Note on research as a “minor non-monetary benefit” according to the MiFID II regulation: This research meets the requirements for being classified as a “minor non-monetary benefit”. For more information, see the disclosure under “I. Research under MiFID II”

GBC AG is initiating coverage on Defence Therapeutics Inc.

06/12/2020 – GBC Management interview with Sébastien Plouffe, CEO of Defence Therapeutic Inc.

Company: Defence Therapeutics Inc.[*5a,5b,7,11]
ISIN: CA24463V1013
Analyst: Julien Desrosiers
Date (time) of completion: 06/12/2021 (8:00 am)
Date (time) of first distribution: 06/12/2021 (10:00 am)
**catalogue of potential conflicts of interests on page 5*

„We can work on any disease and adapt to any emergent pandemic such as the one related to SARS-CoV2“

In its current letter to shareholders, Defence Therapeutics reports the successful completion of its protein-based COVID vaccine (AccuVAC-PT001) toxicology studies in non-rodent rabbit model. The AccuVAC-PT001 vaccine is an injectable vaccine capable of inducing a powerful and sustainable antibody response in both rodent and non-rodent models. The vaccine proprietary recipe consists of chemically modifying the COVID Spike protein with the Accum™ moiety. Defence Therapeutics is currently working on two different protein-based vaccine candidates. In Parallel, the company continues the development of their ACCUM™ based cancer treatment R&D. GBC analyst Julien Desrosiers spoke with Defence Therapeutics CEO Sébastien Plouffe:

GBC AG: For investors that have never heard about Defence Therapeutics, can you explain what is at the center of your company?

Sébastien Plouffe: The highlight of Defence is that it has a proprietary technology platform with very wide versatility application. For instance, our Accum™ molecule can be linked to any protein, RNA or DNA molecules and thus, can be used to target any type of cancer or infectious diseases. Although the company’s main approach was to focus on ADCs, we quickly applied the Accum™ technology to fight a common and recent pandemic. In other words, we can work on any disease and adapt to any emergent pandemic such as the one related to SARS-CoV2.

GBC AG: How did your company become involved in the ACCUM™ story and secured the rights?

Sébastien Plouffe: I was looking to acquire a strong technology in the Biotech sector and in 2016, I was introduced to the Accum™ technology. We were immediately impressed by its huge versatility and potential that we have decided to option it. Defence completed the acquisition in May 2020 and since we are actively working to test and develop all kinds of applications and studies against cancer and infectious diseases.

GBC AG: With the ACCUM™ technology, you are currently focusing on two main development models: ACCUM™ Technology and ACCUM™ Vaccine. Can you describe in which development stage are the two pathways and in what way they differ?

Sébastien Plouffe: The Accum™ technology is based on the fact that a given molecule can be modified with a small moiety (called the Accum™) to enhance its accumulation in target cells. For example, we can attach the Accum™ on an ADC to enhance its accumulation in target cell or attach it to an antigen and deliver it very efficiently to an antigen presenting cell (example dendritic cells) to prime an immune response.

GBC AG: ADC (anti body drug conjugate) are usually tailored made to act on one specific target. They are developed with the triptych concept of Protein, Linker and Payload. These three must play their role in perfect harmony to impact the desired target. How can ACCUM™ circumvent this issue?

Sébastien Plouffe: In fact, Accum™ does not interfere with the function of any of these components. On the contrary, it works in concert with them by enhancing the function of that given ADC. In other words, Accum™ does not block or mitigate the linker, payload activity or antibody specificity. It just makes sure that the entire package escapes the endosome and makes it to the intracellular target.

GBC AG: Can you specifically discuss the latest success you have achieved with ACCUM™?

Sébastien Plouffe: We are developing a large pipeline of products. The Accum™ is being used to develop: i) a DC vaccine targeting 4 different indications (melanoma, breast cancer, lymphoma and colon cancer), ii) an ADC against breast cancer, iii) the use of the "naked" Accum™ molecule as an anti-cancer molecule against breast cancer, iv) two different COVID vaccines including one intranasal, and v) two vaccines targeting HPV and cervical cancer.

GBC AG: ADC's FDA approval failure have two main causes: Toxicity and complexity of the ADCs manufacturing challenges. What can we expect from ACCUM™ regarding these two main issues?

Sébastien Plouffe: The Accum™ will be applied to an ADC that is already available on the market. We have evidence (using Trastuzumab for example) that Accum™ does not increase the toxicity of the ADC. On the contrary! By improving its potency, the potency of the ADCs can be enhanced by lowering the dosing or shortening the regimen as it would need less of the ADC to achieve strong outcomes. As such, the toxicity of the product would be further improved.

GBC AG: ADC are very difficult to manufacture and need exclusive equipment, labs and require a very complex supply chain. As you are currently in the process of selecting a manufacturing partner, and how has the COVID crisis changed your expectations and requirements in terms of manufacturing processes as well as securing the supply chain.

Sébastien Plouffe: In fact, we are working on two different models. In the first model, we wish to develop the ADC program in partnership with a large pharma as Accum™ can be used to enhance ANY ADC. In parallel, we are working on developing our own ADC with self-cleavable linkers and Accum™ moieties as a cleavable payload on their own. We are aware that the pandemic is delaying all steps of development, but we are actively working to bypass each of these obstacles by planning our objectives and key steps in advance.

GBC AG: What team of scientists are driving the two pathways and where is the research conducted?

Sébastien Plouffe: We have an established collaboration with the laboratory of Dr. Moutih Rafei, our VP – Research and Development (Université de Montréal) who is an immunologist by training and has extensive experience in the fields of cell therapy, immune-oncology and infectious diseases. In addition, our co-inventor of the technology, Dr. Simon Beaudoin, a biochemist by training with a strong expertise in immuno-conjugation and optimization of ADCs, is actively working on the continued development of the Accum™ technology at our laboratories located in Montreal (CQIB) and at Sherbrooke. We are currently expanding our scientific team.

GBC AG: As you described ACCUM™ to be scalable and versatile, how will you select which type of decease you will focus on?

Sébastien Plouffe: We have already established our target indications. We will be working towards a treatment for melanoma, breast cancer, COVID and HPV. These indications were selected strategically using three different criteria: i) the widespread of the indication/cancer, ii) absence of a potent treatment/cure, and iii) the possibility of using our products in combination with commercially-available immune-checkpoint blockers.

GBC AG: Can you explain us how your latest press release is a game changer for Defence Therapeutics and how well you are financed at the moment?

Sébastien Plouffe: The versatility of the Accum™ technology is a game changer by itself as it allows us to develop a wide range of products targeting different indications. Defence's strategy is to initiate a minimum of 2 Phase I trials in 2022 and to co-develop some products in partnership with large pharmas. We are currently well financed, and we may come to the market in Q1 of 2022 to increase our liquidity to achieve more goals before our venue to the NASDAQ planned for Q2 of 2022.

GBC: Mr. Plouffe, thank you for the interview.

Note: GBC initiates Coverage with this management interview and is working on the initial coverage report.

ANNEX

I.
Research under MiFID II
1. There is a contract between the research company GBC AG and the issuer regarding the independent preparation and publication of this research report on the issuer. GBC AG is remunerated for this by the issuer.
2. The research report is simultaneously made available to all interested investment services companies.

II.
Section 1 Disclaimer and exclusion of liability
This document is intended solely for information purposes. All data and information in this study come from sources that GBC regards as reliable. In addition, the authors have taken every care to ensure that the facts and opinions presented here are appropriate and accurate. Nevertheless, no guarantee or liability can be accepted for their correctness – whether explicitly or implicitly, In addition, all information may be incomplete or summarised. Neither GBC nor the individual authors accept liability for any damage which may arise as the result of using this document or its contents, or in any other way in this connection.

We would also point out that this document does not constitute an invitation to subscribe to nor to purchase any securities and must not be interpreted in this way. Nor may it nor any part of it be used as the basis for a binding contract of any kind whatsoever. or be cited as a reliable source in this context. Any decision relating to the probable offer for sale of securities for the company or companies discussed in this publication should be taken solely on the basis of information in the prospectuses or offer documents which are issued in relation to any such offer.

GBC does not provide any guarantee that the indicated returns or stated target prices will be achieved. Changes to the relevant assumptions on which this document is based can have a material impact on the targeted returns. Income from investments is subject to fluctuations. Investment decisions should always be made with the assistance of an investment advisor. This document cannot replace the role of an advisor.

Sale outside the Federal Republic of Germany:
This publication, if sold in the UK, may only be made available to those persons who, in the meaning of the Financial Services Act 1986 are authorised and exempt, or persons as defined in section 9 (3) of the Financial Services Act 1986 (Investment Advertisement) (Exemptions) Decree 1988 (amended version) and must not be transmitted directly or indirectly to other persons or groups of persons.

Neither this document nor any copy of it may be taken into, transferred to or distributed within the United States of America or its territories and possessions. The distribution of this document in Canada, Japan or other jurisdictions may be restricted by law, and persons who come into possession of this publication should find out about any such restrictions and respect them. Any failure to respect these restrictions may represent a breach of the US, Canadian or Japanese securities laws or laws governing another jurisdiction.

By accepting this document you accept all disclaimers of liability and the restrictions cited above.
You can find the details of this disclaimer/exclusion of liability at:
http://www.gbc-ag.de/de/Disclaimer

Legal information and disclosures as required by section 85 of Securities Trading Act (WpHG) and Financial Analysis Directive (FinAnV)

This information can also be found on the internet at the following address:
http://www.gbc-ag.de/de/Offenlegung

Section 2 (I) Updates
A detailed update of the present analysis/analyses at any fixed date has not been planned at the current time. GBC AG reserves the right to update the analysis without prior notice.

Section 2 (II) Recommendation/ Classifications/ Rating
Since 1/7/2006 GBC AG has used a 3-level absolute share rating system. Since 1/7/2007 these ratings relate to a time horizon of a minimum of 6 to a maximum of 18 months. Previously the ratings related to a time horizon of up to 12 months. When the analysis is published, the investment recommendations are defined based on the categories described below, including reference to the expected returns. Temporary price fluctuations outside of these ranges do not automatically lead to a change in classification, but can result in a revision of the original recommendation.

The recommendations/ classifications/ ratings are linked to the following expectations:

BUY	The expected return, based on the derived target price, incl. dividend payments within the relevant time horizon is >= + 10%.
HOLD	The expected return, based on the derived target price, incl. dividend payments within the relevant time horizon is > - 10% and < + 10%.
SELL	The expected return, based on the calculated target price, incl. dividend payments within the relevant time horizon, is <= - 10%.

GBC AG's target prices are determined using the fair value per share, derived using generally recognised and widely used methods of fundamental analysis, such as the DCF process, peer-group benchmarking and/or the sum-of-the-parts process. This is done by including fundamental factors such as e.g. share splits, capital reductions, capital increases, M&A activities, share buybacks, etc.

Section 2 (III) Past recommendations

Past recommendations by GBC on the current analysis/analyses can be found on the internet at the following address:
http://www.gbc-ag.de/de/Offenlegung

Section 2 (IV) Information basis

For the creation of the present analysis/analyses publicly available information was used about the issuer(s) (where available, the last three published annual and quarterly reports, ad hoc announcements, press releases, share prospectuses, company presentations, etc.) which GBC believes to be reliable. In addition, discussions were held with the management of the company/companies involved, for the creation of this analysis/these analyses, in order to review in more detail the information relating to business trends.

Section 2 (V) 1, Conflicts of interest as defined in section 85 of the Securities Trading Act (WpHG)

GBC AG and the analysts concerned hereby declare that the following potential conflicts of interest exist for the company/companies described, at the time of this publication, and in so doing meet the requirements of section 85 of the Securities Trading Act (WpHG). A detailed explanation of potential conflicts of interest is also listed in the catalogue of potential conflicts of interest under section 2 (V) 2.

In relation to the security or financial instrument discussed in this analysis the following possible conflict of interest exists: (5a,5b,7,11)

section 2 (V) 2, Catalogue of potential conflicts of interest

(1) At the time of publication, GBC AG or a legal entity affiliated with it holds shares or other financial instruments in the company analysed or the financial instrument or financial product analysed. (2) This company holds over 3% of the shares in GBC AG or a legal person connected to them.
(3) GBC AG or a legal person connected to them is a market maker or designated sponsor for the financial instruments of this company.
(4) GBC AG or a legal person connected to them has, over the previous 12 months, organised or played a leading role in the public issue of financial instruments for this company.
(5) a) GBC AG or a legal entity affiliated with it has concluded an agreement with this company or issuer of the analysed financial instrument in the previous 12 months on the preparation of research reports for a fee. Under this agreement, the draft financial analysis (excluding the valuation section) was made available to the issuer prior to publication.
(5) b) After receiving valid amendments by the analysed company or issuer, the draft of this analysis was changed.
(6) a) GBC AG or a legal entity affiliated with it has concluded an agreement with a third party in the previous 12 months on the preparation of research reports on this company or financial instrument for a fee. Under this agreement, the third party and/or company and/or issuer of the financial instrument has been given access to the draft analysis (excluding the valuation section) prior to publication.
(6) b) After receiving valid amendments by the third party or issuer, the draft of this analysis was changed.
(7) The analyst responsible for this report holds shares or other financial instruments of this company at the time of publication.
(8) The analyst responsible for this company is a member of the company's Executive Board or Supervisory Board.
(9) The analyst responsible for this report received or purchased shares in the company analysed by said analyst, prior to the time of publication.
(10) GBC or a related legal party has closed an agreement with the underlying company regarding consulting services during the previous 12 months.
(11) GBC or a related legal party has a significant financial interest in the analysed company, for example to get mandated by the analysed company or to provide any kind of services (such as the organization of fairs, roundtables, road shows, etc.).
(12) At the time of the financial analysis, the analysed company is in a financial instrument or financial product (e.g. certificate, fund, etc.) managed or advised by GBC AG or its affiliated legal entity.

Section 2 (V) 3, Compliance

GBC has defined internal regulatory measures in order to prevent potential conflicts of interest arising or, where they do exist, to declare them publicly. Responsibility for the enforcement of these regulations rests with the current Compliance Officer, Karin Jägg, Email: jaegg@gbc-ag.de

Section 2 (VI) Responsibility for report

The company responsible for the creation of this/these analysis/analyses is GBC AG, with registered office in Augsburg, which is registered as a research institute with the responsible supervisory authority (Federal Financial Supervisory Authority or BaFin Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany).

GBC AG is currently represented by its board members Manuel Hölzle (Chairman) and Jörg Grunwald.

The analysts responsible for this analysis are:

Julien Desrosiers, Finanzanalyst, Financial Analyst

Section 3 Copyright

GBC AG
Halderstraße 27
D 86150 Augsburg
Tel,: 0821/24 11 33-0
Fax,: 0821/24 11 33-30
Internet: http://www,gbc-ag,de

E-Mail: compliance@gbc-ag.de