



Gubra announces intention to launch an Initial Public Offering on Nasdaq Copenhagen and raise capital to support its growth strategy

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA OR CANADA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION WHERE THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL This announcement does not constitute an offering memorandum, or a prospectus as defined by Regulation (EU) No. 2017/1129 of 14 June 2017, as amended, and nothing herein shall be construed as an offering of securities. The offer to acquire securities pursuant to any offering will be made, and any investor should make its investment decision, solely on the basis of information that is contained in any prospectus which is published by Gubra and made generally available in Denmark in connection with a potential offering and admission of such securities to trading and official listing on Nasdaq Copenhagen A/S. Copies of any such prospectus may be obtained by persons in Denmark through the website of the Company as set forth elsewhere in this announcement or at the office of the Company.

Gubra (the "Company" or "Gubra"), specialised in pre-clinical services within metabolic and fibrotic diseases and with a strong pipeline of novel discovery projects, today announced its intention to launch an Initial Public Offering ("IPO" or "Offering") and to list its shares on Nasdaq Copenhagen A/S ("Nasdaq Copenhagen").

The contemplated IPO is expected to comprise an offering of new shares to be issued by the Company to raise gross proceeds of DKK 500 million plus a customary over-allotment option made available by the Company's two founders of up to a maximum of 15% of the new shares allocated in the offering.

The net proceeds are expected to be used for geographic expansion of the contract research activities, continued development of the drug candidate pipeline, technological solutions and proprietary platforms as well as acquisitions.

Certain investors have, subject to certain conditions, committed to subscribe for new shares in the contemplated IPO for an aggregated amount of DKK 330 million (the "Cornerstone Investors"). These Cornerstone Investors are: ATP: DKK 150 million; Danske Asset Management: DKK 80 million; Danica Pension: DKK 60 million; and Spar Nord: DKK 40 million. In addition, certain members of the Company's board of directors and the executive management have undertaken to subscribe for shares in the offering.

Alexander Martensen-Larsen, Vice chair of Gubra said:

"Gubra has been on an amazing journey since its foundation in 2008. We have seen strong and profitable growth throughout the years and reached many significant commercial as well as technological milestones. We believe that an IPO of Gubra will support our future growth plans as well as increase our public and commercial profile, including improving our ability to attract and retain



talented employees. The fact that a group of renowned investors have committed to subscribe for more than 50% of the offering is a vote of confidence in the management team, our business model and continued growth prospects."

Henrik Blou, CEO of Gubra said:

"With our hybrid business model, we are in a sweet spot between strong structural trends. Pharma and biotech companies increasingly outsource pre-clinical research to contract research organisations like Gubra and combined with the rapidly increasing use of artificial intelligence to discover and develop new peptide-based drugs, we believe we are well positioned for continued growth. Proceeds from the IPO will enable us to grow our CRO business and further develop our strong pipeline, including our promising Amylin project for the treatment of obesity."

Information about Gubra

Gubra, founded in 2008 in Denmark, is specialised in high-end 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 the drug development value chain and are organised in two business areas - contract research organisation ("CRO") services and discovery & partnerships ("D&P") - benefitting from cross-segment synergies. Together, the two business areas create an entity capable of generating a steady cash flow from the CRO segment, while at the same time enjoying a biotechnology upside in the form of potential development milestone payments and potential royalties in the D&P segment.

CRO segment

As a CRO, Gubra offers specialised research and development services to pharmaceutical and biotechnology companies on a contract basis, enabling customers to make data-based decisions and fast forward their pre-clinical research projects. In the past couple of years, Gubra has seen a substantial increase in the number of customers, and it has served 15 out of 20 of the largest pharmaceutical companies globally in recent years, of which the vast majority are now recurring customers.

Centred around automation, robotisation and digitalisation and by utilising its animal model capabilities as well as advanced laboratory and pharmacology testing facilities, Gubra offers a broad range of specialised services covering aspects of pre-clinical metabolic and fibrotic studies.

Gubra's specialised know-how within its field enables it to capitalize on biotechnology companies not having their own laboratories, and many customers experiencing bottlenecks while having a desire to reduce research and development expenditure, time and complexity of drug development.

Gubra's geographical focus markets are North America, Europe, Japan and South Korea, with North America accounting for approx. 56% of the CRO segment's revenues in 2022.

Discovery & Partnerships segment

Gubra's D&P activities of discovering, designing and developing peptide-based drug candidates are based on a deep understanding of peptide chemistry and extensive experience in improving



the therapeutic characteristics of naturally occurring peptides. The aim is to enter into partnerships with pharmaceutical or biotechnology companies ("out-licensing"). Gubra's medical chemists and data scientists have developed a highly specialised method - the streaMLine platform - using machine learning and artificial intelligence to accelerate the process from target identification to drug candidates.

To reduce risk and minimise development costs, the timing of out-licensing a project to a partner is based on an individual risk and reward analysis, including where the project is in the development phase, expectations and further development plans and a potential partner's capabilities. Gubra has a strategy of partnering early and no later than Phase IIa in order to reduce the development cost and not to be dependent on any single drug candidate.

Once a project has been partnered, and depending on the individual arrangement, Gubra will be entitled to receive potential upfront, research and milestone payments subject to progression of the partnered project. If a project reaches the commercialisation phase, Gubra will typically also receive royalties based on sales.

Gubra currently has five active partnership projects with three partners: Boehringer Ingelheim, Bayer and Silence Therapeutics. Since 2013, Gubra has received DKK 425 million in total payments, and the current partnership portfolio holds a significant milestone potential.

The Company has a strong and expanding pipeline of drug candidates within disease areas of huge societal importance such as obesity, diabetes, and other metabolic disorders. One of Gubra's own most promising assets in the pipeline is the Amylin peptide project for the treatment of obesity. This project is in pre-clinical development, and Gubra expects to progress it into clinical development, with a first in-human trial in the fourth quarter of 2023. Given the differentiated early data, Gubra believes that the Amylin compound will have the potential to become widely used as a medicine to treat obesity, providing a significant commercial opportunity for Gubra through out-licensing at an appropriate time.

Sustainability

Gubra does not only have a passion for doing science to the benefit of millions of patients worldwide but is equally passionate about running the business in a responsible and sustainable manner. As part of this business philosophy, Gubra in 2019 committed to invest or reserve 10% of its pre-tax profits to environmental activities every year. As an extension of this focus and with the aim of promoting the green transition, its subsidiary Gubra Green ApS, was established in 2022 with a mandate to make passive investments in areas such as reforestation, biodiversity, greentech, circular economy, and regenerative businesses.

Financial information

Gubra has an attractive financial profile characterised by strong revenue growth across both its CRO and D&P segments during the last decade whilst maintaining a solid profitability and a healthy cash conversion.

Since its foundation in 2009 and until 2022, Gubra's CRO segment has generated an annual



average revenue growth of 29%.

The D&P segment is more volatile due to uncertainty in the timing of the partnership agreements and the size of potential upfront, research and milestone payments. However, since its first partnership in 2013, the D&P segment has delivered revenue of approx. DKK 20 million per year per active partnership based on a rolling average (2013-2022).

DKKm unless otherwise stated	2022	2021	2020
CRO revenue	131	155	148
D&P revenue	69	100	24
Group revenue	199	255	172
Group gross profit	98	166	92
<i>Group gross margin (%)</i>	<i>49%</i>	<i>65%</i>	<i>54%</i>
Group adj. EBIT	19	108	28
<i>Group adj. EBIT margin (%)</i>	<i>9%</i>	<i>42%</i>	<i>16%</i>
<i>CRO adj. EBIT margin (%)</i>	<i>28%</i>	<i>45%</i>	<i>45%</i>
# of active D&P partnerships	5	4	3

In 2022, Gubra generated total revenue of DKK 199.4 million compared to DKK 255.3 million in 2021. The decrease in CRO revenue was mainly due to lower overall activity during a couple of months of the year driven by macroeconomic and geopolitical uncertainty and a temporary decline in the sale of CRO services related to the liver disease NASH^[1]. This was, however, partly counterbalanced by a solid increase in the sale of CRO services within CNS^[2] and an overall high activity level during the fourth quarter of the year, which is expected to benefit Gubra's 2023 CRO revenue due to its backend-loaded revenue model.

Please find the full Annual Report 2022 on www.gubra.dk

Financial outlook for 2023 and mid-term aspirations

CRO services

- Approx. 10% organic revenue growth in 2023
- Approx. 25% adjusted EBIT margin in 2023
- Approx. 10% organic revenue growth per year in the mid-term



- Approx. 35-40% adjusted EBIT margin in the mid-term

Discovery & Partnerships

- 1-2 new partnerships generated in 2023
- 1-2 new partnerships generated on average per year in the mid-term

Gubra expects revenue from the D&P segment. However, since such revenue is uncertain in terms of size and timing, guidance is not provided.

Total costs, excluding special items, for the D&P segment are expected to be DKK 105-110 million in 2023. Total costs, excluding special items and the Amylin project, for the D&P segment are expected to be DKK 85-95 million in 2023.

Due to significant investments into its streamLine platform, Gubra expects to utilise the scalability of the D&P segment going forward.

Shareholders

Gubra is currently owned, directly or indirectly, by its two founders, executive management and employees. Founders Jacob Jelsing and Niels Vrang each owns close to 44% of the share capital and voting rights (88% in total), while the remaining approx. 12% is, among others, owned by the executive management and employees of the company.

Members of executive management, certain other key employees and the members of the board of directors (including the two founders) will commit to a lock-up arrangement of 360 days. The company will commit to lock-up arrangement of not less than 180 days after the contemplated IPO.

The Offering

The offering will consist of an initial public offering of new shares to retail and institutional investors in Denmark as well as private placements to institutional investors and, potentially, a limited number of other investors in the rest of the world (excluding the United States). The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933

Bank syndicate and legal advisers

Skandinaviska Enskilda Banken, Danmark, filial af Skandinaviska Enskilda Banken AB (publ), Sverige ("SEB") is acting as Sole Global Coordinator and Joint Bookrunner, and ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge ("ABG" and together with SEB, the "Managers") is acting as Joint Bookrunner.

Plesner Advokatpartnerselskab is acting as legal advisor to Gubra and Gorrissen Federspiel Advokatpartnerselskab is acting as legal advisor to the Managers.



For further information, please contact:

Sofia Pitt Boserup, sbo@gubra.dk, +45 4188 9586

Important notice

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by the Company in any jurisdiction where such offer or sale would be unlawful and the announcement and the information contained herein are not for distribution or release, directly or indirectly, in or into such jurisdictions. This announcement does not constitute an offering memorandum or a prospectus as defined by Regulation (EU) No. 2017/1129 of 14 June 2017, as amended, and nothing herein contains an offering of securities. No one should purchase or subscribe for any securities in the Company, except on the basis of information in any prospectus published by the Company in connection with a potential offering and admission of such securities to trading and official listing on Nasdaq Copenhagen. Copies of any such prospectus will, following publication be available from the Company's registered office and on the website of the Company.

This announcement and the information contained herein are for information purposes only and not for distribution in or into the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia) (the "United States"). This document does not constitute, or form part of, an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. In any member state of the European Economic Area, other than Denmark, this announcement is only addressed to and directed at investors in member states of the European Economic Area who fulfil the criteria for exemption from the obligation to publish a prospectus, including "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129), as amended.

This announcement is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to "qualified investors" (as defined in the UK Prospectus Regulation) who are (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (b) high net worth entities falling within Article 49(2)(a) – (d) of the Order (the persons described in (i) and (ii) above together being referred to as "U.K. relevant persons"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, U.K. relevant persons. Any person who is not a U.K. relevant person should not act or rely on this document or any of its contents. The "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

Any failure to comply with these restrictions may constitute a violation of applicable securities laws. It is the responsibility of all persons obtaining the prospectus and/or other documents relating to the offering or into whose possession such documents otherwise come, to inform



themselves of and observe all such restrictions. Any recipient of the prospectus who is in any doubt in relation to these restrictions should consult his or her professional advisors in the relevant jurisdiction. Neither the Company nor the Managers to the Company accept or assume any responsibility or liability for any violation by any person whomsoever of any such restriction.

The Managers and their affiliates are acting exclusively for the Company and no-one else in connection with the offering. They will not regard any other person as their respective clients in relation to the offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the offering, the Managers and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related investments in connection with the offering or otherwise. Accordingly, references in the prospectus, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, such Managers and any of their affiliates acting as investors for their own accounts. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

In connection with the offering, SEB (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over-allot securities or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation. Any stabilisation action may begin on or after the date of commencement of trading and official listing of the securities on Nasdaq Copenhagen A/S and, if begun, may be ended at any time, but it must end no later than 30 days after the date of commencement of trading and official listing of the securities.

Financial information

The Company has prepared financial information under IFRS for the period from the financial year ended 31 December 2020 and onwards. However, certain of the financial information included in this announcement covers a period prior to the financial year ended 31 December 2020 and as a result were calculated based on financial data that was derived from financial statements that were prepared under Danish GAAP for the period between the financial years ended 31 December 2009 to 2019. Since this financial data was not calculated using the same accounting standards for each year, such may not be comparable and investors should therefore not put undue reliance on thus measures.

Certain of the financial measures included are not measures of performance specifically defined by IFRS, some of which constitute alternative performance measures. Such measures are used by the management to monitor the underlying performance of the Group and the Company. These measures are unaudited and may not be indicative of historical operating results, nor are such measures meant to be predictive of future results.



Forward looking statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should", and similar expressions. The absence of these words, however, does not mean that the statements are not forward-looking. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice.

[\[1\]](#) Nonalcoholic steatohepatitis

[\[2\]](#) Cardiovascular and central nervous system

About Us

Gubra, founded in 2008 in Denmark, 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. Gubra has approx. 200 employees and had annual revenue of approx. DKK 200 million in 2022. See www.gubra.dk for more information.

Attachments

[Gubra announces intention to launch an Initial Public Offering on Nasdaq Copenhagen and raise capital to support its growth strategy](#)