SCIENCE OF CERTAINTY

Interim Financial Report

First half-year 2023

H1-2023

21%

CRO organic revenue growth y/y

H1-2023

27%

CRO adjusted EBIT margin

Gubra ApS
CVR-nr 30514041
Hørsholm Kongevej 11B
2970 Hørsholm
Denmark

gubra

Earnings call info

The H1-2023 report will be presented to investors and analysts on 25 August 2023 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 3274 0710
UK: +44 20 3481 4247
When dialling-in, please state the name of the call "Gubra H1-2023 earnings release" or the conference ID: 9436921.

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

Table of content

MANAGEMENT REVIEW

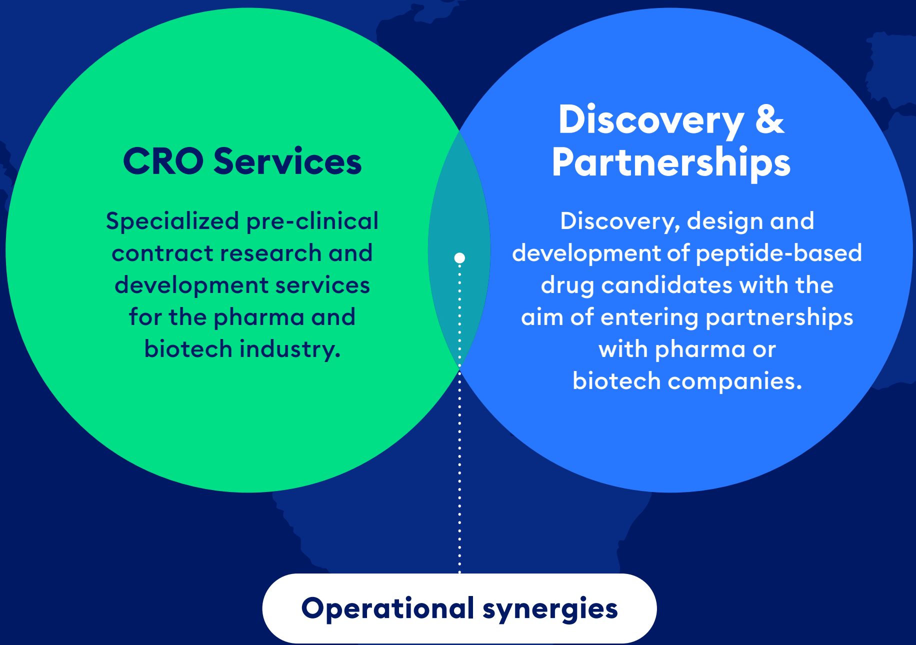
FINACIAL STATEMENTS

About Gubra

Gubra, founded in 2008 in Denmark, is specialized in high-end pre-clinical contract research (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 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's shares are since 2023 listed on NASDAQ Copenhagen with ticker code GUBRA.



201
Employees
30 June 2023

33%
Yearly revenue growth (CAGR)
Since inception 2009 to 2022

51%
Revenue from the US
H1 -2023

Gubra has served
15 out of top 20
largest pharma companies

CEO statement

The first half of 2023 has been an exciting and productive period for Gubra with strong growth – both in terms of capabilities and revenue. We welcomed quite a few new colleagues in this first half of the year within a range of disciplines and we are now more than 200 colleagues working diligently every day on delivering on our promises. I'm very pleased to see that the expansion is recognized by our customers. In the first half of 2023, we grew the revenue from our CRO business organically by 21% compared to same period last year. We also recently upgraded our revenue expectations for the full year 2023 to an organic growth of 16-21% compared to 2022 (previous expectation was 10% growth). All in all, a very satisfactory performance from our growing CRO business.

Another growth element is acquisitions. Just before H1 came to an end we made our first acquisition – the minipig CRO MiniGut which specializes in pre-clinical minipig studies. Minipigs holds significant potential as a non-rodent test species for innovative new medications targeting a number of important disease categories. Once fully enrolled on our digital platforms we expect minipig studies to be a strong addition to our CRO model catalogue as well as an opportunity to accelerate our internal pipeline programs in the Discovery & Partnerships (D&P) business.

And speaking of Gubra D&P, in H1 we announced the addition of an orexin narcolepsy project to our R&D pipeline. Still early days for that program, but it looks promising and forms an important piece for the promise delivering 1-2 new partnerships per year going forward.

> A highly satisfactory H1 2023 with our CRO business delivering ahead of expectations

The global obesity market keeps growing and so does the interest in obesity development projects as more industry players want to deliver better solutions to the patients. It was therefore great news for us when our partner Boehringer Ingelheim in May released encouraging data from a phase 1 trial with the novel long acting Y2 receptor agonist for treatment of obesity that has been developed in collaboration with Gubra. It will be exciting to follow this program in the years to come.

Revenue from the D&P business is by nature volatile – in contrast to the more stable CRO service business. In certain development periods a number of milestones are triggered and the D&P revenue increases dramatically, and in other periods less milestones are triggered resulting in lower D&P revenue. In H1-2023, revenue of DKK 22 million was recognized compared to DKK 32 million for the same period last year. Most importantly for the D&P business is that we advance our projects in the R&D pipeline, both internally and together with partners and we are on track on delivering on promises for this business segment as well.

– **Henrik Blou**, CEO

We now look forward continuing Gubra's growth journey and delivering on our promises, all of them. Including the establishment of our US office, which is expected to open later this year. All in all, we are satisfied with a very strong performance in the first half of 2023 that shows the strength of our hybrid business model with many synergies between the two business segments that are complementing each other nicely.

Strategic priorities and aspirations

CRO
DRIVE TOPLINE ORGANIC GROWTH AND PROFITABILITY

+ Develop and innovate our vast catalogue of specialty models and tech services
+ Build US presence and grow key markets
+ Keep optimizing automation and digitalization at all levels of the business

Mid-term targets
+ Yearly organic revenue growth of approx. 10%
+ EBIT-margin of 35-40%

Discovery & Partnerships
LEVERAGE STREAMLINE PLATFORM

+ Develop streaMLine platform and be a preferred partner in target and hit identification
+ Progress Amylin obesity asset into clinical development
+ Continue early partnering approach and progress new partnerships

Mid-term targets
+ 1-2 new partnerships per year

M&A
ACCELERATE GROWTH

+ Expand CRO offerings and geographic footprint
+ Optimize and complement capabilities and platforms related to internal pipeline
+ Leverage Gubra's digitalized and automated platform to integrate acquisitions

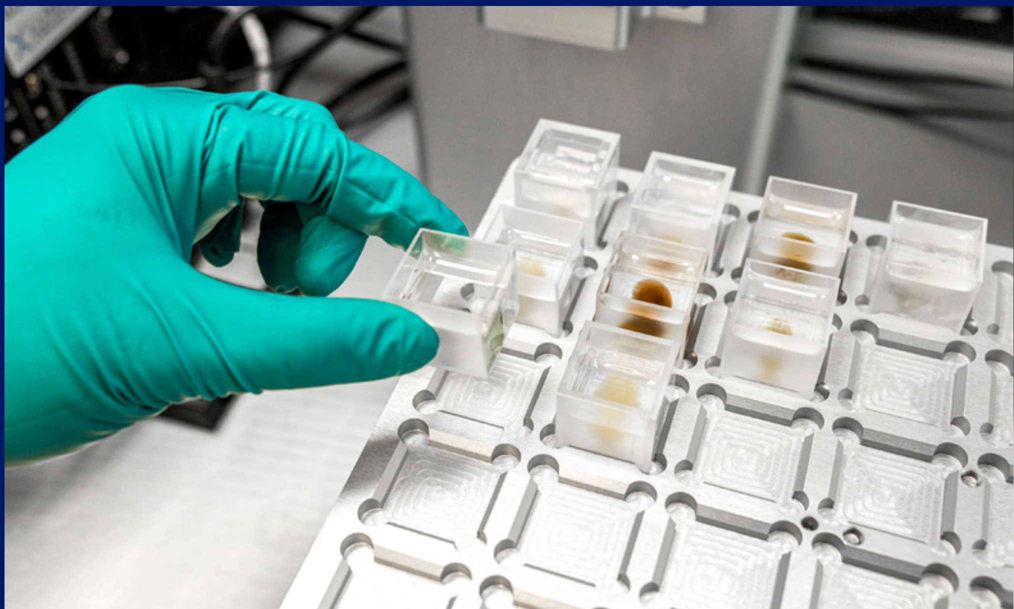
Gubra Green (Sustainability)
NATURE POSITIVE - CARBON NEGATIVE

+ Drive green transition
+ 10% of annual pre-tax profit invested in projects to reduce carbon emission and improve biodiversity
+ 90% of returns from Gubra Green projects channeled back to Gubra A/S

Financial outlook and guidance

Key guidance items	New FY-2023 outlook (announced 15 Aug 2023)	Previous FY-2023 outlook	Mid-term guidance	Results H1-2023
CRO Segment				
Organic revenue growth	16-21%	around 10%	10% annually	21%
EBIT-margin excl. special items	around 25%	around 25%	35-40%	27%
Discovery & Partnerships Segment				
Number of new partnerships per year	1-2	1-2	1-2	–
Total costs (adjusted)*	DKK 105-110 million	DKK 105-110 million	n/a	DKK 52 million
Total costs* excl. Amylin asset (adjusted)*	DKK 85-95 million	DKK 85-95 million	n/a	DKK 42 million

* Total costs are cost of sales and operating costs



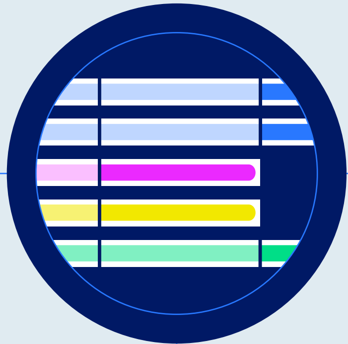
Key events in H1-2023

IPO
Gubra listed on NASDAQ Copenhagen (main market)
MARCH 2023

Life science leader of the year
Henrik Blou, CEO of Gubra, named life science leader of 2023 in Denmark
MAY 2023

MiniGut acquisition
Acquisition of the Danish minipig service provider company MiniGut
JUNE 2023

ECO 2023
17-20 May, 2023
Dublin, Ireland



MiniGut

Satisfactory Phase 1 results
Encouraging data from a phase 1 trial with the novel long acting Y2 receptor agonist for treatment of obesity (partnership with Boehringer Ingelheim)
MAY 2023

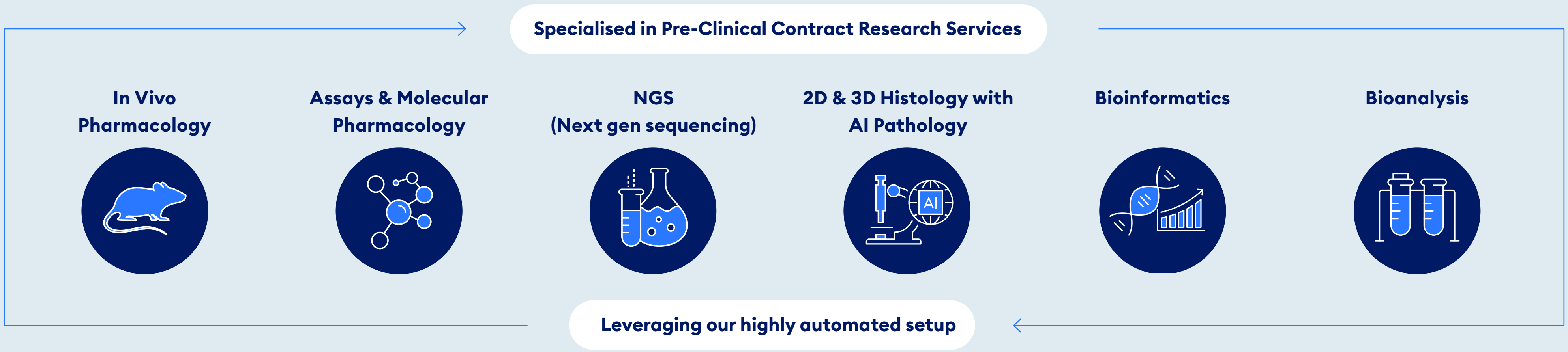
Pipeline updates
Internally developed brain-accessible orexin peptides for the treatment of narcolepsy, now ready for partnering
JUNE 2023

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.

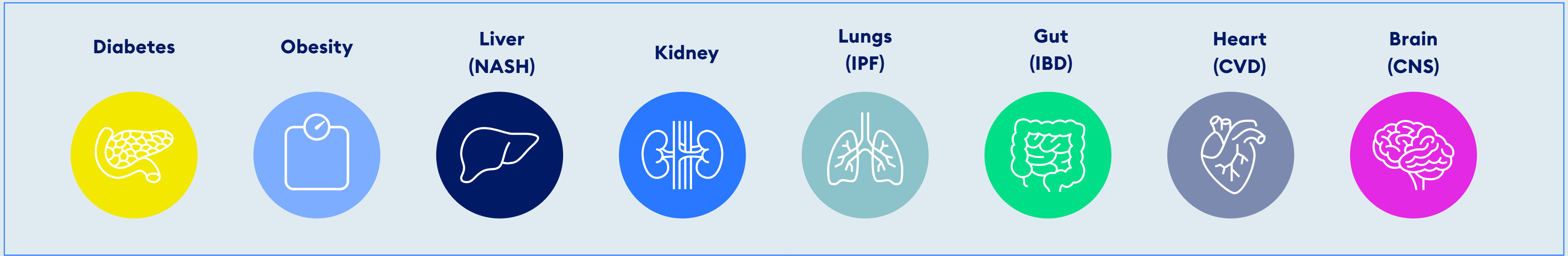
Scan the code to know more about our CRO business

We have increased the number of clients substantially

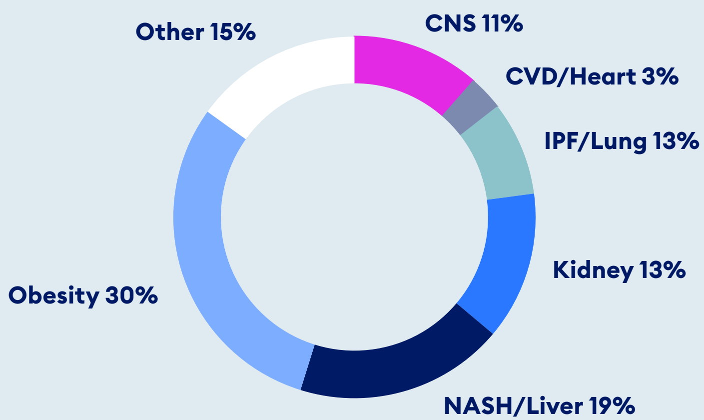


Disease areas

Our CRO services cover a wide variety of disease areas



Number of studies sold per disease areas in H1 2023



DEEP DIVE

Acquisition of MiniGut

In June 2023, we acquired the Danish company MiniGut ApS. MiniGut is a fully equipped minipig contract research organization (CRO) located at DTU Science Park in Hørsholm, Denmark, next to the headquarters of Gubra. The facility at MiniGut is very well suited for conducting a variety of advanced and well controlled studies in high-containment, individually ventilated holding rooms.

The acquisition enables Gubra to perform minipig studies and adds a large animal model to Gubra's CRO services. This includes both pharmacokinetic studies and microbiome studies, and over time additional minipig research models covering the disease areas within which Gubra operates.

Adding minipigs and a large animal model to Gubra's model catalogue is important and enables us to better bridge from rodent to human pharma-cokinetics and efficacy.

Discovery & Partnerships

Discovery & Partnerships serves as our drug discovery engine for identification of novel peptide-based candidates within metabolic and fibrotic diseases.

For drug discovery, Gubra has developed a unique method using machine learning (ML) and artificial intelligence (AI), which accelerates the process from target identification to drug candidates. We call it the streaMLine platform.

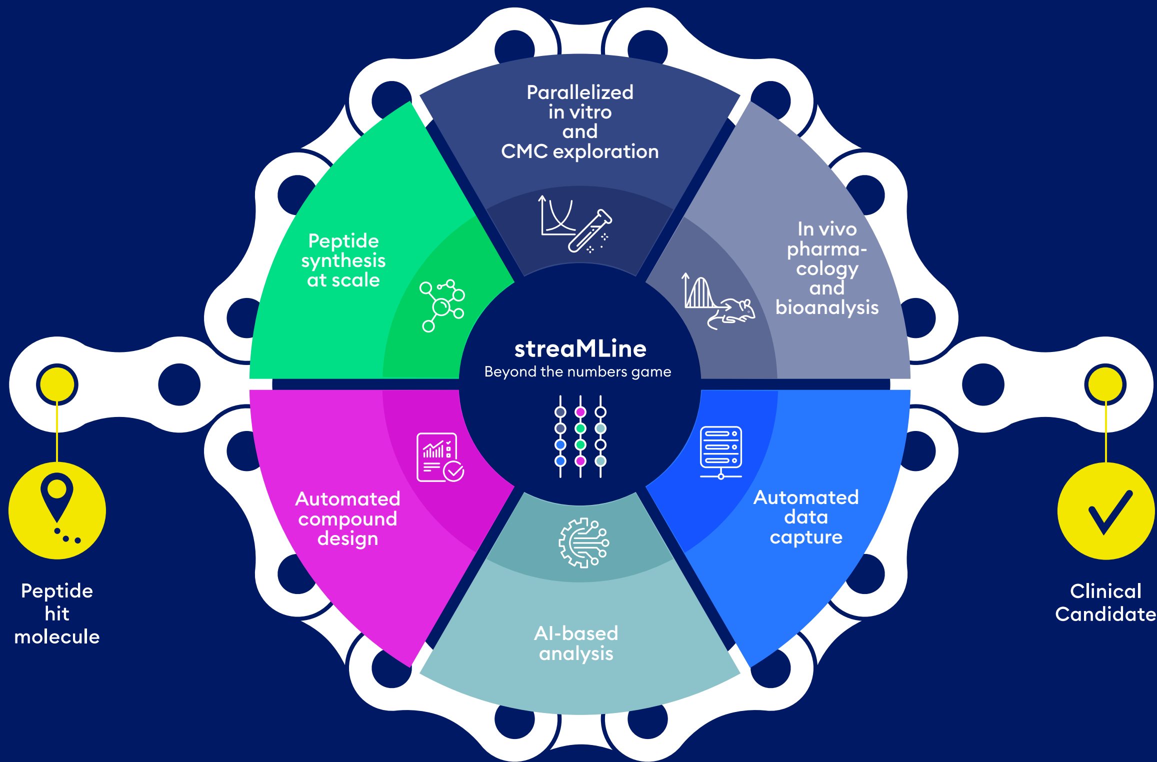
The streaMLine process is a circular process that can evaluate several aspects of the molecule simultaneously, resulting in the ability to rapidly modify molecule designs and thus optimizing the hit molecule before testing it in vivo in our readily available and translatable models. The streaMLine platform enables us to run multiple projects in parallel with fewer resources, and thus lowering pre-clinical development costs per project.

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

streaMLine advantages

- Design of more than 4,000 peptides per month vs a few hundred before use of streaMLine
- Focus on 4-6 projects simultaneously instead of 2-3 using fewer researchers = time efficiency and lower costs
- Improved patent potential

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



Balanced mix of internal & partnered programs

Our Discovery & Partnerships business is built on a portfolio strategy with an aim to generate revenue through early partnering of our drug candidates. With this approach we reduce development costs in the clinical development phases while maintaining a potential upside in the form of upfront payments, research payments, milestone payments and royalties.

We currently have an R&D portfolio of 14 novel peptide-based candidates within metabolic and fibrotic diseases of which 5 have been partnered. Our ambition is to enter into 1-2 new partnerships per year.

Our most mature internal project is the Amylin asset for the treatment of obesity, which we are preparing for clinical Phase 1 (see further on next page). Apart from the Amylin asset, we also made significant progress in the other assets in our portfolio during H1-2023 and in particular:

+ Orexin was added to the R&D portfolio. Orexin is an internally developed brain-accessible orexin peptide for the treatment of narcolepsy. The results so far shows the peptide can cross the blood-brain-barrier and induce a positive effect in in a mouse narcolepsy disease model. These results also suggest that we can use streaMLine to develop blood-brain-barrier penetrating peptides which have tremendous potential in multiple CNS-related disorders.
+ Results from the Phase 1 study for the partnership obesity project with Boehringer-Ingelheim was presented at the European Congress on Obesity, ECO 2023. The results showed positive effects on energy intake and gastric emptying and no unexpected safety concerns.

DKK around 450 mill.

total partnerships payments since 2013 to date

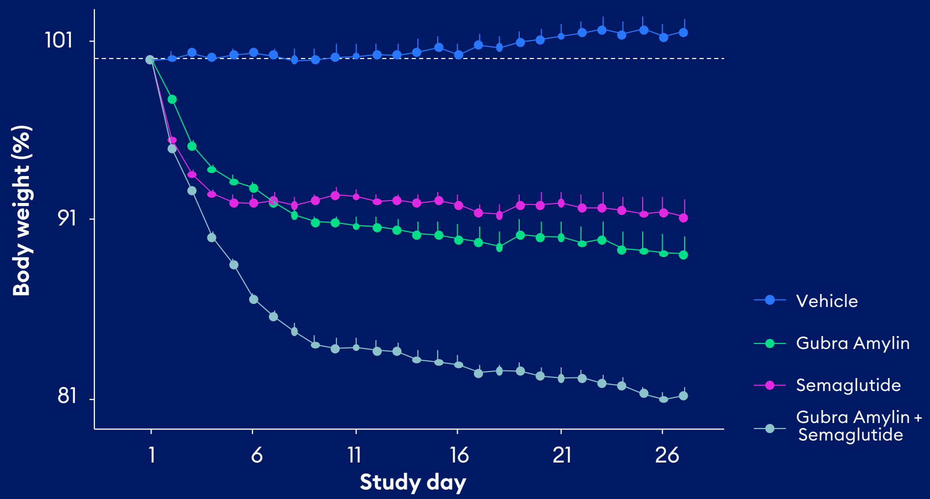
R&D pipeline

Scan the code to know more about our expanding pipeline

DEEP DIVE

Promising own Amylin project for obesity

Relative body weight



One of our own most promising assets in the pipeline is the Amylin project for the treatment of obesity. The project is expected to progress it into early clinical development, with a first in-human trial planned to start at the end of 2023.

The study drug which will be tested in the clinical trial has been manufactured and ongoing studies will investigate the stability of the study drug. Before testing in a human study, several non-clinical toxicology studies must be completed to confirm safety. These studies are almost completed, and results look promising for further development.

Our Amylin asset has proven very successful in reducing body weight in an animal disease model. Administered as monotherapy, 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.

The Amylin asset is patent protected beyond 2040 based on data derived from our streaMLine platform.

Financial results H1-2023

Revenue

In H1 2023, Gubra recorded total revenue of DKK 101.8 million compared to DKK 97.7 million in H1 2022. The revenue increase was driven by the CRO segment with growth across disease categories and most notably within Liver and Kidney studies. This resulted in a 21% revenue increase for the CRO business year-over-year, landing the revenue from the CRO business at DKK 80.1 million (H1 2022: DKK 66.2 million).

The growth within Liver followed the positive trend seen since Q4-2022 where positive late-stage clinical data rejuvenated the interest in this field. This has translated into increased demand for Gubra's pre-clinical liver models. The kidney disease category also experienced substantial growth in H1 2023 compared to H1 2022. During the past years, Gubra has developed a large and mature kidney model catalogue, and now we are experiencing traction from both big pharma and small biotech. Finally, the increased focus in the pharmaceutical industry on obesity has led to high activity in this branch of the Gubra model-portfolio.

In H1 2023, revenue from Discovery & Partnerships (D&P) segment amounted to DKK 21.8 million (H1 2022: DKK 31.5 million). It is important to understand that revenue from the D&P segment is volatile by nature – in contrast to the more stable CRO service business. In certain periods a number of milestones are triggered and the D&P revenue increases significantly, and in periods less milestones are triggered resulting in lower D&P revenue.

DKK million	H1 2023	H1 2022
Income statement		
Revenue	101.8	97.7
CRO revenue	80.1	66.2
D&P revenue	21.8	31.5
Gross profit	55.1	44.1
EBIT	-22.8	-9.0
Special Items and Gubra Green*	13.6	22.8
Adjusted EBIT*	-9.2	13.8
Profit/loss for the period	-18.1	-6.9
Balance sheet and cash flow		
Equity	506.4	86.5
Cash flows from operating activities	-13.6	55.5
Cash flows from investing activities	-362.5	-7.4
Cash flows from financing activities	387.7	-73.4
Key figures and ratios		
EBIT margin	-22%	-7%
Adjusted EBIT margin*	-9%	14%
CRO EBIT	13.4	7.4
CRO special items	7.8	11.6
CRO adjusted EBIT*	21.2	18.9
CRO adjusted EBIT margin*	27%	29%
D&P total costs (adjusted)*	-52.3	-36.6
D&P total costs excl. Amylin asset (adjusted)*	-42.2	-35.3
* Adjustment for special items and Gubra Green cost:	13.6	22.8
IPO costs	8.3	1.4
Cost recognition of incentive programs from 2022 and earlier (non-cash effect)	5.1	19.2
Costs related to sale of headquarter	0.6	-
Cost of Gubra Green	-0.4	2.2

Adjusted EBIT

Group adjusted EBIT for H1 2023 was, as expected, negative and amounted to DKK -9.2 million (H1 2022: DKK 13.8 million). This decline in earnings was driven by growth in personnel and increased costs related to the Amylin asset. Gubra has grown its organisation to around 200 employees in H1 2023 compared to around 175 employees in H1 2022 (average for the period). Costs for developing the Amylin asset amounted to DKK 10 million in H1 2023, in accordance with expectations, compared to very limited Amylin costs in the same period last year.

For the CRO business, adjusted EBIT was up 11% y/y to DKK 21.1 million driven by the revenue increase. In terms of adjusted EBIT-margin, it stood at 27% compared to 29% in H1 2022. The margin decline is explained by the aforementioned growth in the personnel cost base as well as the launch of long-term incentive programs for employees where costs are recognized during the duration of the programs. The latter meant cost recognition of DKK 1.1 million in H1 2023. For the full-year 2023, around DKK 4.4 million is expected to be recognised as costs (the incentive programs were implemented in June 2023).

Reported EBIT totalled DKK -22.8 million in H1 2023. The difference vis-à-vis adjusted EBIT is primarily explained by adjustments for IPO related costs and costs recognition of employee incentive program that was implemented in the years prior to 2023 (no cash flow impact).

Net financial income and expenses

For H1 2023, net financials amounted to a cost of DKK 0.3 million (H1 2022 cost of DKK 0.9 million). The lower net financial cost was driven by interest income from short-term placement of IPO proceeds in Danish AAA-rated mortgage bonds.

Tax

For H1 2023, tax on result for the period amounted to a tax income of DKK 5 million (H1 2022 DKK 3.1 million)

Result for the period

Result for the period totalled DKK -18.1 million (H1 2022: DKK -6.9 million). The decline compared to H1 2022 was mainly due to lower EBIT, partly counterbalanced by higher net financial income.

Cash flow

Operating net cash outflow for H1 2023 amounted to DKK -13.6 million, against an inflow of DKK 55.5 million for the same period last year. The lover operating cash flow was driven significantly by partnership payments received H1 2022 and lower net profit loss for the period in H1 2022.

Cash flow from investing activities amounted an outflow of DKK -362.5 million (H1 2022: DKk -7.4 million), driven by short-term placement in mortgage bonds, in part offset by the proceeds from the sale of property end of 2022, amounting to DKK 65.7 million.

Cash flow from financing activities H1 2023 amounted to an inflow of DKK 387.7 million against an outflow for the same period last year amounting to DKK -73.4 million, the large increase in cash flow from financing activities was driven by the equity issuance of DKK 500 million.

Equity

Equity was DKK 506.4 million at the end of June 2023 against DKK 108.2 million at the end of 2022. The significant increase was due to the capital increase in connection with the IPO in March 2023 where gross proceeds of DKK 500 million were raised. This was partly offset by payment of dividend of DKK 68.5 million.

Financial results Q2-2023

Revenue

In Q2 2023, Gubra recorded total revenue of DKK 52.0 million compared to DKK 46.9 million in Q2 2022. Similar to the development in the first half of 2023, the revenue increase in Q2 2023 was driven by the CRO segment with growth across disease categories and most notably within Liver and Kidney studies. This resulted in a 23% revenue increase for the CRO business year-over-year, landing the revenue from the CRO Business at DKK 41.4 million (Q2 2022: DKK 33.7 million).

In Q2 2023, the revenue from Discovery & Partnerships (D&P) segment amounted to DKK 10.6 million (Q2 2022: DKK 13.3 million). It is important to understand that revenue from the D&P segment is lumpy by nature – in contrast to the more stable CRO service business. In certain periods a number of milestones are triggered and the D&P revenue increases significantly, and in periods less milestones are triggered resulting in lower D&P revenue.

Adjusted EBIT

Group adjusted EBIT for Q2 2023 was, as expected, negative and amounted to DKK -2.9 million (Q2 2022: DKK 2.2 million). The decline in earnings was as in H1 explained by the growth for cost in personnel and increased costs related to the Amylin asset, partly offset by increase in revenue. For the CRO business, adjusted EBIT was up 6% y/y to DKK 9.9 million driven by the revenue increase. In terms of adjusted EBIT-margin, it stood at 24% compared to 28% in Q2 2022. The margin decline is explained by the aforementioned growth in the personnel cost base as well as the launch of long-term incentive programs for employees where costs are recognized during the duration of the programs. The latter meant cost recognition of DKK 1.1 million in Q2 2023 (the incentive programs were implemented in June 2023).

The sequential decline from an adjusted EBIT-margin level of 29% in Q1 2023 to 24% in Q2 2023 is also explained by personnel growth and effects of the incentive programs, but also lower level of R&D capitalization (such as software, applications etc.) In Q2 2023, R&D capitalization amounted to DKK 0.8 million vis-à-vis DKK 1.8 million in Q1 2023.

DKK million	Q2 2023	Q2 2022
Income statement		
Revenue	52.0	46.9
CRO revenue	41.4	33.7
D&P revenue	10.6	13.3
EBIT	-3.6	-8.0
Special Items and Gubra Green*	0.7	10.2
Adjusted EBIT*	-2.9	2.2
Profit/loss for the period	-1.7	-5.3
Key figures and ratios		
EBIT margin	-8%	-15%
Adjusted EBIT margin*	-6%	6%
CRO EBIT	9.1	4.2
CRO special items	0.8	5.1
CRO adjusted EBIT	9.9	9.3
CRO adjusted EBIT margin*	24%	28%
* Adjustment for special items and Gubra Green cost:	0.7	10.2
IPO costs	1.3	0.2
Cost recognition of incentive programs from 2022 and earlier (non-cash effect)	-	9.1
Cost of Gubra Green	-0.6	0.9

Consolidated statements of income

DKK'000	Notes	H1 2023	H1 2022
Revenue	2	101,817	97,683
Cost of sales		-46,724	-53,608
Gross profit		**55,094**	**44,075**
Selling, general and administrative costs		-37,036	-32,433
Research and development costs		-41,954	-21,637
Other operating income		1,086	975
EBIT		**-22,810**	**-9,021**
Financial income		2,540	12
Financial expenses		-2,871	-938
Profit/Loss before tax		**-23,142**	**-9,946**
Tax		5,003	3,092
Net profit/loss for the period		-18,139	-6,854
Other comprehensive income		-	-
Total comprehensive income for the period		**-18,139**	**-6,854**
Basic and diluted earnings per share (DKK)		-1.29	-0.58

*Basic and diluted earnings per share for H1 2022 has been restrospectively restated due to issuance of bonus shares in Q1 2023.

Consolidated Balance Sheet

DKK'000	Notes	30 June 2023	31 December 2022
ASSETS			
Non-current assets			
Intangible assets		10,084	7,330
Land and buildings		9,176	12,635
Equipment		8,929	5,094
Right-of-use assets	3	44,362	38,007
Deferred tax assets		7,113	3,759
Deposits		4,089	4,063
Total non-current assets		**83,754**	**70,888**
Current assets			
Trade receivables	4	24,389	36,093
Contract work in progress		-	3,255
Prepayments		3,937	9,941
Other receivables		7,223	5,136
Other financial assets		420,611	65,664
Cash and cash equivalents		83,503	71,925
Total current assets		**539,663**	**192,014**
Total assets		**623,417**	**262,902**

Consolidated Balance Sheet

DKK'000	Notes	30 June 2023	31 December 2022
EQUITY			
Share capital	5	16,350	133
Retained earnings		490,078	108,074
Total equity		**506,428**	**108,207**
LIABILITIES			
Non-current liabilities			
Lease liabilities	3	66,564	60,962
Other liabilities, Long term		848	-
Total non-current liabilities		**67,412**	**60,962**
Current liabilities			
Lease liabilities	3	7,735	8,441
Share-based payments		-	19,043
Deferred income		3,444	3,171
Trade payables		6,768	10,592
Contract liability		17,926	31,851
Tax payables		2,216	4,437
Other liabilities	4	11,488	16,198
Total current liabilities		**49,576**	**93,733**
Total liabilities		**116,989**	**154,695**
Total equity and liabilities		**623,417**	**262,902**

Consolidated Cash Flow Statement

DKK'000	Notes	H1 2023	H1 2022
Cash flow from operating activities			
Net profit for the period		-18,139	-6,854
Adjustments for non-cash items		5,750	21,846
Changes in net working capital		125	42,388
Interest received		1,140	12
Interest paid		-299	-986
Income taxes paid/received		-2,221	-912
Net cash inflow (outflow) from operating activities		**-13,645**	**55,494**
Cash flow from investing activities			
Purchase of property, plant & equipment		-1,111	-5,504
Payments for development costs		-2,720	-1,659
Proceeds from sale of property related to sale and lease back transaction		65,664	-
Investment in businesss combinations net of cash	6	-5,000	-
Investments in bonds	4	-419,335	-
Deposits		-26	-246
Net cash inflow (outflow) from investing activities		**-362,528**	**-7,409**
Cash flow from financing activities			
Repayment of borrowings		-	-1.078
Principal elements of lease payments	3	-3,451	-1.761
Dividends paid to company's shareholders		-68,310	-66.013
Capital Increase, IPO		500,000	-
Transaction costs for equity issuance		-40,394	-
Acquisition of treasury shares		-124	-4,539
Net cash inflow (outflow) from financing activities		**387,721**	**-73,391**
Net increase (decrease) in cash and cash equivalents		**11,547**	**-25,306**
Cash and cash equivalents at the beginning of the period		71,925	115,785
Exchange rate gain (loss) on cash and cash equivalents		31	-
Cash and cash equivalents at end of period		**83,503**	**90,479**

Consolidated Statements of Changes in Equity

DKK'000	Notes	Share capital	Retained earnings	Total
Equity at 1 January 2022		**133**	**151,330**	**151,463**
Net profit/loss for the period		-	-6,854	-6,854
Other comprehensive income		-	-	-
Total comprehensive income		**0**	**-6,854**	**-6,854**
Transactions with owners:				
Dividends paid		-	-66,013	-66,013
Acquisition of treasury shares		-	-4,539	-4,539
Share-based payments		-	12,422	12,422
Equity at 30 June 2022		**133**	**86,346**	**86,479**
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**

Notes summary

Note

Note 1 General accounting policies

The unaudited interim financial report for the half year 2023 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 2022, 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 2022.

Note 2 Segment information

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**

DKK'000	CRO	D&P	Gubra Green	Total
H1-2022				
Revenue (external)	66,182	31,501	-	97,683
Total segment revenue	**66,182**	**31,501**	**-**	**97,683**
Depreciation and amortisation	-1,621	-1,621	-180	-3,423
EBIT excl. Gubra Green and special items	**18,945**	**-5,135**	**-**	**13,810**
EBIT margin excl. Gubra Green and special items	**29%**	**-16%**	**-**	**12%**
Gubra Green and special items	-11,560	-9,048	-2,222	-22,831
EBIT incl. Gubra Green and special items	**7,385**	**-14,183**	**-2,222**	**-9,021**

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 2023	31 December 2022
Right of use assets	44,362	38,007
Lease liabilities – Equipment		
Current	4,735	5,838
Non-current	11,807	9,650
Total	**16,542**	**15,488**
Lease liabilities – Premises		
Current	3,000	2,603
Non-current	54,757	51,312
Total	**57,757**	**53,915**

DKK'000	30 June 2023	31 December 2022
Additions to the right-of-use assets during the year	3,077	35,334
Additions to the right-of-use assets during the year, from business combinations	8,402	-
Disposals to the right-of-use assets during the year	-2,574	-

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

DKK'000	30 June 2023	31 December 2022
Depreciation charge of right-of-use assets	2,540	4,029
Interest expense on lease liabilities	2,667	280
Expense relating to short-term leases	354	647
Expense relating to leases of low-value assets	445	309
Cash outflow for leases	3,451	5,949

Note 4 Financial assets and financial liabilities

The Group holds the following financial instruments:

DKK'000	30 June 2023	31 December 2022
Financial assets at amortised cost:		
Trade receivables	24,389	36,093
Other financial assets	-	65,664
Cash and cash equivalents	83,503	71,925
Total financial assets at amortised cost	**107,892**	**173,682**
Financial assets at fair value through profit and loss		
Other financial assets	420,611	-
Total Financial assets at fair value through profit and loss	420,611	-
Financial liabilities at amortised cost:		
Trade payables	6,768	10,592
Lease liabilities	74,299	69,403
Other liabilities	35,074	74,700
Total Financial liabilities at amortised cost	**116,141**	**154,695**
Financial liabilities at fair value through profit and loss		
Contingent consideration included in Other liabilities	848	-
Total Financial liabilities at fair value through profit and loss	**848**	**-**

Other financial assets measured at fair value through profit and loss end of H1 2023 consists of acquired SDRO Bonds (Fair value hiearchy level 1), the bonds mature in Q4-2023.

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

No./DKK	30 June 2023 Number of shares	30 June 2023 Nominal value	31 December 2022 Number of shares	31 December 2022 Nominal value
The share capital comprise:				
Ordinary shares (fully paid)	16,349,703	16,349,703	132,632	132,632

	30 June 2023	31 December 2022
Number of treasury shares	32,540	318
Proportion of share capital	0.20%	0.24%

Dividends per share

DKK per share	30 June 2023	31 December 2022
Total dividend paid out for the year	516	500

In Q1 2023 a decision was made to convert the company to a public limited liability company (A/S). In connection with this, the share capital was increased from nominally 132,632 (as per year end 2022) to nominally 11,804,248 by issuance of 11,671,616 bonus shares, keeping the nominal value per share at DKK 1. The bonus shares were issued pro rata to existing shareholders, which increased the number of treasury share from 318 to 28,302.

At the end of Q1 2023 another capital increase was made in connection with the IPO, increasing the number of shares by 4,454,455 at nominal value per share DKK 1.

During H1 a total of 4,238 shares were acquired as treasury shares.

Dividend for the year was paid before capital increases.

Note 6 Business combinations

On 29 June 2023, Gubra A/S acquired MiniGut ApS. MiniGut ApS is a fully equipped minipig contract research organisation (CRO). The acquisition enables Gubra to perform minipig studies and adds a large animal model to Gubra's CRO service.

DKK'000	**Minigut**
Consideration	
Cash consideration	5,113
Contingent Consideration	848
Total	**5,961**
Recognised amounts of indentifiable assets acquired and liabilities assumed	
Other intangible assets*	858
PPE*	3,511
Right of use asset*	8,402
Financial liabilities*	-5,275
Deferred tax liabilities*	-1,649
Cash at bank	113
Net identifiable assets acquired	**5,961**

The contingent consideration arrangement has been calculated based on an expected earn out.

The acquisition has very limited activity in 2023, and has not had any impact on Group statements of income, which would also be the case for a full year pro forma basis.

*Amounts are provisional and pending final valuations.

Note 7 Other information

Share based remuneration programs to employees

In June 2023, Gubra implemented two long-term incentive programs for employees (LTIP 2023). One being a Restricted Stock Unit (RSU) program and the other being a warrants program.

Restricted Stock Unit ("RSU") program 2023
The RSU program is directed to employees that has been employed in Gubra for a certain period of time. The RSUs are granted free of charge to the employees.

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.

In total, 41,544 RSU was granted to employees in the LTIP 2023 program. This corresponds to 0.25% of the share capital in Gubra.

Since there is no exercise price for the RSUs, the value of each RSU equals the share price. At grant date on 1 June 2023, the value of each RSU was DKK 98 and the total value of the RSU program for 2023 amounted to DKK 4.1 million. In Q2 2023 (and H1 2023), costs of DKK 0.6 million was recognised. For full-year 2023, DKK 2.6 million is expected to recognized as costs.

Warrant program 2023
The warrant program is directed to Management members. The warrants are granted free of charge to the Management members.

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.

The exercise price constitutes the volume weighted average share price of the Gubra's shares for the five trading days prior to the date of grant, i.e. DKK 98.6. The warrants were granted on 1 June 2023.

In total, 98,793 warrants were granted to Management in the LTIP 2023 program. This corresponds to 0.6% of the total share capital on a fully diluted basis.
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. Judgement has been made to estimate the following parameters:

+ *Estimated time of exercise:* The warrants can be exercised between the end of the vesting period and the expiry of the warrants, which is five years after the grant date (two years after the last vesting date). This means that there does not exist a single fixed exercise date for the warrants. In line with common practise, it is assumed that the warrants are, on average, exercised halfway through the two years where the warrants can be exercised (i.e. one year after ended vesting, or four years after grant).

+ *Volatility:* As Gubra was listed in 2023 there is only short share price history. Volatility has therefore been estimated using a benchmark volatility based on 9 peers in the CRO industry. Using this, a volatility of 45% has been applied.

+ *The risk-free interest rate:* This is based on the yield curve for Danish government bonds as per the valuation date with a time to maturity that corresponds to the expected time to maturity of the warrants. Based hereon, a risk-free rate of 2.6% was applied.

At grant on 1 June 2023, the value of each warrant was DKK 37 and the total value of the warrant program for 2023 amounted to DKK 3.7 million. In Q2 2023 (and H1 2023), costs of DKK 0.4 million was recognised. For full-year 2023, DKK 1.8 million is expected to recognized as costs.

Note 8 Significant events after the reporting period

On 21 August 2023, Gubra announced the signing of an agreement with Hemab concerning a peptide collaboration for the treatment of certain bleeding disorders. Under the pre-collaboration agreement, Gubra will receive a single digit DKK million payment in Q3 2023. A full collaboration agreement is being finalised and will be signed at a later stage once final terms have been agreed to.

On 23 August 2023, Gubra announced the termination of its cardio-renal peptide programme collaboration with Bayer AG. Bayer will return the asset following a portfolio review. The peptide programme was licensed to Bayer in 2021 and Gubra was eligible to receive milestone payments and royalties on global sales which will no longer be the case as the programme is handed back.

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 2023.

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 2022

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 2023 and of the results of the Group's operations and cash flows for the period 1 January - 30 June 2023.

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 2022.

Hørsholm, 25 August 2023
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

EXECUTIVE MANAGEMENT

Henrik Blou
CEO

Kristian Borbos
CFO

Niels Vrang
CSO and co-founder

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