



COMPANY UPDATE

Healthcare

Fair value: SEK32.0–47.0

Share price: SEK22.5

Guard Therapeutics

Brace for a make-or-break readout – Q2 review

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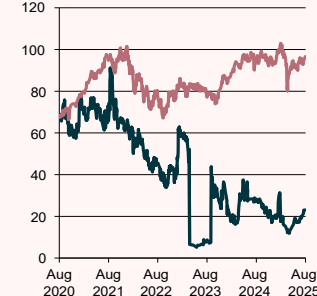
There were no surprises in the Q2 numbers. The company is approaching a critical inflection point with the POINTER trial; we expect a readout in Q4, which we see as a key trigger and the most important milestone to date. Our updated fair value is SEK32–47 (SEK35–54).

No surprises in the numbers. The company remains in a pre-commercial phase and reported no revenue in Q2. The operating result for the quarter was SEK-32m, and cash at quarter-end was SEK100m. R&D expenses continued to represent the largest share of costs, totalling cSEK30m in Q2 (SEK21m in the same period last year), with the increase primarily related to the Phase IIb POINTER study initiated in August 2024.

Moving closer to a critical inflection point as the POINTER Ph IIb trial progresses. Recruitment was completed ahead of schedule, and the second and final DSMC review confirmed a favourable safety profile, which in our view adds confidence ahead of the readout, which we expect in Q4 2025. We believe the announcement will drive a significant share price reaction, positive or negative, making this a defining risk/reward inflection point.

Rights issue completed. With proceeds from the rights issue, the company is funded through study completion and well positioned to initiate regulatory discussions on a potential Phase III if data readout from POINTER is positive. We recognise, however, that Phase IIb represents a key inflection point and carries substantial risk.

Our valuation of Guard Therapeutics is based on a SOTP approach, with different DCFs for the top and bottom of the range. We adjust our fair value range to SEK32–47, mainly on an updated USD/SEK rate and minor changes in timelines for potential product launches.

Changes in this report				Key figures (SEK)					Share price – 5-year				
	From	To	Chg		2024	2025e	2026e	2027e					
EPS adj. 2025e	-7.98	-7.96	+0%	Sales (m)	0	0	263	15					
EPS adj. 2026e	7.8	10.7	+36%	EBITDA (m)	-100	-130	215	5					
EPS adj. 2027e	0.20	0.29	+42%	EBIT (m)	-100	-130	215	5					
Upcoming events				EPS	-8.59	-7.96	10.7	0.29					
				EPS adj.	-8.59	-7.96	10.7	0.29					
				DPS	0.00	0.00	0.00	0.00					
				Sales growth Y/Y	n.a.	n.a.	+chg	-94%					
				EPS adj. growth Y/Y	-chg	+chg	+chg	-97%					
				EBIT margin	n.m.	n.m.	81.8%	36.3%					
				P/E adj.	n.m.	n.m.	2.1	77.3					
				EV/EBIT	neg.	neg.	1.0	35.5					
				EV/EBITA	neg.	neg.	1.0	35.5					
				EV/EBITDA	neg.	neg.	1.0	35.5					
				P/BV	7.3	28.5	2.0	1.9					
				Dividend yield	0.0%	0.0%	0.0%	0.0%					
				FCF yield	-20.9%	-32.0%	50.5%	3.2%					
				Equity/Total Assets	68.1%	99.3%	92.6%	89.4%					
				ROCE	-181.1%	n.m.	174.2%	2.5%					
				ROE adj.	-183.5%	-479.5%	174.2%	2.5%					
				Net IB debt/EBITDA	0.5	0.1	-1.1	-47.5					
Key facts													
No. shares (m)	20.2												
Market cap. (USDm)	47												
Market cap. (SEKm)	454												
Net IB Debt. (SEKm)	-16												
Adjustments (SEKm)	0												
EV (2025e) (SEKm)	438												
Free float	64.7%												
Avg. daily vol. ('000)	30												
BBG	GUARD SS												
Fiscal year end	December												
Share price as of (CET)	21 Aug 2025 17:29												
				High/Low (12M)					SEK31.5/11.9				
Perf.	3M	6M	12M	YTD									
Abs.	47.06	26.14	-19.10	21.57									
Rel.	44.56	30.67	-20.85	17.65									

Source: DNB Carnegie (estimates), FactSet, Infront & company data

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Equity story

Near term: within 12M

We expect Guard Therapeutics to report top-line results from its Phase IIb POINTER study in late 2025/early 2026. The study focuses on RMC-035, the company's lead candidate, in patients undergoing open-heart surgery. We expect this milestone to serve as a significant catalyst for the share price.

Long-term outlook: 5Y+

The long-term equity story for Guard Therapeutics centres on RMC-035 demonstrating encouraging clinical data and eventually achieving market approval. There are currently no approved treatments for acute kidney injury, and we believe this represents a significant opportunity.

Key risks:

- Clinical development risk.
- Regulatory risk.
- Funding risk.

Company description

Guard Therapeutics is a Swedish clinical-stage biotechnology company engaged in the research and development of new pharmaceuticals targeting areas with significant medical needs. The company focuses on the field of kidney diseases.

Key industry drivers

- Ageing population.
- Increasing prevalence of kidney diseases.
- Advancements in biomarkers and diagnostics.

Industry outlook

- We expect the market for kidney diseases to grow significantly over the coming years, primarily driven by rising patient needs and advancements in science, with new novel therapies getting approved.

Largest shareholders, capital

Jan Ståhlberg	20.7%
Stiftelsen Industrifonden	14.3%
Swedbank Robur Fonder	9.9%

Cyclicality

Cyclicality: No
Not cyclical

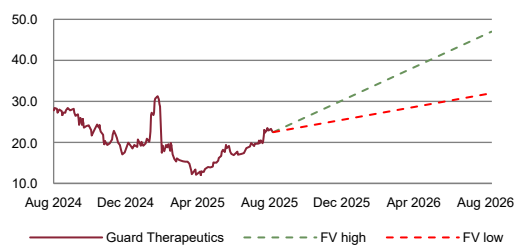
Key peers

Synact Pharma, Vicore Pharma, IRLAB Therapeutics.

Valuation and methodology

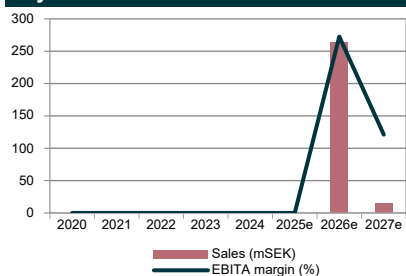
We use a DCF-based sum-of-the-parts approach in our valuation of Guard Therapeutics.

Fair value range 12M



The lower end of our fair value range is based on our DCF-based SOTP model using a WACC of 20%. The upper end of our fair value range is based on our DCF-based SOTP model using a WACC of 14%.

Key metrics



P/E 12-months forward



Long-term valuation trend



Source: DNB Carnegie (estimates) & company data

Valuation and risks

We use a sum-of-the-parts approach in our valuation of Guard Therapeutics. In our model, we project peak sales of USD635m for RMC-035 in CS-AKI and USD205m in KTX-AKI. Due to the absence of completed clinical trials, we have excluded other potential AKI indications from our valuation. Further, our assumptions include a partnership deal for RMC-035 in 2026 with a total value of USD600m, comprising an upfront payment of USD35m, contingent on positive top-line results from the Phase IIb POINTER trial. Additionally, we estimate Guard Therapeutics will receive 14% of net sales for RMC-035.

We have slightly adjusted the launch timeline for RMC-035 in Kidney Tx, where we see a potential launch in the US in 2030 and 2031 in Europe. Our updated fair value is SEK32–47/share (SEK35–54). The lower end of our fair value range is based on our DCF model using a WACC of 20% and the upper end is based on our DCF model using a WACC of 14%.

SOTP valuation

Project	Launch	Probability	Peak sales (USDm)	Valuation approach	rNPV (SEKm)	rNPV/share (SEK)
RMC-035, CS-AKI	2028	30%	635	DCF, WACC 20%	632	31
RMC-035, Kidney Tx	2030	13%	205	DCF, WACC 20%	26	1
Unallocated costs, incl. tax					-141	-7
Enterprise value (EV), SEKm					518	26
Net cash Q1 2025 + est. net proceeds					123	6
Total rNPV					641	32

Project	Launch	Probability	Peak sales (USDm)	Valuation approach	rNPV (SEKm)	rNPV/share (SEK)
RMC-035, CS-AKI	2028	30%	635	DCF, WACC 14%	995	49
RMC-035, Kidney Tx	2030	13%	205	DCF, WACC 14%	46	2
Unallocated costs, incl. tax					-219	-11
Enterprise value (EV), SEKm					822	41
Net cash Q1 2025 + est. net proceeds					123	6
Total rNPV					945	47

Source: DNB Carnegie (estimates) & company

Sensitivity table – WACC (%) and LoA (%)

	LOA (%)				
	10%	20%	30%	40%	50%
WACC (%)	12%	54	54	54	54
	14%	47	47	47	47
	17%	38	38	38	38
	20%	32	32	32	32
	23%	27	27	27	27

Source: DNB Carnegie (estimates) & company

Estimate changes

We have also made minor updates to our overall model, primarily driven by the updated USD/SEK rate assumption (now 9.8), see table below.

Estimate revisions

Guard Therapeutics (SEKm)	New est.			Old est.			Abs. change			% change		
	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Net sales	0	263	15	0	259	15	0	4	0	Nm	2%	0%
EBIT	-130	215	5	-130	199	5	0	16	0	0%	8%	9%
Net interest	0	0	0	0	0	0	0	0	0	40%	0%	0%
Profit for the period	-129	216	6	-130	158	4	1	58	2	1%	37%	47%
Net debt (+)/Net cash (-)	-16	-245	-260	-16	-187	-199	0	-58	-61	0%	31%	31%
Sales growth Y/Y (%)	Nm	Nm	Nm	Nm	Nm	Nm						

Source: DNB Carnegie (estimates)

Risks

Clinical development risk: Clinical trials for RMC-035 may fail to demonstrate safety and efficacy, leading to delays or termination of development.

Regulatory risk: Regulatory approval processes are complex and stringent, with no guarantee of approval even after successful trials.

Financial risks: Biotechnology companies often rely heavily on external funding. Guard Therapeutics may need to raise additional capital, diluting shareholder value. As a development-stage company, Guard Therapeutics may not generate consistent revenue streams until RMC-035 reaches commercial stage.

Financial statements

Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	0	0	0	0	0	0	0	263	15
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	263	15
Other income & costs	0	0	-40	-82	-115	-115	-100	-130	-48	-10
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	0	0	-40	-82	-115	-115	-100	-130	215	5
Depreciation PPE	0	0	0	0	0	0	0	0	0	0
Depreciation lease assets	0	0	0	0	0	0	0	0	0	0
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	0	0	0	0	0	0	0	0	0	0
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	-40	-82	-115	-115	-100	-130	215	5
Amortization acquisition related	0	0	0	0	0	0	0	0	0	0
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	0	0	-40	-82	-115	-115	-100	-130	215	5
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	0	0	0	2	2	4	0	0	0
of which interest income/expenses	0	0	0	0	2	2	4	0	0	0
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	0	-40	-82	-113	-113	-96	-129	216	6
Taxes	0	0	0	0	0	0	0	0	0	0
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	0	0	-40	-82	-113	-113	-96	-129	216	6
Adjusted EBITDA	0	0	-40	-82	-115	-115	-100	-130	215	5
Adjusted EBITA	0	0	-40	-82	-115	-115	-100	-130	215	5
Adjusted EBIT	0	0	-40	-82	-115	-115	-100	-130	215	5
Adjusted net profit	0	0	-40	-82	-113	-113	-96	-129	216	6
Sales growth Y/Y	na	na	na	na	na	na	na	na	+chg	-94.3%
EBITDA growth Y/Y	na	na	-chg	-chg	-chg	-chg	+chg	-chg	+chg	-97.5%
EBITA growth Y/Y	na	na	-chg	-chg	-chg	-chg	+chg	-chg	+chg	-97.5%
EBIT growth Y/Y	na	na	-chg	-chg	-chg	-chg	+chg	-chg	+chg	-97.5%
EBITDA margin	nm	nm	nm	nm	nm	nm	nm	nm	81.8%	36.3%
EBITA margin	nm	nm	nm	nm	nm	nm	nm	nm	81.8%	36.3%
EBIT margin	nm	nm	nm	nm	nm	nm	nm	nm	81.8%	36.3%
Tax rate	na	na	na	na	na	na	na	na	na	na
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	0	-40	-82	-115	-115	-100	-130	215	5
Paid taxes	0	0	0	0	0	0	0	0	0	0
Change in NWC	0	0	2	4	12	-6	1	-16	13	9
Interests paid	0	0	0	0	0	0	0	0	0	0
Actual lease payments	0	0	0	0	0	0	0	0	0	0
Non cash adjustments	0	0	0	1	1	3	3	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	0	0	-38	-78	-102	-116	-95	-145	229	15
Capex tangible assets	0	0	0	0	0	0	0	0	0	0
Capitalised development costs	0	0	0	0	0	0	0	0	0	0
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisitions/divestments	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
Total investing activities	0	0	0	0	0	0	0	0	0	0
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	0	0	75	178	114	0	65	107	0	0
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	0	0	-1	-1	-1	-1	-2	0	0	0
Total financing activities	0	0	74	176	113	-1	63	107	0	0
Operating cash flow	0	0	-38	-78	-102	-116	-95	-145	229	15
Free cash flow	0	0	-38	-78	-102	-116	-95	-145	229	15
Net cash flow	0	0	36	99	10	-117	-32	-38	229	15
Change in net IB debt	0	0	36	99	12	-117	-30	-38	229	15
Capex / Sales	nm	nm	nm	nm	nm	nm	nm	nm	0.0%	0.0%
NWC / Sales	nm	nm	nm	nm	nm	nm	nm	nm	-2.5%	-116.8%

Source: DNB Carnegie (estimates) & company data

Financial statements, cont.

Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	0	0	0	0	0	0	0	0	0	0
Other fixed intangible assets	0	0	0	0	0	0	0	0	0	0
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	0	0	0	0	0	0	0	0	0
Lease assets	0	0	0	0	0	0	0	0	0	0
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	0	0	0	0	0	0	0	0	0
Fixed assets	0	0	0	0	0	0	0	0	0	0
Inventories (2)	0	0	0	0	0	0	0	0	0	0
Receivables (2)	0	0	1	1	1	1	0	0	0	0
Prepaid exp. & other NWC items (2)	0	0	0	1	1	1	1	0	5	6
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	0	0	90	189	201	84	54	16	245	260
Current assets	0	0	91	190	203	85	56	16	250	266
Total assets	0	0	91	190	203	85	56	16	250	266
Shareholders' equity	0	0	80	176	177	67	38	16	232	238
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	0	0	80	176	177	67	38	16	232	238
Deferred tax	0	0	0	0	0	0	0	0	0	0
LT IB debt (1)	0	0	0	0	0	0	0	0	0	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0	0	0
Other non-IB liabilities	0	0	5	4	3	2	0	0	0	0
LT liabilities	0	0	5	4	3	2	0	0	0	0
ST IB debt (1)	0	0	0	0	0	0	0	0	0	0
Payables (2)	0	0	3	6	11	5	9	0	8	11
Accrued exp. & other NWC items (2)	0	0	3	4	11	11	8	0	11	17
Other ST non-IB liabilities	0	0	0	0	0	0	0	0	0	0
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	0	0	7	11	23	17	18	0	19	28
Total equity and liabilities	0	0	91	190	203	85	56	16	250	266
Net IB debt (=1)	0	0	-90	-189	-201	-84	-54	-16	-245	-260
Net working capital (NWC) (=2)	0	0	-6	-9	-21	-15	-16	0	-13	-22
Capital employed (CE)	0	0	84	179	180	68	38	16	232	238
Capital invested (CI)	0	0	-6	-9	-21	-15	-16	0	-13	-22
Equity / Total assets	nm	nm	87%	92%	88%	78%	68%	99%	93%	89%
Net IB debt / EBITDA	nm	nm	2.2	2.3	1.7	0.7	0.5	0.1	-1.1	-47.5
Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	0.00	0.00	213.0	343.1	503.1	10.06	12.29	20.17	20.17	20.17
Diluted no. of Shares YE (m)	0.00	0.00	213.0	343.1	503.1	10.06	12.29	20.17	20.17	20.17
EPS	na	na	-0.38	-0.30	-0.27	-0.44	-8.59	-7.96	10.7	0.29
EPS adj.	na	na	-0.38	-0.30	-0.27	-0.44	-8.59	-7.96	10.7	0.29
CEPS	na	na	-0.38	-0.30	-0.27	-0.44	-8.59	-7.96	10.7	0.29
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	na	na	0.37	0.51	0.35	6.63	3.09	0.79	11.5	11.8
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	nm	nm	-101.2%	-64.2%	-63.9%	-92.9%	-183.5%	-479.5%	174.2%	2.5%
Adj. ROCE pre-tax	na	na	na	-62.2%	-62.8%	-91.4%	-181.1%	-479.5%	174.2%	2.5%
Adj. ROIC after-tax	na	na	na	1140.0%	777.9%	647.1%	645.4%	na	na	-31.1%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	0.0%	0.0%	-8.4%	-17.1%	-22.5%	-25.6%	-20.9%	-32.0%	50.5%	3.2%
Dividend yield YE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	nm	nm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	nm	nm	nm	nm	nm	nm	nm	nm	0.79	12.89
EV/EBITDA YE	nm	nm	neg.	neg.	neg.	neg.	neg.	neg.	1.0	35.5
EV/EBITA YE	nm	nm	neg.	neg.	neg.	neg.	neg.	neg.	1.0	35.5
EV/EBITA adj. YE	nm	nm	neg.	neg.	neg.	neg.	neg.	neg.	1.0	35.5
EV/EBIT YE	nm	nm	neg.	neg.	neg.	neg.	neg.	neg.	1.0	35.5
P/E YE	na	na	nm	nm	nm	nm	nm	nm	2.1	>50
P/E adj. YE	na	na	nm	nm	nm	nm	nm	nm	2.1	>50
P/BV YE	na	na	>50	>50	>50	5.18	5.99	28.45	1.96	1.91
Share price YE (SEK)	28.6	49.2	62.3	63.2	38.2	34.3	18.5	22.5		

Source: DNB Carnegie (estimates) & company data

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