• **Balance sheet deterioration may be arrested by the S-1MEF** – The balance sheet deteriorated between YE22A and 1Q23A – **Cash and cash equivalents** declined by $1.68m to $2.1m between YE22A and 1Q23A, **cash burn** for 1Q23A as measured by NCO was $1.684m, up $0.793m vs. $0.961m in the previous quarter. **Total liabilities and stock-holders equity** 1Q23A $5.9m, down $2m vs. $7.9m YE22A. **Total liabilities** 1Q23A increased to $4.6m, up $1.5m vs. $3.1m YE22A. We note, positively, that **current liabilities** remain relatively stable, up $0.156m for the same 3-month period.

We expect the balance sheet deterioration trend to be arrested by the S-1MEF filing to issue stock (June 13, 2023).

• **We expect management identified financial reporting deficiencies to be addressed by the new CFO** – In the MDA section of the 1Q23A and YE22A, management identifies a series of weaknesses in controls and procedures with respect to financial reporting cited as including inadequate separation of powers, lack of formal review process and less than perfectly integrated IT system. COEP has appointed both consultants and a new CFO and retained the services of the previous CFO in a new role as VP of Compliance and Corporate secretary.

It is not unreasonable to infer that these actions improve the prospects that the above identified deficiencies will be addressed by the end of 3Q23A.

• **Stock overhang much reduced (warrant holders exercised and outstanding)** – We believe that much of the stock overhang created by issued warrants washed through during the turbulent post-merger phase. We infer that all or the large majority of warrant holders with cashless call warrants had exercised their warrants as at 1Q23A, according to the 10Q.

Therefore, of the 23 warrant holders cited in the 1Q23A financial report, 11 remain with warrants to exercise as at 1Q23A. Of the warrant holders with outstanding warrants left to exercise 6 and 7 were issued warrants in exchange for debt extensions; holder 18 was issued a warrant in conjunction with an investment; holders 5,11,20 and 21 were issued warrants in exchange for professional services.

Excluding cashless call warrants and a $1.00 strike price the outstanding warrants have potential cash inflow value to COEP of greater than $1.4m.

Exhibit 1: **Dilution potential remaining from warrant holders 1Q23A**

Call Warrant Holder	Reason	Shares	Strike Price $	Expiry
1	Cashless	504,461	1.00/2.00/5.00	01-Jun-26
6	Debt extension	84,217	1.50	31-Jan-24
7	Debt extension	134,747	1.50	31-Jan-24
CIP	Investment	336,869	2.00/5.00	30-Nov-23
18	Investment	84,217	3.00	30-Mar-24
2	Professional services	33,687	1.00/2.00/5.00	26-Jul-26
5	Professional services	126,326	1.00	20-Dec-26
11	Professional services	158,328	1.00/2.00	31-Jan-24
20	Professional services	100,000	2.50	02-Jan-27
21	Professional services	250,000	1.90	19-Jan-27
Purple	Termination of license	101,061	5.00	22-Sep-24
11	**Totals**	**1,913,913**		
	NoSh	21,441,040		
	Dilution impact	**8.9%**		

Notes: CIP = Coral Investment Partners; Warrants issued since 28-May-21 were valued using the Black-Scholes option pricing model using the following assumptions:

1) exercise price ranging $1.00 to $5.00 p/s;
2) fair value range from $4.80 to $6.00 p/s;
3) discount rate between 1.15% to 2.31%;
4) dividend rate of 0%;
5) term 2-5 years.

Sources: ACF Equity Research, Company Reports

Exhibit 2: **News flow (significant) since merger to CFO appointment**

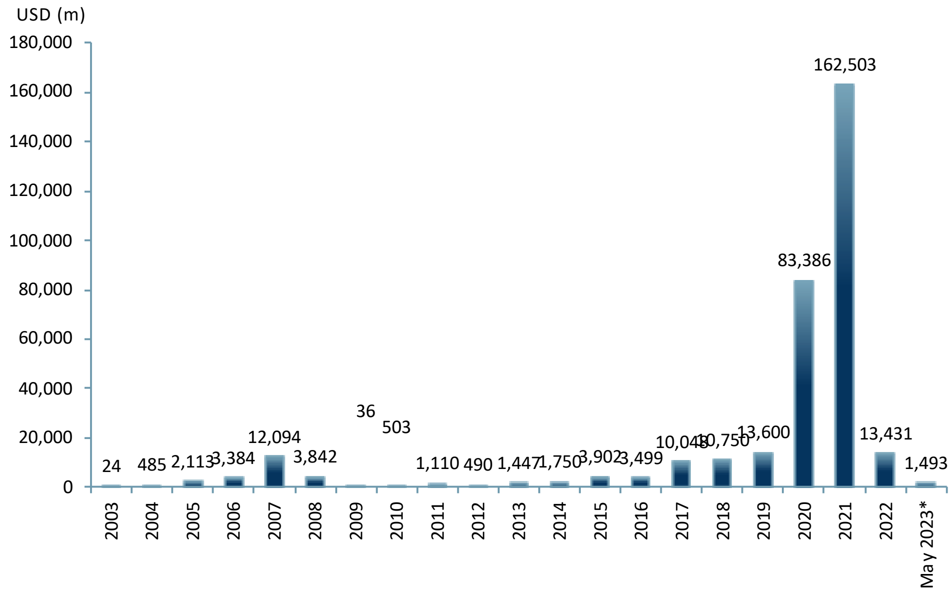
News date	Source	Abbreviated title of release with hyperlinks	Vols	Open price US$	Close price US$	NoSh	MCAP $(m)
17-May-23	COEP	COEP CFO appointment Brian Cogley	148,868	1.70	1.73	21,441,040	37.09
17-May-23	COEP	8-K Appointment of new CFO Brian Cogley	148,868	1.70	1.73	21,441,040	37.09
15-May-23	COEP	10-Q (1Q23)	111,065	1.65	1.66	21,441,040	35.59
10-May-23	COEP	COEP's SNAP-CAR Peer-Reviewed Article in Nature	107,572	1.50	1.51	21,441,040	32.38
27-Apr-23	COEP	S-1/A Amendement (update) to S-1 registration of securities	101,201	1.19	1.17	21,441,040	24.98
21-Apr-23	ACF	ACF Equity Research publishes Flash Note re Deverra	67,556	1.45	1.31	21,441,040	28.09
18-Apr-23	COEP	COEP to acquire NK platform P1 from Deverra	2,479,398	1.49	1.55	21,441,040	33.23
29-Mar-23	COEP	COEP Exclusive Rights to Negotiate to Acquire Transformational Cell Therapy Platform	615,427	1.71	1.67	20,941,036	34.97
29-Mar-23	COEP	10-K Annual Report YE22	615,427	1.71	1.67	20,941,036	34.97
21-Mar-23	COEP	COEP's SNAP-CAR Peer-Reviewed Article in Translational Medicine	120,849	1.50	1.44	20,941,036	30.16
15-Feb-23	COEP	SC 13G/A acquistion of beneficial ownership	99,284	1.47	1.35	20,941,036	28.27
14-Feb-23	COEP	S-1 Registration of securities under Securities Acf of 1933	85,882	1.60	1.49	20,941,036	31.20
07-Feb-23	COEP	COEP hires ShareIntel re Illegal Short Selling	354,166	1.43	1.41	20,941,036	29.53
06-Feb-23	COEP	SC 13G/A acquistion of beneficial ownership	111,771	1.48	1.40	20,941,036	29.21
31-Jan-23	COEP	COEP - SNAP-CAR Research Agreement with the University of Pittsburgh	338,744	1.87	1.86	20,941,036	38.95
29-Dec-22	NASDAQ	8-K Nasdaq deficiency letter - MCAP <50m for 30 days - rectify by 20 June 2023 - Rule 5450(b)	36,342	1.62	1.34	19,516,839	26.05
22-Nov-22	COEP	COEP hires IQVIA for SNAP-CAR Development	63,686	2.35	2.13	19,516,839	41.57
18-Nov-22	COEP	10-Q filed (3Q22)	89,828	2.29	2.30	19,516,839	44.89
16-Nov-22	ACF	ACF Equity Research publishes Initiation Note	54,333	2.20	2.19	19,516,839	42.77
15-Nov-22	COEP	COEP Rings the Nasdaq Stock Market Opening Bell	142,756	2.21	2.17	19,516,839	42.35
14-Nov-22	COEP	NT 10-Q Notifying filing delay for 10-Q (3Q22)	88,340	2.45	2.18	19,516,839	42.62
01-Nov-22	ACF	ACF Equity Research publishes Core Investment Case (no valuation, no forecasts)	121,906	6.57	5.11	19,516,839	99.73
28-Oct-22	COEP	8-K Acquisiton closed (i.e SPAC merger - redemptions, shorts and possbile illegal shorts start)	1,176,367	7.96	11.95	19,516,839	233.23

Sources: ACF Equity Research; Company Reports; press releases; Edgar.

SPAC Market Performance

The exhibits illustrate how the share price behavior of COEP during the de-SPAC process and aftermath is a more or less usual now for SPACS. COEP's management team is going through the arduous process of defining COEP as an investment vehicle in its own right – COEP has executed a number of deals and other initiatives.

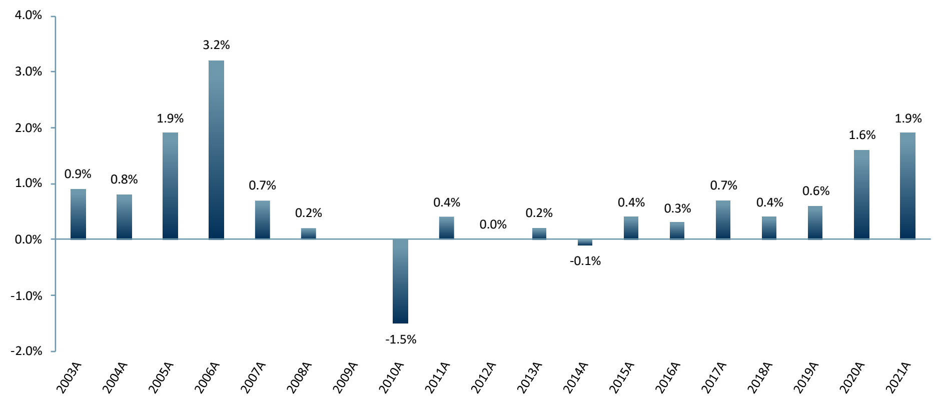
Exhibit 3: **SPAC IPO proceeds in US 2003 to May 2023**



Sources: ACF Equity Research Graphics, www.spacdata.com

Exhibit 4: **SPAC IPO returns in US 2003 – 2021**

SPAC IPO first day of trading returns in the US between 2003 and 2021



Sources: ACF Equity Research Graphics, Warrington College of Business (July 2022)

Historically, SPAC merger dilution extent correlated strongly with the performance of the SPAC target during and after de-SPAC process analysis by Stanford Law School professor Michael Klausner with NYU School of Law. This may have changed.

A SPAC may raise US$ 10 initially, but by the time a target is agreed and merged with, the median SPAC has US$ 6.67 cash available per share. The cash short fall is reflected in share price performance directly after the target is merged with the SPAC. The challenge is that this pattern is now understood by many market participants, and it attracts a range of shorting actions and short squeeze strategies. Short selling tends to continue for extended periods of time post-merger, volatility also tends to rise strongly - these factors in concert often deter longer term private and institutional investors until the effects have washed through.

In our view, once these effects wash through, the valuation can stabilize, at which point management teams need to work hard to put their own stamp on the vehicle.

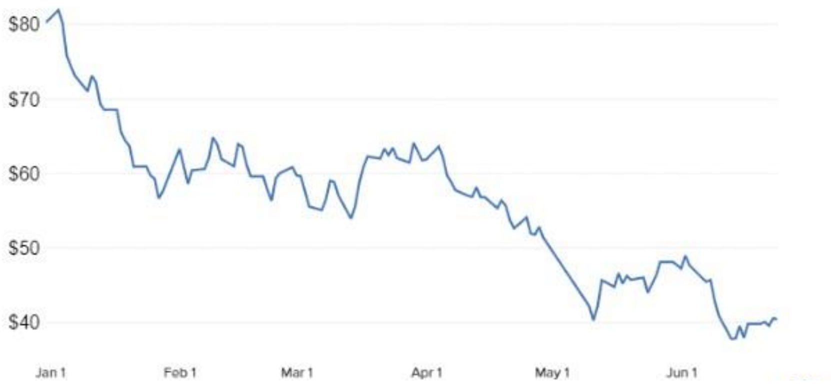
Exhibit 5: **Typical de-SPAC - share price case study for Getty Images**

Getty Images (NYSE:GETY) de-SPAC share price performance is no longer untypical. GETY's stock price performance can be explained by the publication of an SEC filing shortly post deal close providing information that showed most of the SPAC's IPO investors had redeemed their shares for cash instead of taking shares in the target – Getty Images. A shorting opportunity was followed by a short squeeze and a subsequent share price collapse and further shorting. Essentially Getty for while because a target for day traders and short specialists (possible illegal naked shorting may also be at play).

Sources: CNBC; Getty Images.

Exhibit 6: **SPAC Market Index Jan 2021-Feb 2022**

SPACs lost half their value post target acquisition according to the CNBC Post Deal Index between Jan 2021 and Feb 2022.



Sources: CNBC

Valuation Summary – SOTP

We have raised our ERP assumption to 5.9% up from 4.24% in 2022 and reduced our project execution risk from 6.5% to 5.25% to reflect deal progress.

We have, in our updated valuation range, adjusted our risk profile and moved the DCF 1 year nearer to cash flow generation and attempted to capture current market risk (ERP up in 2023) conditions and used aggressively conservative assumptions.

Exhibit 7: **WACC, DCF and Value Range**

Summary income statement and cash flow for COEP.

Products 5-yr Income Statement & Cash Flow Summary

ACF est. $ (m)	2023E	2024E	2025E	2026E	2027E
Revenue	0.0	0.0	0.0	0.0	0.0
EBITDA	-7.4	-13.8	-14.0	-19.7	-20.0
Net Income	-7.6	-14.0	-14.2	-19.9	-20.2
FCF	-7.9	-14.3	-14.5	-20.2	-21.0
CPS (diluted) (USD)	-0.25	-0.46	-0.46	-0.65	-0.67

Weighted Average Cost of Capital calculation used as the discount factor for the DCF SOTP valuation elements.

Weighted Average Cost of Capital (discount factor)

WACC Calc	
Pre-tax cost of debt	6.7%
ETR	21.0%
After-tax cost of debt	5.3%
Current Leverage	10.8%
Debt/(Cash)	3.8
Equity	35.3
Target Leverage	50.0%
D / (D+E)	9.7%
ACF β adj levered	1.50
rf	3.7%
ERP	5.9%
Cost of equity	12.7%
Risk adj.	5.3%
WACC	17.2%

Note: Successful completion of license application will significantly reduce our WACC.

For both COEP SNAP-CAR markets in our model we conservatively assume 8 years before 1st revenues (instead of industry standard 5-year assumptions). We assume higher total costs from research phase to FDA approval vs. 2021 consensus values for oncology for both breast and ovarian cancer targets (indications), which seem unlikely to apply after SNAP-CAR technology platform (1st market) FDA approval because of COEP's 'universal wrench' platform solution.

Our OPEX is based upon median costs for other therapies in oncology. Our OPEX is unlikely to apply after the 1st cancer market due to the universal wrench nature of the COEP technology platform.

SOTP valuation range
Our royalty payment share assumption for COEP SNAP CAR asset owners (investors) is moderate at 3.5% vs. industry royalty rates assumptions of 7.5%-15% from pre-clinical to PIII.

We have not modelled any milestone payments – it is likely that there will be significant milestone payments prior to commercialization.

COEP SOTP Valuation Range

Valuation Range		
Products	**NPV ($m)**	**% of Value**
CD38-Gear-NK	79	31%
CD38-Diagnostic	52	20%
SNAP-CAR	123	48%
Total NPV ($m)	**254**	100%
Net Debt/(Cash)	-2	
Fair Value ($m)	**252**	
NoSh (m)	23.7	
NoSh (diluted) (m)	31.2	
Intrinsic Value Per Share ($)	**8.20**	
Close Price ($)	1.49	
VR (low - high)	**7.99**	**8.40**
VR Spread	5%	
Implied VR Return (low - high)	436%	464%

Note: implied value range in this ACF research note is based upon diluted shares in issue at the date of this note.

Valuation

For both COEP SNAP-CAR markets we assume 8 years before 1st revenues (vs. industry standard 5-year assumptions). We assume higher total costs from research phase to FDA approval vs. 2021 consensus values for oncology for both breast and ovarian cancer targets (indications) unlikely to apply after SNAP-CAR (1st market) FDA approval because of COEP's 'universal wrench' platform solution.

Our OPEX is unlikely to apply after the 1st cancer market due to the universal wrench nature of the COEP technology platform.

We anticipate that Coeptis will raise more capital via both dilutive and non-dilutive means to fuel its future developments, we assess that more visibility and positive clinical data readouts of its clinical advancements will afford COEP more favorable terms in future financing endeavors.

Our base case valuation ascribes value to COEP's two leading candidates – CD38-GEAR-NK and CD38-Diagnostic as well as SNAP-CAR technology. Our probability-adjusted-PV-driven, sum-of-the-parts analysis illustrates a breakdown of each potential value driver, with GEAR-NK, CD38-Diagnostic and SNAP-CAR accounting for ~31%, ~20% and ~48% of the total value, respectively (values are rounded).

We have assumed an overall probability of success of 19% for the candidates currently in pre-clinical trials. Our revenue generation for COEP has been modeled in the major geographies of US and Europe where the company intends to seek approval. Peak market penetration varies from indication and ranges from 12% - 15%. We have excluded Japan and China from this valuation in order to deliver a highly conservative valuation.

The actual number of shares in issue at the date of this note is 23,941,036. Our post results analysis updates our initiation sum of the parts (SOTP) value range raising it to $7.99-$8.40 per share as COEP begins to de-risk and we move close towards the FCF positive future date. Our previous value range was $7.69-$8.08 per share. Our value range assumes successful execution by the company.

Exhibit 8: **Valuation for COEP CD38-GEAR-NK**

Note amongst other aggressively conservative assumption our 16.4% WACC.

CD38-GEAR-NK																			
Cash Flow Model ($ mn)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	2039E	2040E	2041E
	PI	PII	PII	PIII	PIII	PIII	FDA	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Revenue*	0	0	0	0	0	0	0	94	248	525	829	871	914	956	998	694	361	150	156
Operating cost	3	8	8	11	11	11	6	83	139	220	315	331	347	363	379	264	137	57	59
Working Capital	2	2	2	2	2	2	2	2	5	10	17	17	18	10	10	7	4	1	2
Capex	5	5	5	5	5	5	5	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow pre-tax	**-10**	**-15**	**-15**	**-18**	**-18**	**-18**	**-13**	**8**	**104**	**294**	**497**	**523**	**548**	**583**	**609**	**423**	**220**	**91**	**95**
Taxes	0	0	0	0	0	0	0	2	22	62	104	110	115	122	128	89	46	19	20
Cash flow after-tax	**-10**	**-15**	**-15**	**-18**	**-18**	**-18**	**-13**	**7**	**82**	**232**	**393**	**413**	**433**	**461**	**481**	**334**	**174**	**72**	**75**
Risk-adjusted cash flow	-2	-4	-2	-2	-1	-1	-1	1	16	45	76	80	83	89	93	64	33	14	14
Risk-adjusted NPV (rNPV)	**-2**	**-3**	**-1**	**-1**	**-1**	**-1**	**0**	**0**	**4**	**11**	**15**	**14**	**12**	**11**	**10**	**6**	**3**	**1**	**1**
Total rNPV	79																		

Sources: ACF Equity Research Estimates; management discussions.

Valuation

Exhibit 9: **Valuation for COEP CD38-Diagnostic**

Note amongst other aggressively conservative assumption our 16.4% WACC.

CD38-Diagnostic																			
Cash Flow Model ($ mn)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	2039E	2040E	2041E
	PI	PII	PII	PIII	PIII	PIII	FDA	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Revenue*	0	0	0	0	0	28	74	155	244	256	269	283	297	312	327	344	361	379	398
Operating cost	4	6	6	9	9	27	54	96	142	149	156	164	172	181	190	199	209	220	231
Working Capital	2	2	2	2	2	1	2	5	7	8	8	8	9	9	10	10	11	11	12
Capex	2	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow pre-tax	**-8**	**-10**	**-10**	**-13**	**-13**	**1**	**18**	**54**	**95**	**100**	**105**	**110**	**116**	**122**	**128**	**134**	**141**	**148**	**155**
Taxes	0	0	0	0	0	0	4	11	20	21	22	23	24	26	27	28	30	31	33
Cash flow after-tax	**-8**	**-10**	**-10**	**-13**	**-13**	**0**	**14**	**43**	**75**	**79**	**83**	**87**	**91**	**96**	**101**	**106**	**111**	**117**	**123**
NPV	-8	-9	-7	-8	-7	0	5	14	21	19	17	15	14	12	11	10	9	8	7
Terminal Value	50																		
Total NPV	**173**																		
Risk factor adjustment	30%																		
Risk adjusted NPV	**52**																		

Sources: ACF Equity Research Estimates; management discussions.

Exhibit 10: **Valuation for COEP SNAP-CAR**

Our royalty payment share assumption for COEP SNAP CAR asset owners (investors) is moderate at 3.5% vs. industry royalty rates assumptions of 7.5%-15% from pre-clinical to PIII.

SNAP-CAR																			
Cash Flow Model ($ mn)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	2039E	2040E	2041E
	PI	PII	PII	PIII	PIII	PIII	FDA	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm	Comm
Revenue	0	0	0	0	0	0	0	241	605	973	1,467	1,474	1,481	1,489	1,496	1,002	630	633	636
Operating cost	3	8	8	10	10	10	6	199	499	803	873	671	615	618	621	416	261	263	264
Working Capital	2	2	2	2	2	2	2	2	6	10	15	15	15	15	15	10	6	6	6
Capex	2	2	2	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow pre-tax	**-7**	**-12**	**-12**	**-14**	**-14**	**-14**	**-10**	**48**	**121**	**195**	**631**	**840**	**904**	**908**	**913**	**611**	**384**	**386**	**388**
Taxes	0	0	0	0	0	0	0	10	25	41	132	176	190	191	192	128	81	81	81
Cash flow after-tax	**-7**	**-12**	**-12**	**-14**	**-14**	**-14**	**-10**	**38**	**96**	**154**	**498**	**664**	**714**	**717**	**721**	**483**	**303**	**305**	**306**
Risk-adjusted cash flow	-2	-3	-1	-2	-1	-1	-1	7	18	30	96	128	137	138	139	93	58	59	59
Risk-adjusted NPV (rNPV)	-2	-2	-1	-1	-1	0	0	2	5	7	20	22	20	18	15	9	5	4	3
Total rNPV	**123**																		

Sources: ACF Equity Research Estimates; management discussions.

Sensitivity Analysis

For both COEP SNAP-CAR markets we assume 8 years before 1st revenues (vs. industry standard 5-year assumptions). We assume higher total costs from research phase to FDA approval vs. 2021 consensus values for oncology for both breast and ovarian cancer targets (indications). These assumptions are unlikely to apply after SNAP-CAR (1st market) FDA approval because of COEP's 'universal wrench' platform solution.

Our OPEX is unlikely to apply after the 1st cancer market due to the universal wrench nature of the COEP technology platform.

Our valuation is conservative. Given that COEP is in pre-clinical stage, we have assumed an overall probability of FDA approval for the therapies at just 19%. This risk-adjusted approach captures uncertainty for COEP's existing pipeline. **We assign no value to two CAR-T technologies which COEP has the option to acquire from the University of Pittsburgh.** We value each pipeline candidate based upon a risk-adjusted cash flow analysis and then use a SOTP approach to arrive at our overall valuation for COEP. Our SOTP valuation approaches give us an increased **fair value range of US$ 7.99 – 8.40 per share**, up from US$ 7.69-8.08 per share assuming a standard deviation of 5%.

Below we highlight the sensitivity of our combined SOTP valuation to various metrics.

Exhibit 11: **SOTP valuation sensitivity to market share and WACC**

Sensitivity analysis for total COEP vs. WACC and our market share assumption.

	Share Price				
	Market share GEAR-NK (%)				
WACC (%)	8%	9%	10%	11%	12%
8%	25.83	26.39	26.95	27.51	28.07
10%	18.93	19.38	19.83	20.28	20.72
12%	14.37	14.74	15.10	15.46	15.82
14%	11.13	11.42	11.72	12.01	12.30
16%	8.72	8.96	9.20	9.44	9.68
18%	6.89	7.08	7.28	7.48	7.67
20%	5.47	5.63	5.79	5.95	6.11

Sources: ACF Equity Research Estimates.

Exhibit 12: **SOTP valuation sensitivity (eligible patients + WACC)**

Sensitivity analysis for total COEP vs. WACC and our eligible patient rate assumption.

	Share Price				
	SNAP-CAR Eligible Patients (%)				
WACC (%)	23%	24%	25%	26%	27%
8%	26.61	26.78	26.95	27.12	27.29
10%	19.56	19.69	19.83	19.96	20.10
12%	14.88	14.99	15.10	15.21	15.31
14%	11.54	11.63	11.72	11.80	11.89
16%	9.06	9.13	9.20	9.27	9.34
18%	7.17	7.22	7.28	7.34	7.39
20%	5.70	5.75	5.79	5.84	5.88

Sources: ACF Equity Research Estimates.

Financial Projections

We have not modelled any milestone payments – it is likely that there will be significant milestone payments prior to commercialization.

P&L $(m)	2021A	2022A	2023E	2024E	2025E
Revs	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**
gr%		NM	NM	NM	NM
Total Expenses	-13.7	-33.2	-7.4	-13.8	-14.0
EBITDA	**-13.6**	**-33.2**	**-7.4**	**-13.8**	**-14.0**
% Revs	NM	NM	NM	NM	NM
FV adj.	0	0	0	0	0
% Revs	0%	NM	NM	NM	NM
EBIT	**-14.0**	**-34.2**	**-7.4**	**-13.8**	**-14.0**
EBT	-13.4	-37.6	-7.6	-14.0	-14.2
% Revs	NM	NM	NM	NM	NM
ETR	0%	21%	21%	21%	21%
NI	**-13.4**	**-37.6**	**-7.6**	**-14.0**	**-14.2**
% Revs	NM	NM	NM	NM	NM
Diluted Adj EPS ($)	-1.23	-1.02	-0.18	-0.27	-0.24
Basic EPS ($)	-1.23	-2.63	-0.26	-0.37	-0.30
Diluted EPS ($)	-1.23	-1.02	-0.18	-0.27	-0.24
Balance Sheet $(m)	2021A	2022A	2023E	2024E	2025E
PP&E	0.0	0.0	0.5	1.0	1.5
Total Fixed Assets	**4.6**	**4.0**	**0.9**	**1.4**	**1.9**
Current assets	0.0	0.2	0.0	0.0	0.0
Cash	2.2	3.8	7.1	7.6	7.9
Total Current Assets	**2.2**	**3.9**	**7.1**	**7.6**	**7.9**
Total Assets	**6.8**	**7.9**	**8.1**	**9.0**	**9.8**
Creditors	0.1	0.1	0.0	0.0	0.0
Other liabilities	0.2	1.4	1.2	1.2	1.2
Loans	4.1	1.7	1.7	1.7	1.7
Total Liabilities	**4.4**	**3.1**	**2.8**	**2.8**	**2.8**
Net Assets	**2.4**	**4.8**	**5.2**	**6.2**	**7.0**
Share Capital	0.0	0.0	0.0	0.0	0.0
Accum. Profit/(loss)	-27.6	-65.7	-73.3	-87.3	-101.6
Total Equity	**2.4**	**4.8**	**5.2**	**6.2**	**7.0**
Total Equity & Liabilities	**6.8**	**7.9**	**8.1**	**9.0**	**9.8**
Basic NAV ($)	0.22	0.34	0.18	0.16	0.15
Diluted NAV ($)	0.22	0.13	0.13	0.12	0.12
Cash Flow $(m)	2021A	2022A	2023E	2024E	2025E
EBT Profit/(loss)	-13.4	-37.6	-7.6	-14.0	-14.2
Finance costs	0.0	0.0	0.0	-0.1	-0.2
FV adj. + Other adj.	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash Taxes	0.0	0.0	0.0	0.0	0.0
WCap change	-3.0	-0.6	3.4	0.0	0.0
Net CFO	**-4.5**	**-3.9**	**-4.1**	**-14.0**	**-14.2**

Source: ACF Equity Research Estimates; Companies reports.

Risks to our Assumptions

Funding risk – The company has incurred significant losses in prior periods and expects more losses over the next five years. The company would need access to capital to fund these losses. We expect COEP to need to raise additional funding over several rounds. Failure to raise sufficient funds could raise doubts over its ability to remain a going concern. Also, new equity (raising money via issuing equity) will lead to dilution and debt funding increases interest costs.

Execution risk – The process of obtaining and maintaining regulatory approvals for new therapeutic products is time consuming, expensive, and uncertain. COEP must provide the FDA and foreign regulatory authorities with preclinical and clinical data demonstrating that its products are safe and effective before they can be approved for commercial sale. Any preclinical or clinical test may fail to produce results satisfactory to the FDA or other healthcare regulators.

High cash burn – COEP generated no revenue and is undertaking significant R&D, leading to a high cash burn rate. COEP has committed and will likely continue to commit significant capital to R&D. Cash may also be required to acquire other synergistic early-stage companies. It is possible that all of its current cash resources will be exhausted before the company reaches FCF positive. Failure to obtain funding may also lead to failure of the business.

Regulatory risk – Drug/therapy development projects attract high regulatory barriers given their impact on quality of life and mortality risks. Failure to comply with regulatory requirements can lead to delay or shutdown of development projects.

Competition risk - The biotechnology and pharmaceutical industry is highly competitive. There are many companies that are seeking to develop products and therapies for the treatment of the same diseases as COEP. Many of the competitors have greater financial resources and more experience in advancing the drugs/therapies through stages of regulatory approval and then to commercialization.

Personnel risk - Small and mid-sized companies are more dependent on their C-suite/executive management teams than large and mega-cap global companies. The loss of key personnel can have a disproportionate impact on valuation and investor perception compared to such events at larger mature (often ex-growth) companies.

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