

GUBRA A/S

Remuneration report 2023

28 February 2024



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Introduction and performance in 2023



Introduction and Governance

Gubra A/S Remuneration Report for 2023 is prepared in accordance with section 139 (b) of the Danish Companies Act. The Remuneration Report is available on Gubra's website www.gubra.dk

In this Remuneration Report, we present the remuneration of the Board of Directors and Executive Management in 2023. This information is based on the Remuneration Policy, which is also available on our website.

The Remuneration Committee (RemCo) prepares recommendations to be considered by the Board of Directors in relation to the Remuneration Policy. The RemCo also evaluates the current remuneration and prepares the Remuneration Report, which is approved by the Board of Directors before it is submitted for advisory approval at the Annual General Meeting.

The RemCo ensures that the remuneration of the Board of Directors and the Executive Board is competitive and appropriate and in accordance with the Remuneration Policy. This includes an evaluation of the balance between the interests of Gubra's shareholders and the Executive Board's motivation to pursue the long-term strategic objectives of the Group.

To ensure transparency in the remuneration, the RemCo is committed to providing the information needed in order to explain how the remuneration is linked to Gubra's overall strategy. This information is provided annually in the Remuneration Report, which is presented to the shareholders at the Annual General Meeting.

Remuneration principles and policy

The Remuneration Policy for Board of Directors and Executive Management applying to remuneration was adopted at the extraordinary general meeting on 16 March 2023.

The overall purpose of Remuneration Policy is to (i) attract, motivate and retain qualified members of the Board of Directors and the Executive Management, (ii) ensure the convergence between the interests of the Board of Directors and Executive Management and the interests of the company and the shareholders, and (iii) contribute to the promotion of long-term value creation in Gubra and thus support Gubra's business strategy and sustainability.

Group performance in 2023

Gubra was listed on NASDAQ Copenhagen on 30 March 2023. As part of the listing and IPO prospectus, a number of business goals (KPIs) for 2023 were communicated.

Gubra's performance in 2023 has been highly satisfactory. We have exceeded many of the business goals that were communicated as part of the listing (see details in the table below). On the back of the strong performance, financial expectations have been revised upwards twice during the year driven by the high activity and revenue growth in Gubra's CRO business segment.

Following the strong performance in 2023, the KPIs in Gubra short-term incentive programme (cash bonus) were all fulfilled at the high end of the ranges for each KPI.

The remuneration of the Board of Directors and Executive Board is in accordance with the Remuneration Policy, and when taking the performance in 2023 into account, the Board of Directors considers the remuneration to be fair.

Table 1: Performance in 2023 on key indicators

| Key performance indicators in 2023 | Original outlook 2023 | Results 2023 |
|---|-----------------------|--------------|
| CRO segment | | |
| Organic yearly revenue growth | Around 10% | 29% |
| EBIT-margin excl. special items | Around 25% | 27% |
| Discovery & Partnership segment | | |
| Number of new partnerships per year | 1-2 | 2 |
| First patient dosed in Amylin Phase 1 study | Planned | Completed |

Remuneration of the Board of Directors



At the annual general meeting on 27 February 2023, the four board members that were elected in 2022 were re-elected. On 1 November 2023, an extraordinary general meeting was held that elected an additional two board members. Thus, per 31 December 2023, the Board consists of:

- Jacob Jelsing, Chair (elected at AGM)
- Alexander Martensen-Larsen, Vice Chair (elected at AGM)
- Arndt Schottelius (elected at AGM)
- Henriette Rosenquist (elected at AGM)
- Astrid Haug (elected at EGM)
- Monika Lessl (elected at EGM)

The members of the board receive a fixed base fee. Supplementary fees are provided to the Chair and Vice Chair and to members of the board committees. Board members' travel expenses are covered by Gubra.

Board members do not receive other types of remuneration and they are not entitled to severance pay.

Comparison to 2022

The remuneration to the board and the board committees was increased in 2023 compared to 2022 as consequence of Gubra's listing on NASDAQ Copenhagen in 2023. The board was also extended in 2023 with additional two members and board remuneration in 2022 was not for a full year. In 2023, total board remuneration amounted to DKK 2,158 thousand compared to DKK 492 thousand in 2022.

Table 2: Annual fees in 2023 to the Board of Directors

| Annual base fee (DKK 000') | Board | Audit Committee | Remuneration & Nomination Committee | Science Committee |
|----------------------------|-------|-----------------|-------------------------------------|-------------------|
| Member (base fee) | 250 | 75 | 50 | 50 |
| Chair | 600 | 150 | 100 | 100 |
| Vice Chair | 400 | n/a | n/a | n/a |

Table 3: Remuneration to the Board of Directors in 2023

| Board remuneration 2023 (DKK 000') | Months in board | Board | | | Audit Committee | | Rem & NomCo | | Science Committee | | Total 2023 |
|------------------------------------|-----------------|--------|---------------------|------------|-----------------|-------|-----------------------------|-------|-------------------|-------|--------------|
| | | Member | Chair | Vice Chair | Member | Chair | Member | Chair | Member | Chair | |
| Jacob Jelsing | 12 | | 600 | | | | 100 | 50 | | | 750 |
| Alexander Martensen Larsen | 12 | | | 400 | | 150 | 50 | | | | 600 |
| Henriette Dræbye Rosenquist | 12 | 250 | | | 75 | | 50 | | | | 375 |
| Arndt Schottelius | 12 | 250 | | | | | | | 100 | | 350 |
| Astrid Haug* | 2 | 42 | | | | | | | | | 42 |
| Monika Lessl* | 2 | 42 | | | | | | | | | 42 |
| Total | | | Board: 1,583 | | AC: 225 | | Rem & NomCo: 200 | | SciCo: 150 | | 2,158 |

Remuneration of the Executive Management

Remuneration policy

Executive Management

The Executive Management has been unchanged in 2023 and per 31 December 2023 consists of:

- Henrik Blou, CEO
- Niels Vrang, CSO
- Kristian Borbos, CFO

Remuneration policy and structure

As part of the preparation of the IPO of Gubra, a new remuneration policy was adopted on 16 March 2023 at an extraordinary general meeting. As also described on page 3 in this remuneration report, the overall purpose of the Remuneration Policy is to (i) attract, motivate and retain qualified members of the Board of Directors and the Executive Management, (ii) ensure the convergence between the interests of the Board of Directors and Executive Management and the interests of the company and the shareholders, and (iii) contribute to the promotion of long-term value creation in Gubra and thus support Gubra's business strategy and sustainability.

In accordance with the Remuneration Policy, the remuneration to Executive Management consists of:

- Fixed annual salary
- Pension contribution
- Usual fringe benefits
- Variable short-term cash-based incentive
- Long-term cash-based incentive

The variable remuneration, short- and long-term, shall reflect the short and long-term performance of Gubra, support the company's business strategy, and promote the long-term value creation and sustainability in Gubra.

In 2023, a special IPO bonus was paid to key employees including members of the Executive Management.

The Remuneration policy in Gubra contains the option to reduce, defer or reclaim any variable remuneration if a payment is based on misstated results, an error of calculation or in case of wilful misconduct by the executive. In 2023, no variable remuneration was reduced, deferred or reclaimed.

Table 4: Remuneration components

| Remuneration type | Description and caps | Link to performance |
|-----------------------------------|--|--|
| Fixed annual salary | The purpose of the fixed annual salary is to give the individual member of the Executive Management a predictable minimum wage and thus be able to attract and retain members of the Executive Management with the requested competencies. The fixed annual salary is subject to an annual reassessment. | An individual base salary is paid to attract and retain high-quality and experienced executives and to provide appropriate remuneration for the important roles they play. |
| Pension contribution | Members of the Executive Management shall receive an employer pension contribution of up to 10% of the fixed annual salary. | Market standard to provide pension contribution. |
| Usual Fringe Benefits | Members of the Executive Management may receive the right to benefits such as mobile phone, internet access, and health insurance. | Limited level of usual fringe benefits in Gubra |
| Short-term incentive | The short-term incentive program consists of a cash-based performance bonus and may not exceed a value equal to six times the monthly base salary in a given year. The short-term incentive program shall be linked to the achievement of a number of predefined performance criteria (KPIs), which may comprise both financial and non-financial targets and may include both individual targets and corporate targets. | Align pay with performance by incentivizing yearly achievements on strategic, operational and financial key performance indicators that support Gubra's business strategy and shareholder value. |
| Long-term incentive (LTIP) | The LTIP is currently structured as a warrant program with a vesting period of three years. The LTIP may not exceed a value at grant equal to six times the monthly base salary in any given financial year, such value to be determined on the basis of customary valuation models, e.g. the Black-Scholes formula. | Align pay with performance that focuses on long-term shareholder value. LTIP also encourages retention through the three year vesting period. |

Remuneration of the Executive Management

Remuneration in total and performance

Performance in 2023

Gubra's development and performance in 2023 has been highly satisfactory. In March 2023, Gubra completed a strongly institutionally backed IPO that also marked the only main market IPO in Denmark in 2023 across sectors and in a European perspective the only IPO in 2023 in the Life Science sector. The business goals that were set forth in the IPO were also all fulfilled.

On the back of the achievements in 2023, key employees in the IPO preparations, including Executive Management, were granted a one-off IPO bonus. For the ordinary short-term incentive program (cash bonus), the full amount for this remuneration was awarded as all KPIs were achieved at the highest level (see details next page).

No variable remuneration was awarded to Chief Science Officer, Niels Vrang, as Niels is co-founder of Gubra and owns 31% of the shares in Gubra.

Comparison to 2022

On an annual comparison, the base salary level increased by 23% for Henrik Blou in 2023 compared to 2022. For Niels Vrang, the level in 2023 was unchanged. The base salary for Kristian Borbos was unchanged in 2023 compared to 2022 on a monthly salary comparison (Kristian was employed in August 2022, thus full-year comparison not meaningful).

Cash bonus increased in 2023 compared to 2022 where the level for Henrik Blou was DKK 300 thousand and DKK 66 thousand for Kristian Borbos. No cash bonus was awarded to Niels Vrang in 2022.

Variable remuneration related to LTIP was DKK 11.9 million for Henrik Blou in 2022 compared to DKK 1.2 million in 2023. The high LTIP level in 2022 for Henrik Blou reflects a historically different type of LTIP where the founders in Gubra distributed some of their ownership to employees incl. CEO Henrik Blou. No LTIP was awarded to Niels Vrang and Kristian Borbos in 2022.

No IPO related bonus was awarded in 2022.

Table 5: Remuneration to Executive Management in 2023

| Remuneration 2023 (DKK 000') | Fixed | | | | | Variable | | | | | | Total |
|------------------------------|--------------|------------|----------------|--------------|-------------------------------------|-------------------------|-------------------|-----------------------------|----------------------------|----------------|--|--------------------|
| | Base salary | Pension | Other benefits | Total fixed | Total fixed % of total remuneration | Cash bonus ¹ | LTIP ² | IPO cash bonus ³ | IPO RSU bonus ⁴ | Total variable | Total variable % of total remuneration | Total remuneration |
| Henrik Blou, CEO | 2,400 | 240 | 9 | 2,649 | 36% | 1,200 | 1,200 | 1,200 | 1,200 | 4,800 | 64% | 7,449 |
| Niels Vrang, CSO | 1,620 | 162 | 9 | 1,791 | 100% | - | - | - | - | - | 0% | 1,791 |
| Kristian Borbos, CFO | 1,500 | 150 | 30 | 1,680 | 36% | 750 | 750 | 750 | 750 | 3,000 | 64% | 4,680 |
| Total | 5,520 | 552 | 48 | 6,120 | 44% | 1,950 | 1,950 | 1,950 | 1,950 | 7,800 | 56% | 13,920 |

1: Cash bonus awarded in 2023 (to be paid out in 2024)

2: LTIP amounts refer to warrants awarded in 2023 with value as of the grant date in 2023 (value calculated using Black-Scholes formula). Vesting period of three years

3: One-off cash bonus related to completion of IPO

4: One-off bonus related to completion of IPO. Amount for IPO RSU bonus refer to value at grant date in 2023. IPO RSUs has a vesting period of 1 year (to 30 March 2024)

Remuneration of the Executive Management

Short-term incentive program

The business goals (KPIs) in Gubra's short-term incentive plan for Executive Management is set by the Board of Directors. All KPIs for Executive Management members are corporate KPIs and are the same for all members.

In 2023, the business goals were:

- Organic revenue growth in the CRO business segment
- Adjusted EBIT-margin in the CRO business segment
- Number of new partnerships in the business segment Discovery & Partnership
- Dosing of the first patient in the Amylin Phase 1 clinical study in the business segment Discovery & Partnership

For the first two KPIs related to the CRO business, the level for degree of achievement is provided within a range of 0% to 100% and results in between determines the KPI outcome. The KPIs for the Discovery & Partnership segment is combination of fulfilment of the number of new partnerships and to complete dosing in 2023 of the first patient in the Amylin Phase 1 clinical study.

Weighting of each KPI is shown in the table 6 below.

The very strong performance in 2023 across Gubra's two primary business segments translated into maximum fulfilment of all KPIs (the green rectangles below show the KPI results in 2023).

Table 6: KPIs in short-term incentive program

| KPI | CRO organic revenue growth | | | | CRO adj. EBIT-margin | | | | Discovery & Partnership | | | | |
|-----------------------|----------------------------|-----|-----|------|----------------------|-----|-----|------|--|----------|-----------------------|----------|-----------------------|
| KPI weight | 1/3 | | | | 1/3 | | | | 1/3 | | | | |
| Ranges | <10% | 10% | 11% | >12% | <25% | 25% | 26% | >27% | Zero | 1 Partn. | 1 Partn. + Amylin FP. | 2 Partn. | 2 Partn. + Amylin FP. |
| Degree of achievement | 0% | 50% | 75% | 100% | 0% | 50% | 75% | 100% | 0% | 50% | 75% | 75% | 100% |
| Results in 2023 | | | | 29% | | | | 27% | | | | | Achieved |
| Original outlook | 10% | | | | 25% | | | | 1-2 partnerships (Partn.) and Amylin first patient (FP.) | | | | |

Remuneration of the Executive Management

Long-term incentive program

Long-term incentive program

Gubra has currently one outstanding long-term incentive program that includes members of the Executive Management. The program, "LTIP 2023 warrants", is a warrants program that was implemented in 2023.

In total, 98,793 warrants were granted in the LTIP 2023 warrants program of which Executive Management members Henrik Blou was awarded 32,303 warrants and Kristian Borbos was awarded 20,189 warrants. Niels Vrang is not part of the program.

The LTIP 2023 warrants program in total corresponds to 0.6% of the total share capital in Gubra on a fully diluted basis.

Conditions for the LTIP 2023 warrants program

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.

Valuation

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. Details on the judgement and estimation of these parameters are found in Gubra's Annual Report 2023.

Table 7: Long-term incentive program for Executive Management

| | LTIP | Grant date | Vesting date | No. of warrants | Exercise price (DKK) | Market value at grant date (DKK 000') |
|-----------------|-----------|------------|--------------|-----------------|----------------------|---------------------------------------|
| Henrik Blou | 2023-2026 | 01-Jun-23 | 31-May-26 | 32,303 | 98.6 | 1,200 |
| Kristian Borbos | 2023-2026 | 01-Jun-23 | 31-May-26 | 20,189 | 98.6 | 750 |

Holding of Gubra shares



Table 8: Holding of Gubra shares (no. of shares)

| | As of 1 January 2023 | Additions during the year | Sold during the year | As of 31 Dec 2023 | % of total shares in Gubra |
|-----------------------------|-------------------------|------------------------------|-------------------------|----------------------|-------------------------------|
| Board of Directors | | | | | |
| Jacob Jelsing* | 5,001,997 | - | - | 5,001,997 | 30.59% |
| Alexander Martensen Larsen | - | 4,545 | - | 4,545 | 0.03% |
| Henriette Dræbye Rosenquist | - | 2,272 | - | 2,272 | 0.01% |
| Arndt Schottelius | - | 681 | - | 681 | 0.004% |
| Astrid Haug | - | 25 | - | 25 | 0.0002% |
| Monika Lessl | - | 1,160 | - | 1,160 | 0.007% |
| Executive Management | | | | | |
| Henrik Blou* | 506,499 | - | - | 506,499 | 3.10% |
| Niels Vrang* | 5,001,997 | - | - | 5,001,997 | 30.59% |
| Kristian Borbos | - | 454 | - | 454 | 0.003% |

* Jacob Jelsing and Niels Vrang own their shares via holding companies (Jacob Jelsing: JJ 081008 Holding ApS, Niels Vrang: Nv 2008 Holding ApS).
Part of Henrik Blou's shareholding is held via holding company (Selskabet Af 2018 ApS)

Other information

Termination and severance payments

Members of the Board of Directors are elected by the general meeting for a term of one (1) year. Reelection may take place. Members of the Board of Directors are not entitled to severance payments in relation to their resignation from the Board of Directors.

Members of the Executive Management are employed on individual contracts, which are generally entered into for an indefinite term with a mutual right of termination. The notice period may be up to 12 months for the company and up to nine 9 months for members of the Executive Management.

Remuneration paid to members of the Executive Management during a notice period, including any severance payment, may not exceed a total of two (2) years' salary calculated on the basis of the full remuneration regardless of its form.

Comparison figures 2023 vs. 2022



Comparison figures

Table 9 to the right presents total remuneration incl. base salary, other benefits, IPO bonus as well as short and long term incentive programs compared to 2022. Remuneration for the Board of Directors and Executive Management are presented on an annualised basis to allow for comparison.

Table 9: Comparison figures 2023 vs. 2022

| Total remuneration (DKK 000') | 2023 | Annualised yearly change* | 2022 |
|--|---------|---------------------------|--------|
| Board | | | |
| Jacob Jelsing | 750 | 50% | 167 |
| Alexander Martensen Larsen | 600 | 41% | 142 |
| Henriette Dræbye Rosenquist | 375 | 50% | 83 |
| Arndt Schottelius | 350 | 17% | 100 |
| Astrid Haug | 250 | n/a | - |
| Monika Lessl | 250 | n/a | - |
| Executive Management | | | |
| Henrik Blou | 7,449 | -48% | 14,418 |
| Niels Vrang | 1,791 | 0% | 1,791 |
| Kristian Borbos | 4,680 | 149% | 670 |
| Company results | | | |
| Profit before tax | -43,728 | -798% | 6,269 |
| Profit after tax | -45,163 | -1145% | 4,320 |
| Group results | | | |
| Profit before tax | -42,903 | -785% | 6,259 |
| Profit after tax | -44,524 | -1133% | 4,310 |
| Average remuneration per employee** | | | |
| Total remuneration | 709 | 4% | 683 |

* Annualized yearly change compares the level in 2023 with an annualized level for 2022

** Total remuneration per employee excl. Executive Management. All employees in Gubra Group are employed in the parent company Gubra A/S

Statement by the Board of Directors

To the shareholders of Gubra A/S

The Board of Directors' statement:

The Board of Directors has considered and approved the Remuneration Report of Gubra A/S for the financial year 1 January - 31 December 2023.

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act.

In our opinion, the Remuneration Report is in accordance with the Remuneration Policy adopted at the Annual General Meeting, and is free from material misstatement and omissions, whether due to fraud or error.

The Remuneration Report will be presented for an advisory vote at the Annual General Meeting.

Hørsholm, 28 February 2024

Board of Directors

Jacob Jelsing
Chair

Alexander Martensen-Larsen
Vice Chair

Astrid Haug

Monika Lessl

Henriette Rosenquist

Arndt Schottelius

Independent Auditor's report on Remuneration report



To the Shareholders of Gubra A/S

We have examined whether the remuneration report for Gubra A/S for the financial year 1 January - 31 December 2023 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

Our firm applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, number 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

Conclusion

In our opinion the remuneration report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Hellerup, 28 February 2024

PricewaterhouseCoopers

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