

Trading statement Q3-2024: Another strong quarter

Today, Gubra releases its results for the third quarter of 2024. Significant progress was made across several R&D projects, not the least by advancement for the anti-obesity Amylin program where topline results from the Phase 1 Single Ascending Dose (SAD) study are expected to be released in November. For the CRO business, performance was strong with organic revenue growth year-over-year of 25% for the quarter and 31% for the first nine months.

Henrik Blou, CEO of Gubra said:

"I am very pleased with the progress in 2024 – throughout the company. We continue take important steps forward in our D&P business and at the same time we grow our CRO business at high pace.

The development for the most advanced internal anti-obesity asset, Amylin GUBamy, continues according to plan. We completed dosing of the key cohorts in June (cohorts 1-4) in the Phase 1 SAD-study and based on a favourable safety profile we were able to dose the additional optional high-dose cohort five and six during the third quarter with customary follow-up visits completed in the beginning of October. We now look forward to report topline results of the study, which we expect to release this month. In parallel, we initiated the Multiple Ascending Dose study (MAD) in September.

Aside from Amylin, our urocortin-2 (UCN2) program for high quality weight loss is being prepared for further development. The compound holds great potential, and we have pre-clinical co-administration studies showed that UCN2 completely prevents the lean mass loss observed in diet-induced obese rats treated with either GLP-1 or Amylin agonists while improving fat mass loss. The non-clinical toxicity program starts in the fourth quarter of 2024 and planning is ongoing for a clinical study potentially to be initiated in late 2025 or early 2026.

For partnered projects, we, together with partner Boehringer Ingelheim (BI), in July announced the launch of a Phase 1 study of BI 3034701, a long-acting triple agonist peptide with a potential to become a next-generation and first-in-class obesity treatment. For another collaboration project with BI, NPY2R agonist, it was announced in October 2024 that BI will discontinue the development of this compound.

For the CRO business, we saw particularly strong growth in our obesity services which is well in line with the focus of the biotech and pharma industry in this disease area. We also experienced strong growth in our kidney services where we over the last couple of years have developed a large model catalogue.

Key financial highlights for 9M 2024

Key ratio	CRO segment		D&P segment		Group	
	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023
DKK million						
Revenue	162.1	123.6	40.6	31.6	202.7	155.2
Organic revenue growth	31%	28%	28%	-26%	31%	12%
Reported Cost of Sales & Opex	-111.9	-97.4	-112.7	-88.0	-224.7	-185.8
Adj. Cost of Sales & Opex	-108.9	-89.1	-112.3	-81.5	-222.4	-170.7
Amylin costs	-	-	-26.1	-17.3	-26.1	-17.3
Total costs adjusted less costs for Amylin*	-108.9	-89.1	-86.2	-64.2	-196.3	-153.3
Reported EBIT	50.1	26.2	-72.2	-56.4	-22.2	-30.6
Adjusted EBIT*	53.6	34.5	-69.5	-49.9	-15.9	-15.4
Reported EBIT-margin	31%	21%	-178%	-178%	-11%	-20%
Adjusted EBIT-margin*	33%	28%	-171%	-158%	-8%	-10%

*Adjusted for special items

Key financial highlights for Q3 2024

Key ratio DKK million	CRO segment		D&P segment		Group	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Revenue	54.6	43.6	27.5	9.8	82.1	53.3
Organic revenue growth	25%	44%	181%	-13%	54%	29%
Reported Cost of Sales & Opex	-36.0	-30.7	-42.4	-29.6	-78.5	-61.1
Adj. Cost of Sales & Opex	-36.0	-30.3	-42.4	-29.3	-78.4	-59.5
Amylin costs	-	-	-14.9	-7.3	-14.9	-7.3
Total costs adjusted less costs for Amylin*	-36.0	-30.3	-27.5	-22.0	-63.4	-52.2
Reported EBIT	18.7	12.8	-14.9	-19.8	3.6	-7.8
Adjusted EBIT*	19.1	13.3	-14.7	-19.5	4.4	-6.2
Reported EBIT-margin	34%	30%	-54%	-202%	4%	-15%
Adjusted EBIT-margin*	35%	31%	-53%	-199%	5%	-12%

*Adjusted for special items

Discovery & Partnerships business – financial results

Revenue in the third quarter amounted to DKK 27.5 million (9M 2024: DKK 40.6 million) compared to DKK 9.8 million in Q3 2023 (9M 2023: 31.6 million). The revenue increase was partly due to recognition of milestone payment from collaborations.

Adjusted EBIT in the third quarter was DKK -14.7 million (9M 2024: DKK -69.5 million) compared to DKK -19.5 million in Q3 2023 (9M 2023: DKK -49.9 million). The improved EBIT follows the increase in revenue that outweighed higher costs for Amylin development while the decline in EBIT in the first 9 months of 2024 follows higher costs for development of the Amylin asset that entered clinical trials in November 2023.

CRO business – financial results

Revenue in third quarter amounted to DKK 54.6 million. Compared to the corresponding quarter in 2023, revenue was up by 25% and up 31% for the first nine months.

The strongest growth areas in 2024 have been Obesity and Kidney. Gubra is a leading provider of high-end pre-clinical Obesity services, reflecting the fact that Gubra has been active in this area since the foundation of the company in 2008. With the renewed interest from the biotech and pharma industry in obesity, Gubra is a natural provider when testing and developing new obesity compounds. Within Kidney services, Gubra has over the past years developed a large kidney model catalogue that has attracted strong customer traction.

Adjusted EBIT was DKK 19.1 million in Q3 2024 corresponding to an increase year-over-year of 44% and for the first nine months of 2024 up 56%. In terms of adjusted EBIT-margin, it stood at 34.9% in Q3 2024 (9M 2024: 33.1%) compared to 31% in Q3 2023 (9M 2023: 28%).

Outlook for 2024

The outlook for 2024 for the CRO business is narrowed within the previously communicated intervals. We now expect organic revenue of 26-28% (previously 23-28%) and adjusted EBIT-margin of 30-32% (previously 29-32%). Other outlook parameters are kept unchanged.

Key ratio	New outlook	Outlook 2024	Mid-term guidance	9M 2024
CRO Segment				
Organic revenue growth	26-28%	23-28%	10% annually	31%
Adjusted EBIT-margin	30-32%	29-32%	35-40%	33%
Discovery & Partnership Segment				
Number of new partnerships per year	1-2	1-2	1-2	-
Total costs (adjusted)	DKK 160-170m	DKK 160-170m	n/a	DKK 112m
Total costs excl. Amylin asset (adjusted)	DKK 115-125m	DKK 115-125m	n/a	DKK 86m

Conference call

A presentation for analysts and investors will be held today 7 November at 10:00am CET. The event will be hosted by the company's CEO Henrik Blou, CSO Louise S. Dalbøge and CFO Kristian Borbos. The presentation will be held in English.

To participate in the telephone conference, please use the dial-in details shown below:

DK: +45 32 74 07 10

UK: +44 20 34 81 42 47

When dialling-in, please state the name of the call "Gubra Q3 2024 earnings release" or the conference ID: 9071415.

The presentation can also be followed live via the link:

<https://events.q4inc.com/attendee/352576386>

It will also be possible to take part of the audiocast afterwards at the same abovementioned link.

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About Gubra

Gubra, founded in 2008 in Denmark, listed on NASDAQ Copenhagen, is specialized in pre-clinical contract research services and peptide-based drug discovery within metabolic and fibrotic diseases. Gubra's activities are focused on the early stages of drug development and are organised in two business areas – CRO Services and Discovery & Partnerships (D&P). The two business areas are highly synergistic and create a unique entity capable of generating a steady cash flow from the CRO business while at the same time enjoying biotechnology upside in the form of potential development milestone payments and potential royalties from the D&P business. In 2023, Gubra had approx. 220 employees and revenue of DKK 205 million. See www.gubra.dk for more information.