SCIENCE OF CERTAINTY

Interim Financial Report

First half-year 2024

Gubra A/S I CVR no. 30514041 I Hørsholm Kongevej 11B I 2970 Hørsholm I Denmark

Earnings call info

The H1 2024 report will be presented to investors and analysts on 22 August 2024 at 10.00 CET.

The presentation can be followed live via the link: **here**
To participate in the telephone conference, please use the dial-in details shown below:
DK: +45 7071 7174
UK: +44 20 8610 3532
When dialling-in, please state the name of the call “Gubra Q2 2024 earnings release” or the conference ID: 5443319.

Presentation slides will be available prior to the earnings call and can be downloaded **here**

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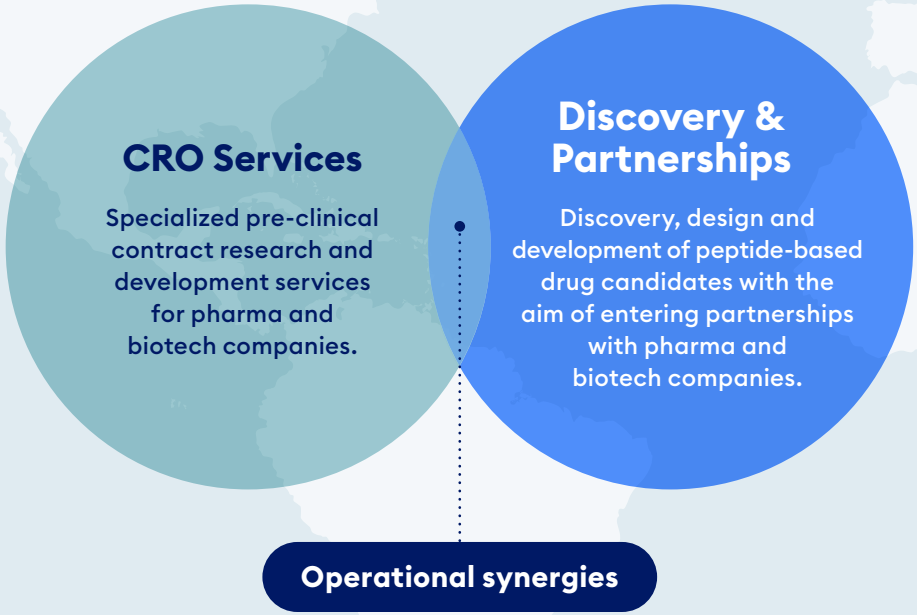
About Gubra

Gubra, founded in 2008 in Denmark, is specialized in high-end pre-clinical contract research services (CRO) and peptide-based drug discovery within metabolic and fibrotic diseases.

Our activities are focused on the early stages of drug development and are organized into 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 benefiting from biotechnology upside in the form of potential development milestone payments and potential royalties from the D&P business.

Gubra's shares are listed on NASDAQ Copenhagen with ticker code GUBRA.



235

Employees
30 June 2024

30%

Yearly revenue growth (CAGR)
Since inception (2009-2023)

Customers in

20

countries

51%

CRO revenue from the US
in H1 2024

Gubra has served

15 out of top 20

largest pharma companies

CEO statement

I am very pleased with the progress in the first half of 2024 – across the company. We continue to grow our CRO service business at high pace and at the same time we take important steps forward in our D&P business. In parallel, we expand our organization to match this high activity level.

CRO business – continued high growth
Our CRO business continues to grow across several disease categories, and it underscores the value of maintaining focus as well as broadening our disease model catalogue. In the first half of the year, we grew our CRO revenue organically by 34% year-over-year. We saw particularly strong growth in our obesity services which is well in line with a general trend seen in the biotech and pharma industry.

CRO business – raised financial outlook
On the back of the strong first half and sound current trading and orderbook, we recently raised the 2024 financial outlook for the CRO business. We now expect organic revenue growth of 23-28% in 2024 compared to the record year 2023 (our previous expectation was organic growth of 15-20%). We also raised the outlook to adjusted EBIT-margin of 29-32% (previously 28-31%).

D&P business – dosing cohort 5 and 6 in Amylin SAD trial
Our most progressed internal anti-obesity asset, Amylin GUBamy, completed as planned enrolment of all key cohorts in June (cohorts 1-4) in the Phase 1 SAD-study. We were pleased to conclude on the safety profile for these key cohorts that allowed us to move forward and dose the additional optional cohort five (July 2024) and six (August 2024). We find it encouraging that the safety profile observed allowed for the inclusion of the optional cohorts which means that topline results are now expected in late 2024. As customary in SAD-studies, the primary objective of the study is safety.

D&P business – regulatory approval to start Amylin MAD study
Following the favourable safety profile observed in the SAD-study, the next step in Phase 1 is to initiate the multiple ascending dosing (MAD) part of the study. The MAD part of the study was recently approved by the British health authority (MHRA) and will include an estimated 64 participants. It is expected to start in September 2024 and to complete dosing in Q4 2025.


– **Henrik Blou**, CEO

Continued strong progress - across Gubra

D&P business – UCN2 preclinical development initiated
Our UCN2 program for high quality weight loss is being prepared for further development. High quality weight loss focuses on body composition and promotes fat loss while preserving lean muscle mass to induce a healthy and sustained weight loss. UCN2 has the potential to improve the body compo-

sition and thereby overcome a shortcoming with the currently approved anti-obesity drugs where 20-40% of the body weight reduction being unwanted loss of lean body mass (muscles, bones, internal organs). We now have initiated the GMP-production of the UCN2 API and expect to initiate the non-clinical toxicity programme in late 2024. Planning is also ongoing for a clinical study potentially starting in late 2025/ early 2026.

D&P business – second partnership project with BI to clinical testing
In July 2024, together with our collaboration partner Boehringer Ingelheim (BI) we announced the launch of a Phase 1 study including BI 3034701, a long-acting triple agonist peptide with a potential to become a next-generation and first-in-class obesity treatment. We are excited to see BI taking this drug candidate from our second obesity partnership to clinical testing. The study has an estimated 124 participants with study completion expected in H2 2025.

Looking ahead
It is great to conclude on a highly successful first half of 2024. It gives us confidence to continue our growth journey rooted in scientific entrepreneurship and we aim to continue the development of both our CRO business as well as our D&P business at high pace.

Financial outlook and guidance

Guidance items	New 2024 outlook	Previous 2024 outlook	Results H1 2024	Mid-term guidance
CRO segment				
Organic revenue growth	23-28%	15-20%	34%	10% annually
Adjusted EBIT-margin (adj. for special items)	29-32%	28-31%	32%	35-40%
Discovery & Partnerships segment				
Number of new partnerships per year	1-2	1-2	–	1-2
Total costs (adj. for special items)*	DKK 160-170 million	DKK 160-170 million	DKK 69 million	
Total costs excl. Amylin asset (adj. for special items)*	DKK 115-125 million	DKK 115-125 million	DKK 58 million	

* Total costs are cost of sales and operating costs

Comments to 2024 outlook

In the adjusted EBIT-margin outlook for the CRO business, we have excluded expected buildup costs of the Minipig business that was acquired in 2023 (revenue effects from Minipig will also be deducted) as well as expected buildup cost of new technology platforms.

In H1 2024 specifically, we have also adjusted for one-off layoff costs related to Gubra's former Chief Operating Officer.

The adjustments are made to present the underlying business excluding effects from buildup costs.

For the subsidiary and business segment Gubra Green, revenue in 2024 is expected to be minimal. Costs are expected to be below DKK 1 million.

Forward-looking statements

The half-year report contains forward-looking statements, which include projections of our short- and long-term financial performance. These statements are by nature uncertain and associated with risk. Many factors may cause the actual development to differ materially from Gubra's expectations.

Read more about the risks in the Annual Report 2023 in the chapter concerning Risks and Risk Management.

Recent key events in 2024

Concluded research agreement
Research agreement with Silence Therapeutics concluded
JANUARY 2024

UCN2 revealed
UCN2 unveiled as novel anti-obesity drug candidate for healthy weight loss
APRIL 2024

Raised financial outlook
Full-year 2024 financial outlook raised upwards
MAY 2024

Gubra awarded
Gubra wins the award as biotech company of the year in DK (from Dansk Biotech)
JUNE 2024

Regulatory approval of MAD-study
Regulatory approval of MAD GUBamy phase 1 study
JULY 2024

2nd BI partnership program to the clinic
Initiation of phase 1 clinical trial in partnership BI#2
JULY 2024

Key cohorts completed
Completion of enrolment of key cohorts in SAD GUBamy phase 1 study
JUNE 2024

Market Trends – Obesity

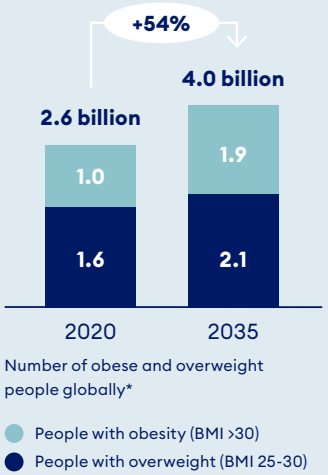
Global prevalence of obesity is increasing

More than 1 billion people worldwide live with obesity, and numbers are continuing to rise. Estimations show that by 2035, 24% of the entire world population will be affected by obesity (BMI>30) and the figure increases to 51% if people living with overweight is added (BMI 25-30). Obesity is a major risk factor for cardiovascular, renal, and metabolic (CRM) diseases as well as for several types of cancer, which collectively are a leading cause of death worldwide.

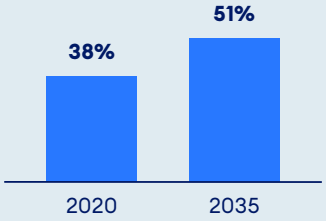
Next-generation weight loss drug therapies

Obesity pharmacotherapy is a rapidly moving field. The recent FDA-approval of semaglutide and tirzepatide for weight management has spurred intense research within obesity drug and target discovery. As a result, the pre-clinical and clinical pipeline of innovative weight loss drugs is expanding as the industry is rushing to develop first- or best-in-class weight loss drugs.

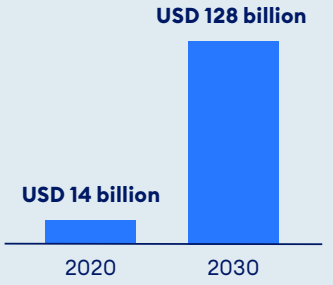
Gubra expects that the landscape of obesity medications will diversify to offer both novel mon-otherapies, drug combination concepts and dual/triple hormone receptor agonists.
As such, next–generation anti-obesity drugs will continue to be based on long-acting enteroen-docrine cell-derived hormone analogues with complementary actions which hold promise for enhancing weight loss efficacy while also improving tolerability. Future treatments will likely also be tailored to different patient segments with different medical needs.



Number of obese and overweight people globally*



Number of obese and overweight people as % of global population *



Value of the global obesity drug market **

*source: World Obesity Atlas 2023
**source: Goldman Sachs

Differentiating factors for obesity treatment

CRO business

Our CRO business provides end-to-end pre-clinical services to pharma and biotech companies. The services we provide enable our customers to make data-based decisions to move their pre-clinical research projects fast forward. We utilize our deep knowledge, animal model capabilities and advanced laboratory and animal testing facilities with operations centered around automation, robotization and digitalization to offer a broad range of specialized services covering all aspects of pre-clinical studies.

Scan the code to know more about our CRO business

Growing the number of clients

Specialised in pre-clinical contract research services

In Vivo Pharmacology

Assays & Molecular Pharmacology

Bioinformatics & NGS (Next gen sequencing)

2D & 3D Histology with AI Pathology

Bioanalysis

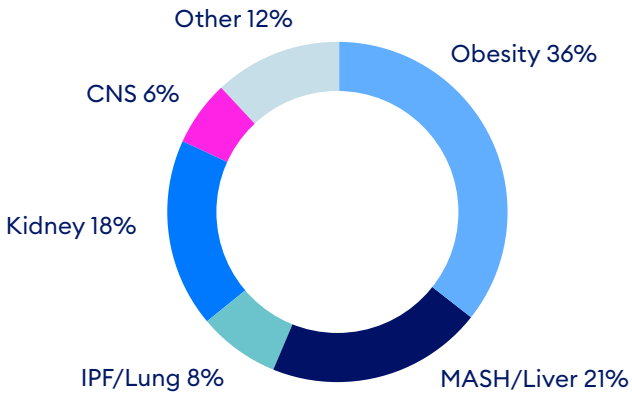
Leveraging our highly automated setup

Disease areas

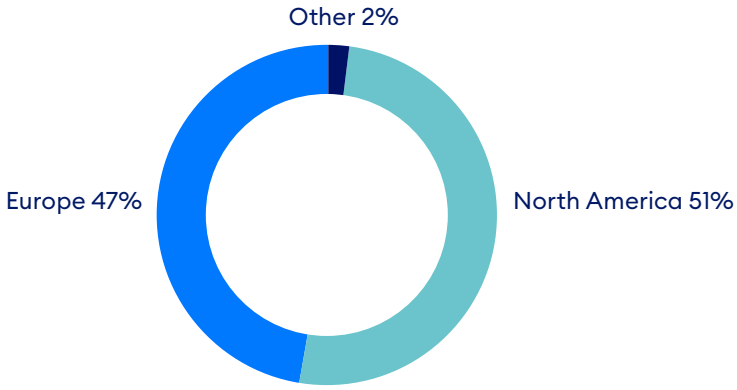
Our CRO services cover a wide variety of disease areas

Revenue per disease area and region in H1 2024

Revenue by disease area



Revenue by geographic region



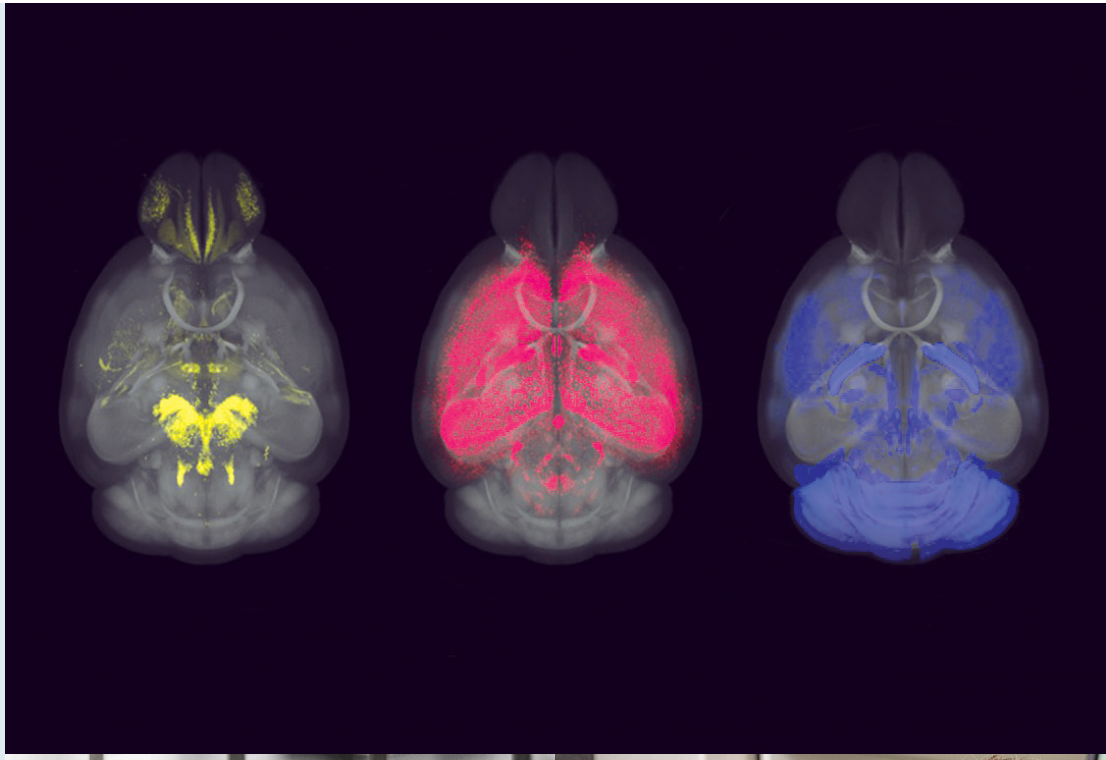
Obesity and 3D Imaging

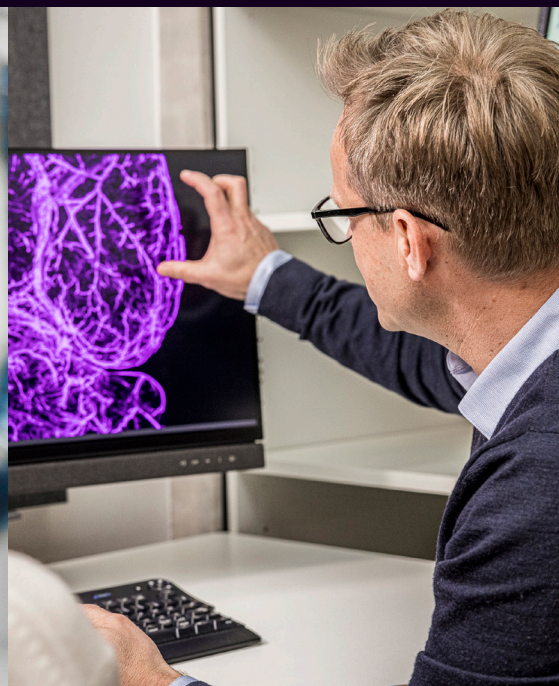
What is the role of the brain in obesity, and can a better understanding of the neural circuits involved in appetite regulation help in the development of new and better obesity drugs? At Gubra, we believe the answer to both questions is yes, which is why we are investing in expanding our leadership in whole-brain imaging.

Our unique platform is developed around our Gubra brain atlas, a three-dimensional coordinate system that can be compared to a GPS system for the brain. Every time a mouse brain is processed at Gubra, it is mapped into our Gubra atlas, and each neuron in the brain is assigned specific x, y and z coordinates. Since this can be done for many brains simultaneously, it is possible to generate average maps for every drug that is analyzed using whole brain imaging. The resulting maps can vary in nature, depending on the disease of interest. For example, they can display diverse endpoints such as neuronal activity in response to drug treatment, plaque burden in an Alzheimer's model, or alpha-synuclein spreading in Parkinson's disease. Common to all these maps is that they are digital representations of a given condition.

Because all maps generated use the same coordinate system, it is possible to compare different maps to each other virtually. In a recent study we used whole brain imaging to visualize the brain activity maps in response to 6 different obesity drugs (Hansen et al., 2021). Interestingly these drugs resulted in unique brain signatures that could easily be distinguished from each other. Remarkably the resulting virtual brain map displayed the combined data of 84 mouse brains and millions of neurons.

At Gubra, we believe we are at the threshold of a future where virtual neuroscience will become an integral part of pre-clinical research and help accelerate the development of novel drugs. A future where it will be possible to predict unwanted side effects or determine the most efficacious drug, virtually!





Discovery & Partnerships

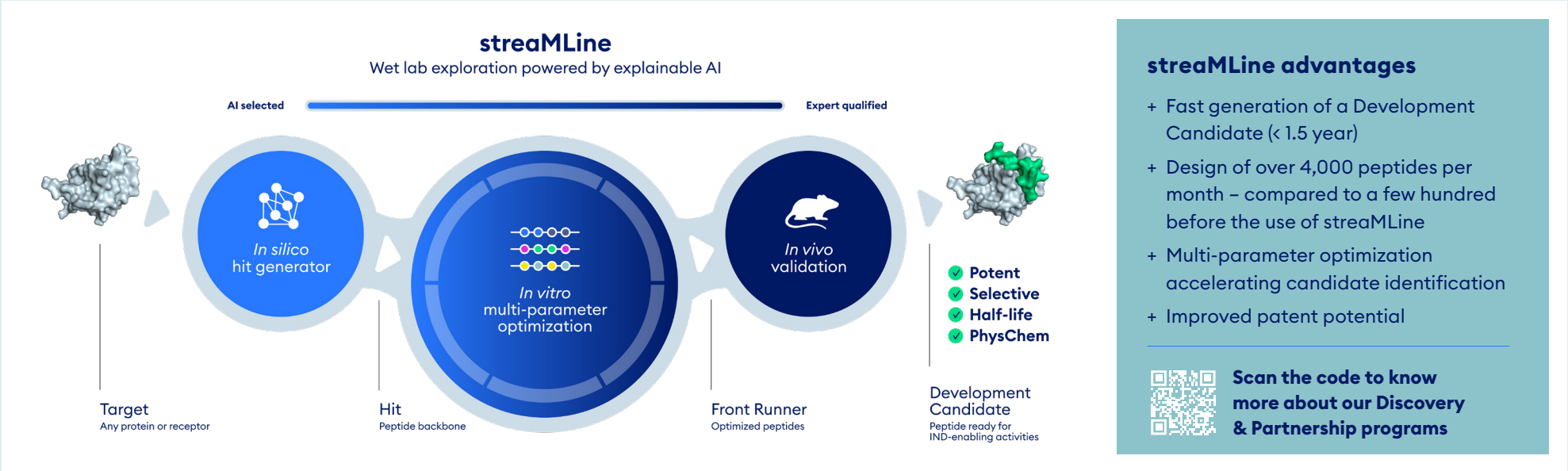
We continue to develop the streaMLine platform

The streaMLine platform is our drug discovery engine for development of peptide-based drugs.

Using the platform, we can quickly develop a peptide hit molecule into a novel IP-protected Development Candidate. We have successfully done so for both internal and partnered programs and continue to do so. The platform takes advantage of AI and high-throughput screening to enable multi-parameter optimization which saves time and enables identification of better molecules.

Once our projects have matured, they are included in our R&D pipeline and are ready to be out-licensed to partners. Our approach is to out-license our projects early to reduce risks and costs.

In H1 2024, we have implemented an in silico hit generator into our streaMLine platform. It works upstream of our existing streaMLine platform. By leveraging deep learning models, we can generate novel peptide hits for a target (e.g. soluble or membrane-embedded proteins) creating a robust foundation for identifying hit molecules in drug discovery projects. This enables us to work on known targets where there is no publicly available peptide hit, which opens for new peptide projects. Generated peptides are initially ranked and scored in silico, followed by in vitro testing and optimization before in vivo validation.



streaMLine advantages

+ Fast generation of a Development Candidate (< 1.5 year)
+ Design of over 4,000 peptides per month – compared to a few hundred before the use of streaMLine
+ Multi-parameter optimization accelerating candidate identification
+ Improved patent potential

Scan the code to know more about our Discovery & Partnership programs

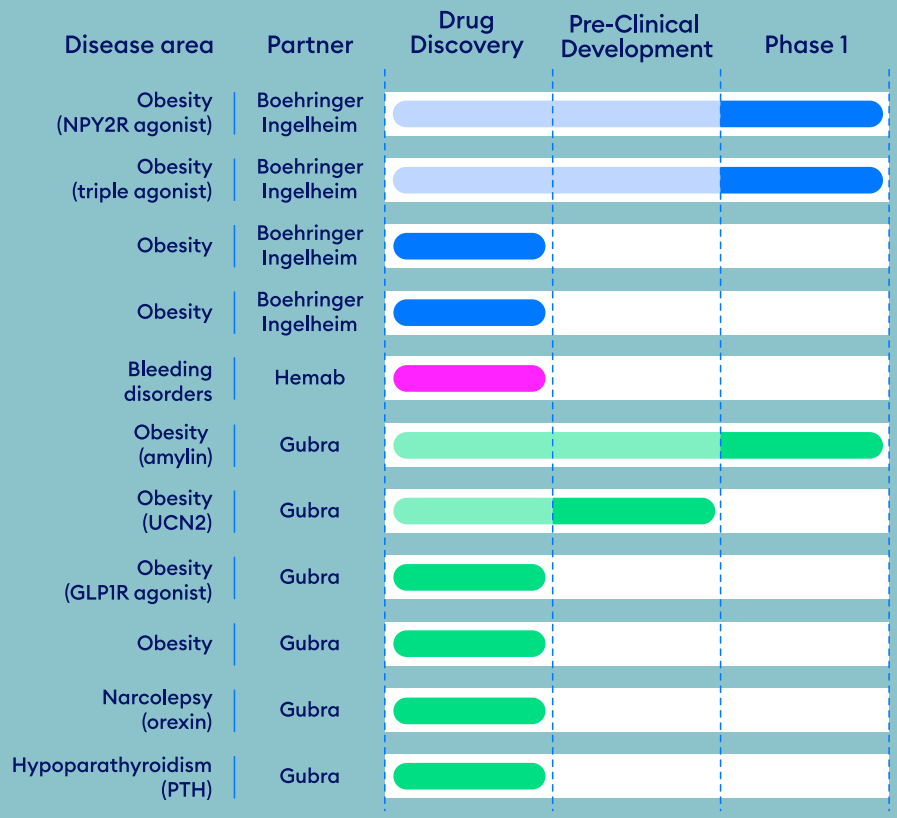
Our pipeline approach

+ We have a portfolio strategy, which aims to generate revenue through early partnering of our drug candidates.
+ Our stronghold is the development of hormone like peptide drugs particularly within metabolic diseases such as obesity.
+ Our ambition is to enter into 1-2 new partnerships per year.

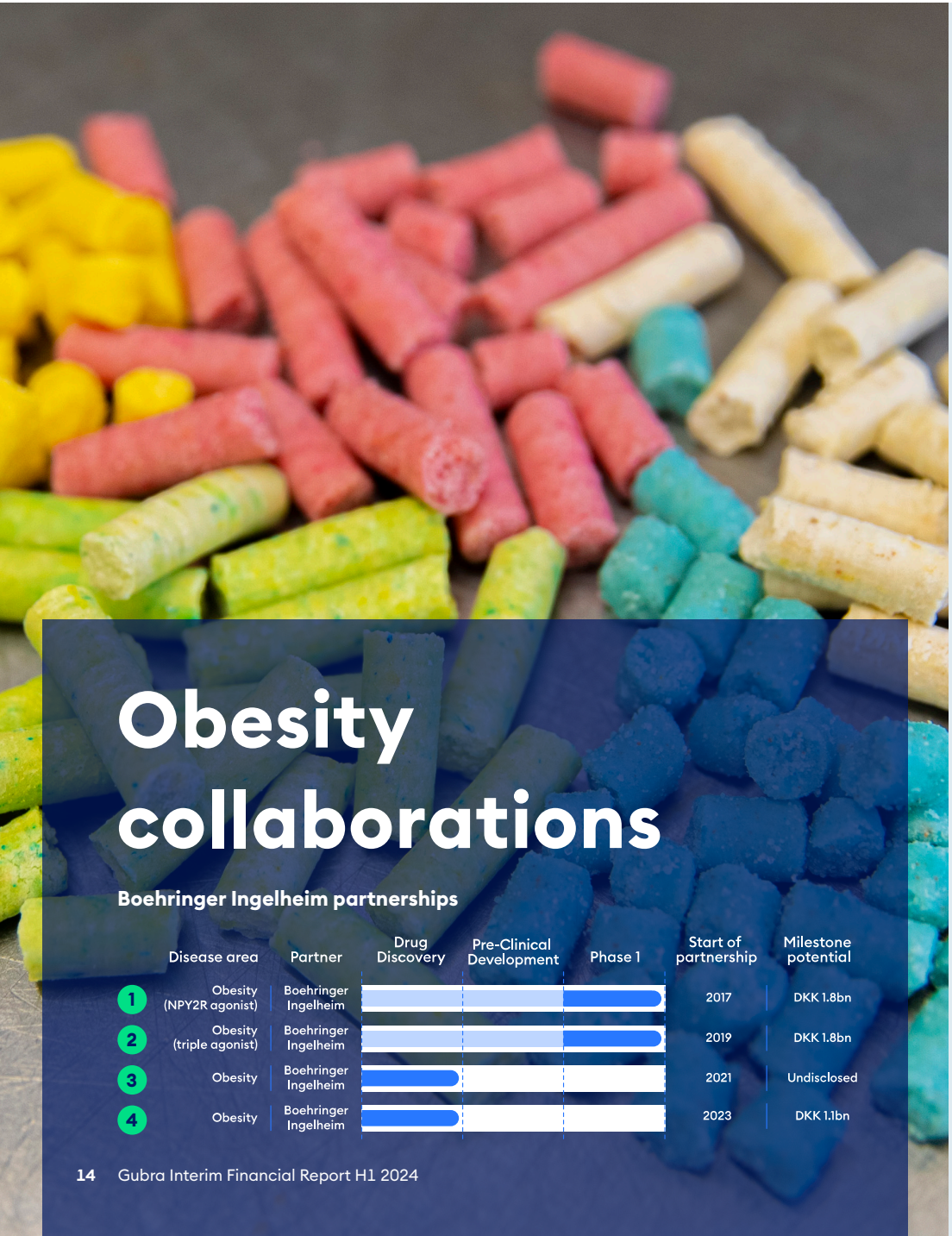
Strong achievements in H1 2024

+ The most advanced of the internal programs is GUBamy (Amylin) currently in clinical Phase 1a (SAD-study). Dosing of key cohorts (1-4 out of total 6 cohorts) was completed in June 2024. Following a supportive safety data, cohort 5 was completed in July 2024 and last cohort will start in August 2024.
+ UCN2 program for healthy weight loss is progressing into pre-clinical development.
+ The advance of our R&D pipeline is a testimony to our drug discovery platform streaMLine which can be used to develop a very broad range of peptides into potential drug candidates.

R&D pipeline



Scan the code to know more about our expanding pipeline



Obesity collaborations

Boehringer Ingelheim partnerships

	Disease area	Partner	Drug Discovery	Pre-Clinical Development	Phase 1	Start of partnership	Milestone potential
1	Obesity (NPY2R agonist)	Boehringer Ingelheim				2017	DKK 1.8bn
2	Obesity (triple agonist)	Boehringer Ingelheim				2019	DKK 1.8bn
3	Obesity	Boehringer Ingelheim				2021	Undisclosed
4	Obesity	Boehringer Ingelheim				2023	DKK 1.1bn

Current obesity partnerships

The first partnership with Boehringer Ingelheim was formed in 2017 and the most recent in 2023. In all partnerships, Gubra has granted worldwide rights to further develop and commercialise the compounds, while Gubra is entitled to receive partnership payments in the form of upfront payments, research payments, milestone payments and royalties.

1. The first partnership concerns development of a novel long-acting neuropeptide Y receptor type 2 (NPY2) agonist (BI 1820237). Results from clinical Phase 1 were presented in 2023 that showed positive effects on energy intake and gastric emptying and no unexpected safety concerns. The compound is currently being tested in an ongoing clinical trial in combination with two other anti-obesity compounds.

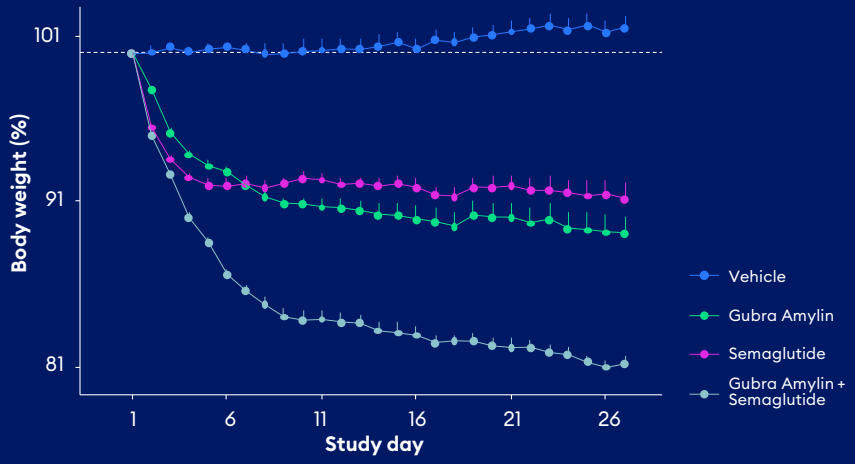
2. The second partnership is a first-in-class long-acting triple agonist (BI 3034701). The project entered clinical Phase 1 in July 2024 with study completion expected in H2-2025. 124 participants are estimated to be enrolled into the study.

3. The third anti-obesity partnership concerns the identification and validation of targets and innovative peptide compounds. The project is currently in the drug discovery phase.

4. The most recent anti-obesity partnership concerns the discovery of novel peptides and takes on a new approach to identify, validate and develop innovative treatments with the aim of improving health outcomes for people living with obesity. The project is currently in the drug discovery phase.

Promising own Amylin project for obesity

Pre-clinical results: Relative body weight



Pre-clinical results

GUBamy holds promising potential as a novel treatment option both as a monotherapy and in combination with other anti-obesity drugs. Our pre-clinical studies have shown significant weight loss with GUBamy alone and additive weight loss in combination with other anti-obesity drugs (see graph to the left on this page). Administered as monotherapy in obese rats, it shows a weight loss of around 10% after a month. Combining it with a GLP-1, a hormone that plays important roles regulating appetite and blood sugar levels, the weight loss is amplified to around 20% after a month.

Ongoing Phase 1 study

The Phase 1, a two-part First-In-Human, randomized, single and multiple ascending dose study (SAD and MAD), will assess safety, tolerability, pharmacokinetics, and pharmacodynamics of GUBamy administered in lean to overweight but otherwise healthy subjects. The SAD study is conducted in up to 48 subjects divided in 6 cohorts. In addition to assessing the safety (primary objective), the study will also evaluate the pharmacokinetic properties of GUBamy as well as the pharmacodynamic effects on gastric emptying and metabolic and hormonal changes.

The SAD study completed dosing of key cohorts 1-4 in June 2024. Following a favourable safety profile, dosing of cohort 5 was completed in July 2024 and last cohort with a dose of 6.0 mg will start in August 2024. Topline results are expected in late 2024. Additional information about the study is available via ClinicalTrials.gov (NCT06144684).

On the back of supportive safety data from the SAD-study and non-clinical GLP toxicity studies, regulaltory approval has been given to the start the MAD study. The MAD study with estimated 52 participants is expected to start in September 2024 and dosing to be completed in Q4 2025.

About GUBamy in more detail

GUBamy is a long-acting amylin agonist for once weekly subcutaneous (s.c.) administration. The drug product is a sterile solution with a neutral pH. The physical and chemical properties of GUBamy solution are compatible with possible co-formulation with other anti-obesity injectable drugs (e.g. GLP-1 agonists, dual and triple agonists etc.). The Amylin asset is patent-protected beyond 2040 based on data derived from our streaMLine platform.

UCN2 for high-quality weight loss

High quality weight loss

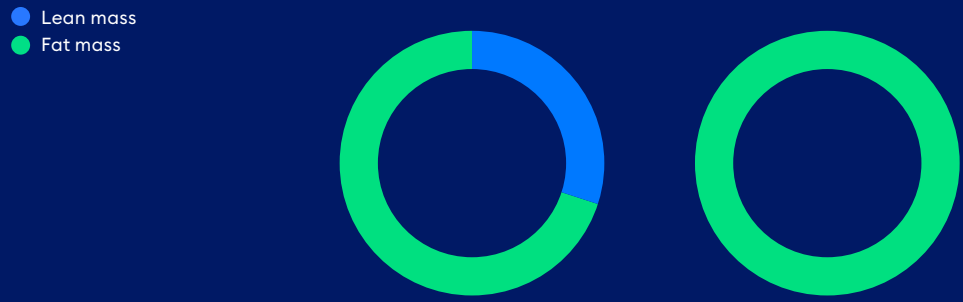
+ With the current anti-obesity drugs, 20-40% of the body weight lost is unwanted loss of lean mass (muscles, bones, internal organs). In contrast, high quality weight loss focuses on body composition and promotes fat loss while preserving lean muscle mass to induce a healthy and sustained weight loss.

About GUB-UCN2

+ GUB-UCN2 is a long acting Urocortin 2 (UCN2) analogue selectively activating the corticotropin-releasing hormone receptor 2 (CRHR2) that has been designed for once weekly subcutaneous (s.c.) administration. We believe GUB-UCN2 could be well suited as a stand-alone treatment, but also as a future combination partner with other anti-obesity drugs.

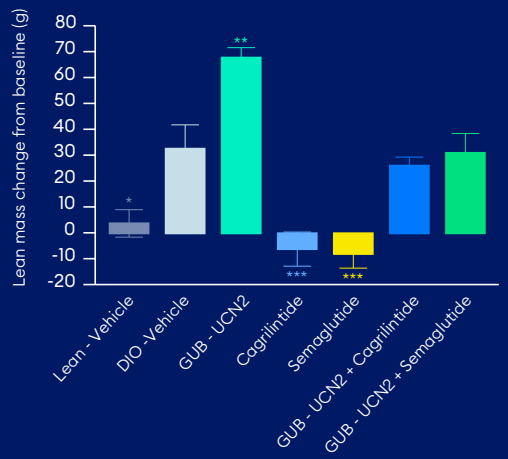
+ The drug properties of this peptide make it suitable for both mono and combination treatment. In preclinical co-administration studies, we have shown that UCN2 completely prevents the lean mass loss observed in diet-induced obese rats treated with either GLP-1 or Amylin agonists while substantially improving fat mass loss. Furthermore, preclinical data has revealed a cardiorenal upside of UCN2 treatment.

Time to focus on healthy weight loss
Treatment paradigm for future obesity treatment

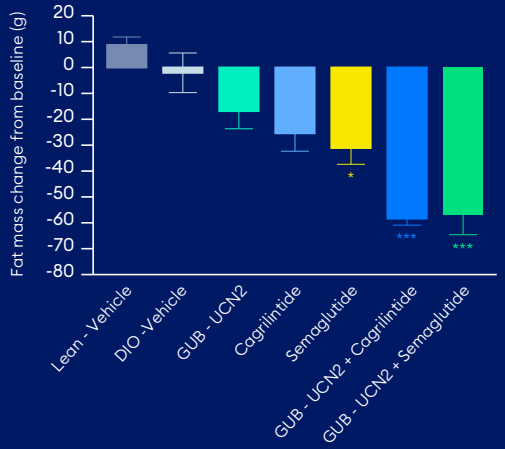


GUB-UCN2 rescues lean mass loss and improves fat mass loss in obese rats with an Amylin (Cagrilintide) or a GLP-1R agonist

Increased lean mass



Decreased fat mass



Financial results H1 2024

Revenue

In H1 2024, Gubra recorded total revenue of DKK 120.6 million compared to DKK 101.8 million in H1 2023. The increase was driven by strong growth in the CRO services segment, partly offset by lower revenue in the Discovery & Partnerships segment.

CRO services segment

Revenue in the CRO segment amounted to DKK 107.5 million in H1 2024, which corresponds to year-over-year increase of 34% (H1 2023: DKK 80.1 million). The growth was founded across many disease categories with the obesity area being the strongest driver. Obesity is a key area for Gubra where we have been active since the foundation of the company in 2008 as a leading high end-provider of pre-clinical Obesity services. This position has allowed us to capture the momentum in the pharma and biotech industry to develop new obesity compounds and combinations.

Discovery & Partnerships segment

In H1 2024, revenue from the Discovery & Partnerships (D&P) segment amounted to DKK 13.1 million (H1 2023: DKK 21.8 million). Revenue from the D&P segment is volatile by nature – in contrast to the more stable CRO service business. In certain periods more milestones are triggered, and the D&P revenue increases significantly, and in other periods less milestones are triggered resulting in lower D&P revenue. After the second quarter (beginning of July), a milestone from the second collaboration with Boehringer Ingelheim has been triggered as the program entered clinical Phase 1. This will form part of revenue in Q3 2024.

DKK million	H1 2024	H1 2023
Income statement		
Revenue	120.6	101.8
CRO revenue	107.5	80.1
D&P revenue	13.1	21.8
Gross profit	71.6	55.1
EBIT	-26.1	-22.8
Special Items	5.5	13.6
Adjusted EBIT*	-20.6	-9.2
Profit/loss for the period	-20.1	-18.1
Balance sheet and cash flow		
Equity	463.9	506.4
Cash flows from operating activities	10.4	-13.6
Cash flows from investing activities	-12.8	-362.5
Cash flows from financing activities	-4.6	387.7
Key figures and ratios		
EBIT margin	-22%	-22%
Adjusted EBIT margin*	-17%	-9%
CRO EBIT	31.5	13.4
CRO special items	3.1	7.8
CRO adjusted EBIT*	34.5	21.2
CRO adjusted EBIT margin*	32%	27%
D&P total costs (adjusted)*	-68.8	-52.3
D&P total costs excl. Amylin asset (adjusted)*	-57.6	-42.2
* Adjustment for special items:	5.5	13.6
Build-up costs (tech projects and Minigut)	2.6	-
Other (layoff costs, IPO costs and other)	2.9	8.5
Cost recognition of incentive programs from 2022 and earlier (non-cash effect)	-	5.1

Adjusted EBIT

As expected, adjusted EBIT for H1 2024 was negative and amounted to DKK -20.6 million (H1 2023: DKK -9.2 million). The decline in earnings was primarily driven by growth in personnel. Gubra has expanded the organisation to 235 employees by the end of June 2024, corresponding to around 220 employees in H1 2024 and 200 employees in H1 2023 (averages for the periods).

CRO services segment

Adjusted EBIT increased to DKK 34.5 million compared to DKK 21.2 million in H1 2023. This increase was driven by the revenue increase, partly offset by increase in personnel costs. In terms of adjusted EBIT-margin, it amounted to 32% in H1 2024 compared to 27% in H1 2023.

Discovery & Partnerships segment

For the D&P segment, adjusted EBIT amounted to DKK -54.8 million compared to DKK – 30.4 in H1 2023 due to lower revenue and higher costs, primarily personnel costs.

Reported EBIT

Reported EBIT amounted to DKK -26.1 million in H1 2024. The difference vis-à-vis adjusted EBIT is primarily explained by build-up costs of new technology platforms and Minipig business, one-off layoff costs for former Chief Operating Officer and IPO bonus costs deferred throughout the one-year vesting period up until 30 March 2024.

Net financial income and expenses

For H1 2024, net financials amounted to an income of DKK 5.9 million (H1 2023 cost of DKK 0.3 million). The increase is explained by interest income from short-term placement of IPO proceeds in Danish AAA-rated mortgage bonds.

Tax

For H1 2024, no tax has been incorporated compared to a tax income of DKK 5 million reported in H1 2023.

Result for the period

The net result for the period amounted to a loss of DKK 20.1 (H1 2023: DKK -18.1 million). The decline compared to H1 2023 was mainly due to lower EBIT, partly offset by higher net financial income.

Cash flow

Operating net cash inflow for H1 2024 amounted to DKK 10.4 million compared to a net cash outflow of DKK 13.6 million for the same period last year. The increase in H1 2024 vs. H1 2023 is primarily due to changes in working capital and therein favourable movement in trade receivables.

Cash flow from investing activities in H1 2024 amounted to an outflow of DKK 12.8 million (H1 2023: DKK -362.5 million). The large outflow in H1 2023 was due to short-term placement of excess liquidity in AAA-rated Danish mortgage bonds.

Cash flow from financing activities in H1 2024 amounted to an outflow of DKK 4.6 million compared to an inflow for the same period last year amounting to DKK 387.7 million, where the large increase in cash flow from financing activities was driven by the equity issuance of DKK 500 million.

Equity

Equity amounted to DKK 463.9 million at the end of June 2024 compared to DKK 479.7 million at the end of 2023. The decline is explained by the losses incurred.

Financial results Q2 2024

Revenue

In Q2 2024, Gubra recorded total revenue of DKK 55.6 million compared to DKK 52.0 million in Q2 2023. The increase reflects an increase in the CRO segment (up DKK 7.6 million y/y) partly offset by a decrease in the D&P segment (down DKK 4.0 million y/y).

CRO services segment

For Q2 2024, revenue in the CRO segment was DKK 49.0 million compared to DKK 41.4 million in Q2 2023. The increase was mainly driven by growth within the obesity area. This resulted in a 18% revenue increase for the CRO business year-over-year.

Discovery & Partnerships segment

In Q2 2024, revenue in the Discovery & Partnerships (D&P) segment amounted to DKK 6.6 million (Q2 2023: DKK 10.6 million). Revenue from the D&P segment varies over time with some periods having a big number of milestones reached, consequently resulting in high revenue, whereas other periods have less milestones triggered.

Adjusted EBIT

Adjusted EBIT for Q2 2024 amounted to DKK -16.6 million, negative as expected, similarly to Q2 2023 (DKK -2.9 million). The decline in earnings was mainly due to higher costs for personnel following the growth in employees.

CRO services segment

Adjusted EBIT up 21% y/y to DKK 12.0 million driven by the revenue increase partly offset by growth in personnel costs. Adjusted EBIT margin was to 24% on par with Q2 2023.

Discovery & Partnerships segment

Adjusted EBIT for Q2 2024 amounted to DKK -28.2 million for the D&P segment (H1 2023: DKK -12.8 million). The decline is explained by lower revenue and higher costs (primarily increase in personnel costs).

DKK million	Q2 2024	Q2 2023
Income statement		
Revenue	55.6	52.0
CRO revenue	49.0	41.4
D&P revenue	6.6	10.6
EBIT	-20.1	-3.6
Special Items	3.5	0.7
Adjusted EBIT*	-16.6	-2.9
Profit/loss for the period	-16.9	-1.7
Key figures and ratios		
EBIT margin	-36%	-8%
Adjusted EBIT margin*	-30%	-6%
CRO EBIT	10.0	9.1
CRO special items	2.0	0.8
CRO adjusted EBIT	12.0	9.9
CRO adjusted EBIT margin*	24%	24%
* Adjustment for special items:	3.5	0.7
Build-up costs (tech projects and Minigut)	1.1	-
Other (IPO costs, layoff costs and other)	2.4	0.7

Consolidated statement of comprehensive income

DKK'000	Notes	H1 2024	H1 2023
Revenue	2	120,627	101,817
Cost of sales		-49,005	-46,724
Gross profit		**71,622**	**55,094**
Selling, general and administrative costs		-47,721	-37,036
Research and development costs		-49,752	-41,954
Other operating income		-209	1,086
EBIT		**-26,060**	**-22,810**
Financial income		7,777	2,540
Financial expenses		-1,859	-2,871
Profit (loss) before tax		**-20,142**	**-23,142**
Tax		-	5,003
Net profit (loss) for the year		**-20,142**	**-18,139**
Other comprehensive income		-	-
Total comprehensive income for the period		**-20,142**	**-18,139**
Basic earnings per share (DKK)		-1.2	-1.3
Total diluted earnings per share		-1.2	-1.3

Consolidated Balance Sheet

DKK'000	Notes	30 June 2024	30 June 2023
ASSETS			
Non-current assets			
Intangible assets		13,828	10,084
Land and buildings		10,753	9,176
Equipment		21,516	8,929
Right-of-use assets	3	63,878	44,362
Deferred tax assets		3,882	7,113
Deposits		4,646	4,089
Total non-current assets		**118,503**	**83,754**
Current assets			
Trade receivables	4	31,066	24,389
Contract work in progress		-	-
Income tax receivables		2,179	-
Prepayments		5,621	3,937
Other receivables		6,498	7,223
Other financial assets		399,989	420,611
Cash and cash equivalents		46,905	83,503
Total current assets		**492,258**	**539,663**
Total assets		**610,761**	**623,417**

Consolidated Balance Sheet - continued

DKK'000	Notes	30 June 2024	30 June 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	5	16,350	16,350
Retained earnings		447,530	490,078
Total equity		**463,880**	**506,428**
Non-current liabilities			
Lease liabilities	3	78,046	66,564
Other payables		848	848
Total non-current liabilities		**78,894**	**67,412**
Current liabilities			
Lease liabilities	3	13,414	7,735
Share-based payments		-	-
Deferred income		3,703	3,444
Trade payables		14,813	6,768
Contract liabilities		19,147	17,926
Tax payables		47	2,216
Other liabilities	4	16,863	11,488
Total current liabilities		**67,987**	**49,576**
Total liabilities		**146,881**	**116,989**
Total equity and liabilities		**610,761**	**623,417**

Consolidated Cash Flow Statement

DKK'000	Notes	30 June 2024	30 June 2023
Cash flow from operating activities			
Net profit (loss) for the year		-20,142	-18,139
Adjustments for non-cash items		8,410	5,750
Changes in net working capital		20,431	125
Interest received		4,592	1,140
Interest paid		-2,909	-299
Income taxes paid/received		-	-2,221
Net cash inflow (outflow) from operating activities		**10,382**	**-13,645**
Cash flow from investing activities			
Purchase of property, plant & equipment		-14,045	-1,111
Payments for development costs		-3,528	-2,720
Proceeds from sale of property related to sale and lease back transaction		-	65,664
Investment in business combinations		-	-5,000
Investments in bonds	4	5,040	-419,335
Deposits		-236	-26
Net cash inflow (outflow) from investing activities		**-12,769**	**-362,528**
Cash flow from financing activities			
Repayment of borrowings		-	-
Principal elements of lease payments	3	-4,624	-3,451
Dividends paid to company's shareholders		-	-68,310
Capital Increase, IPO		-	500,000
Transaction costs for equity issuance		-	-40,394
Acquisition of treasury shares		**-**	**-124**
Net cash inflow (outflow) from financing activities		**-4,624**	**387,721**
Net increase (decrease) in cash and cash equivalents		-7,011	11,547
Cash and cash equivalents at the beginning of the financial year		53,397	71,925
Exhange rate gain (loss) on cash and cash equivalents		**519**	**31**
Cash and cash equivalents at end of year		46,905	83,503

Consolidated Statements of Changes in Equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2023	**133**	**108,074**	**108,207**
Net profit/loss for the period	-	-18,139	-18,139
Other comprehensive income	-	-	-
Total comprehensive income	**-**	**-18,139**	**-18,139**
Transactions with owners:			
Capital conversion, from retained earnings	11,672	-11,672	-
Capital increase	4,545	495,455	500,000
Transaction costs for equity issuance	-	-40,394	-40,394
Dividends paid	-	-68,503	-68,503
Acquisition of treasury shares	-	-124	-124
Share-based payments	-	25,381	25,381
Equity at 30 June 2023	**16,350**	**490,078**	**506,428**
Equity at 1 January 2024	**16,350**	**463,309**	**479,659**
Other	-	215	215
Net profit/loss for the period	-	-20,142	-20,142
Total comprehensive income	**-**	**-19,927**	**-19,927**
Transactions with owners:			
Share-based payments	-	4,148	4,148
Equity at 30 June 2024	**16,350**	**447,530**	**463,880**

Notes summary

Note

Note 1 General accounting policies

The unaudited interim financial report for the half year 2024 comprises the financial statement of Gubra A/S and its subsidiaries (jointly, the "Group"). The interim financial report has been prepared in accordance with the International Financial Reporting Standards (IFRS), IAS 34 'Interim Financial Reporting' as adopted by the EU, and further requirements in the Danish Financial Statements Act (Årsregnskabsloven) for the presentation of interim reports by listed companies.

The interim financial report follows the accounting policies as set out in the Annual Report for 2023, and should as such be read in conjunction with the Annual Report. Accounting policies not previously relevant for the Group can be found below.

Implementation of new or changed accounting standards and interpretations
A number of new or amended standards became applicable for the current reporting period. The group was not required to change its accounting policies as a result of adopting these standards.

Business combinations
When accounting for acquisitions of business the acquisition method is applied. Acquired assets, liabilities and contingent liabilities are measured at fair value on initial recognition at the acquisition date. Identifiable intangible assets are recognized if they can be separated, and the fair value can be reliably measured. Deferred tax on revaluations is recognized.

Any positive differences between the consideration transferred and fair value of the assets, liabilities and contingent liabilities acquired are recognized as goodwill under "Intangible assets". Goodwill is subject to an annual impairment test, or whenever there is an indication of impairment. Negative balances (negative goodwill) are recognized in the income statement at the date of acquisition.

If the initial accounting for a business combination is incomplete by the end of the reporting period, in which the acquisition occurs, provisional amounts will be reported. Adjustments made to the provisional fair value of acquired assets, liabilities and contingent liabilities or cost of the acquisition within 12 months of the acquisition date are reflected in the initial goodwill. The adjustment is calculated as if it had been recognized at the acquisition date, and comparative figures are restated.

Changes in estimates of the cost of the acquisition that are contingent on future events are recognized in the income statement. Cost related to the acquisition are expensed as incurred and presented as special items.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company.

Other financial assets (Financial instruments)
Initial recognition and measurement financial assets and financial liabilities are recognized when the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Transaction costs off a financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Classification and subsequent measurement
The Group classifies its financial instruments in the following categories assets valued at fair value either via the income statement or other comprehensive income or financial assets valued at the amortized cost. The classification of investments in debt instruments depends on the Group's business model for handling financial assets and the contractual terms for the cash flow of the assets.

Note 1, cont.

Amortized cost
Assets that are held for the purposes of collecting contractual cash flows, and where the cash flows only constitute capital amounts and interest are valued at the amortized cost. They are included under current assets, with the exception of items maturing more than 12 months after the balance sheet date, which are classified as non-current assets.

Interest income from these financial assets is recognized using the effective interest method and included in financial income. The Group's financial assets that are valued at the amortized cost are made up of the items other receivables, and cash and cash equivalents.

Fair value through profit or loss
Assets that do not meet the criteria for amortized cost are measured at fair value through profit and loss. A gain or loss on a financial debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the financial net in the period in which it arises. Interest income from these financial assets is included in the financial net using the effective interest rate method. The fixed income fund has been valued and classified according to fair value via the Income Statement with level 1 in the valuation hierarchy based on listed prices on a traded market.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Derecognition
Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control of the asset.

Impairment of financial assets
Upon every reporting occasion, the Group examines whether there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence consists of observable conditions that have occurred and have a negative impact on the possibility to recover the acquisition value.

Critical estimates and judgements
The preparation of the interim financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

All significant accounting estimates and judgements are consistent with those described in the Annual Report for 2023.

Note 2 Segment information

DKK'000	CRO	D&P	Gubra Green	Total
H1 2024				
Revenue (external)	107,493	13,134	-	120,627
Total segment revenue	**107,493**	**13,134**	**-**	**120,627**
Depreciation and amortisation	-3,113	-3,113	-25	-6,251
EBIT excl. Gubra Green and special items	**34,539**	**-54,824**	**-**	**-20,285**
EBIT margin excl. Gubra Green and special items	**32%**	**-417%**		**-17%**
Gubra Green and special items	-3,081	-2,757	62	-5,776
EBIT incl. Gubra Green and special items	**31,458**	**-57,581**	**62**	**-26,061**

DKK'000	CRO	D&P	Gubra Green	Total
H1 2023				
Revenue (external)	80,059	21,759	-	101,817
Total segment revenue	**80,059**	**21,759**	**-**	**101,817**
Depreciation and amortisation	-2,269	-2,269	-24	-4,562
EBIT excl. Gubra Green and special items	**21,228**	**-30,444**	**-**	**-9,216**
EBIT margin excl. Gubra Green and special items	**27%**	**-140%**	**-**	**-9%**
Gubra Green and special items	-7,823	-6,210	439	-13,594
EBIT incl. Gubra Green and special items	**13,405**	**-36,654**	**439**	**-22,810**

Note 3 Leasing

Amounts recognised in the balance sheet
The Group leases laboratory equipment and premises. The balance sheet shows the following amounts relating to leases:

DKK'000	30 June 2024	31 December 2023
Right-of-use assets	63,878	43,374
Lease liabilities – Equipment		
Current	5,685	4,853
Non-current	20,410	10,239
Total	**26,094**	**15,092**
Lease liabilities – Premises		
Current	7,730	5,897
Non-current	57,636	50,445
Total	**65,366**	**56,342**

DKK'000	30 June 2024	31 December 2023
Additions to the right-of-use assets during the year	8,280	4,264
Additions to the right-of-use assets during the year, from business combinations	-	8,971
Disposals to the right-of-use assets during the year	-345	-2,900

The income statement shows the following recognised amounts relating to leases:

DKK'000	30 June 2024	31 December 2023
Depreciation charge of right-of-use assets	3,045	5,104
Interest expense on lease liabilities	2,601	4,890
Expense relating to short-term leases	284	657
Expense relating to leases of low-value assets	-	816
Cash outflow for leases	7,260	9,945

Note 4 Financial assets and financial liabilities

The Group holds the following financial instruments:

DKK'000	30 June 2024	31 December 2023
Financial assets at amortised cost:		
Trade receivables	31,181	53,027
Cash and cash equivalents	46,905	53,397
Total financial assets at amortised cost	**78,086**	**106,424**
Financial assets at fair value through profit and loss		
Other financial assets	399,989	403,989
Total Financial assets at fair value through profit and loss	**399,989**	**403,989**
Financial liabilities at amortised cost:		
Trade payables	14,813	11,405
Lease liabilities	91,460	71,434
Other liabilities	39,713	73,338
Total Financial liabilities at amortised cost	**145,986**	**156,177**
Financial liabilities at fair value through profit and loss		
Contingent consideration included in Other payables	848	848
Total Financial liabilities at fair value through profit and loss	**848**	**848**

Other financial assets measured at fair value through profit and loss end of H1 2024 consist of acquired highly liquid AAA-rated Danish mortgage bonds (Fair value hiearchy level 1). The bonds mature in Q4 2024.

The fair value of other contingent consideration is based on the expected value of earnout from acquisition (refer to note 6), the calculation is based on non-observable data and thus categorized as level 3 in the fair value hierarchy.

Note 5 Share capital

	30 June 2024		31 December 2023	
No./DKK	**Number of shares**	**Nominal value**	**Number of shares**	**Nominal value**
The share capital comprise:				
Ordinary shares (fully paid)	16,349,703	16,349,703	16,349,703	16,349,703

	30 June 2024	**31 December 2023**
Number of treasury shares	41,544	59,271
Proportion of share capital	0.25%	0.36%

Dividends per share

DKK per share	**30 June 2024**	**31 December 2023**
Total dividend paid out for the year	-	516

During H1 2024, 17,727 treasury shares were delivered to participants in a Restricted Stock Unit program related to Gubra's IPO.

Note 6 Other information

Share based remuneration programs to employees

Gubra has implemented long-term incentive programs for employees (LTIP 2023 and LTIP 2024). One program type being a Restricted Stock Unit (RSU) program and the other type being warrant program. At full utilisation of the warrants programs, it corresponds to maximum dilution of the share capital of 1%.

Restricted Stock Unit ("RSU") programs
The RSU programs are directed to employees that have been employed in Gubra for a certain period of time. The RSUs are granted free of charge.

The RSUs will vest over two years (1/24 allocation per month) and be exchangeable into ordinary shares (one RSU to one ordinary share). Grant, vesting and/or exchange of the RSUs is not subject to achievement of performance targets, but conditional on continued employment during the vesting period.

Warrant programs
The warrant program is directed to employees holding a Director, VP or Management position and are granted free of charge.

The warrants will vest over three years (1/36 allocation per month) and be exercisable for a two year period following full vesting. Each vested warrant entitles a right to acquire one new ordinary share at the exercise price. Grant, vesting and/or exercise of the warrants is not subject to achievement of performance targets, but conditional on continued employment during the vesting period.

Estimating fair value
RSU
Since there is no exercise price for the RSUs, the value of each RSU equals the share price at the grant date.

Warrants
The warrants have been valued based on the Black-Scholes option pricing model, which is a commonly used model for warrant pricing. The Black-Scholes option pricing model takes into consideration the exercise price, the term of the options, share price on the allotment date and expected volatility in the share price, and risk-free interest for the term of the options.

More details on parameters in Black-Scholes option pricing can be found in the Annual Report 2023.

Type program	Grant date	No. of instruments	Vesting period	Value at grant
RSU 2023	1 June 2023	41,544	2 years	DKK 98/RSU
Warrants 2023	1 June 2023	98,793	3 years	DKK 37/warrant
RSU 2024	1 June 2024	5,227	2 years	DKK 328/RSU
Warrants 2024	1 June 2024	54,915	3 years	DKK 108/warrant

Note 7 Significant events after the reporting period

On 1 July 2024, Boehringer Ingelheim and Gubra announced the launch of the Phase 1 study (NCT06352437) of BI 3034701, a long-acting triple agonist peptide with a potential to become a next-generation and first-in-class obesity treatment.

Statement of the Board of Directors and the Executive Management

The Board of Directors and Executive Management have today considered and approved the interim financial report of Gubra A/S for the period 1 January – 30 June 2024.

The interim financial report, which has not been audited or reviewed by the company's independent auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements for listed companies in the Danish Financial Statements Act. The accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the Annual Report for 2023

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities, and financial position at 30 June 2024 and of the results of the Group's operations and cash flows for the period 1 January - 30 June 2024.

Furthermore, in our opinion, Management's Review gives a fair presentation of the development in the Group's operations and financial circumstances, of the results for the period, and of the overall financial position of the Group as well as a description of the most significant risks and uncertainties facing the Group.

Over and above the disclosures in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the Annual Report for 2023.

Hørsholm, 22 August 2024
Gubra A/S

Board of Directors

Jacob Jelsing
Chair and co-founder

Alexander Thomas Martensen-Larsen
Deputy Chair

Arndt Schottelius
Board Member

Henriette Dræbye Rosenquist
Board Member

Astrid Haug
Board Member

Monika Lessl
Board Member

Executive Management

Henrik Blou
CEO

Kristian Borbos
CFO

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