

Appendix 1 Remuneration report for 2021/22

Remuneration report 2021/22

Statutory remuneration report for the financial year 2021/22 pursuant to section 139 b of the Danish Companies Act

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1 Introduction

Roblon's remuneration policy, as most recently approved by the annual general meeting on 23 January 2020, sets out general guidelines for remuneration of the Board of Directors and the Executive Management.

The remuneration policy moreover supports the attraction and retention of strong management competencies, which are important to achieving Roblon's business strategy, long-term interests and sustainability.

The advisory vote on the remuneration report for 2020/21 at the annual general meeting in January 2022 reached a majority without comments and did not give rise to any changes.

2 Board of Directors

The members of the Board of Directors receive neither variable nor share-based remuneration but a fixed annual fee according to the recommendation of the Company's Governance, Nomination and Remuneration Committee and as approved at the annual general meeting. Members may be remunerated on an ad hoc basis for performing specific tasks. This was not the case in 2021/22, however.

At the annual general meeting to be held in January 2023, the Board of Directors will propose that the fee for 2022/23 be maintained at DKK 300,000 to the Chairman, DKK 150,000 to the Deputy Chairman and DKK 100,000 to other board members. Each of the chairmen of the committees established by the Board of Directors receive a separate fee of DKK 80,000 in addition to their board fee, and other committee members each receive an additional fee of DKK 40,000.

Total remuneration paid to the Board of Directors was DKKt 1,210 for the financial year 2021/22, specified as follows:

Remuneration, Board of Directors					
DKK'000					
Name and position	Board fees	Committee fees	2021/22	2020/21	2019/20
Jørgen Kjær Jacobsen, Chairman and member of three committees	300	120	420	420	420
Ole Lønsmann Andersen, Deputy Chairman and chairman of one committee	150	80	230	230	230
Randi Toftlund Pedersen, board member and chairman of one committee	100	80	180	180	180
Peter Sloth Vagner Karlsen, board member and chairman of one committee	100	80	180	180	180
Nita Svendsen, board member (employee representative)	100	0	100	100	100
Flemming Nielsen, board member (employee representative)	100	0	100	100	100
Total	850	360	1,210	1,210	1,210

Compared with board fees in comparable Small Cap companies¹, the Board of Directors' remuneration is assessed to be in line with market standards and was determined in accordance with the remuneration policy.

¹ According to PwC's remuneration survey for 2019, page 44, the average board fee in the Small Cap companies surveyed was DKKt 238 per board member. By comparison, the average fee in Roblon for 2021/22 was DKKt 202.

3 Executive Management

The remuneration paid to members of the Executive Management consists of a fixed and a variable component. Members of the Executive Management do not receive share-based remuneration.

The Board of Directors seeks to ensure that both fixed remuneration and incentive pay components correlate with Roblon's growth strategy and long-term financial targets and sustainability.

Fixed remuneration

The fixed remuneration, pension and employee benefits are primarily intended to provide a reliable minimum salary for members of the Executive Management in order to be able to attract and retain people with the required competencies.

The ratio of the fixed remuneration component to total remuneration is linked to KPIs used to determine the payment of variable remuneration, which will not exceed an amount equal to 3-4 monthly salary payments for each member of the Executive Management.

Pensions

Executive Management members are comprised by the Group's general pension and insurance scheme, and the employer-paid pension contribution for members of the Executive Management is 8-10%.

Employee benefits

Other benefits such as company car, health insurance, newspaper subscriptions, free telephone and internet subscription may make up 6-9% of the total remuneration.

Variable remuneration

In 2021/22, the management had the opportunity to obtain a bonus with an amount corresponding up to 3 months' wages. This bonus has been linked to the company's realization of established KPIs regarding the realization of selected strategic projects as well as regarding the group's financial results in relation to EBITDA for the financial year 2021/22.

The management has realized projects according to specified action plan and thereby earned bonus equivalent to 1 month's salary. The realized financial results for 2021/22 have not provided a basis for further accrual of bonus amounts.

A bonus amount of DKKt 519 has been set aside, corresponding to 33.33% of the maximum bonus amount for fulfilled KPIs in the financial year 2021/22.

The total remuneration paid to the Executive Management, including the value of employee benefits, was DKKt 7,156 for the financial year 2021/22, specified as follows:

Remuneration, Executive Management 2021/22, DKK'000						
Name and position	Fixed remuneration			Variable remuneration	Total remuneration	Variable share (%)
	Fixed remuneration	Pensions	Employee benefits	Bonus		
Lars Østergaard, CEO						
2021/22	2,480	248	156	225	3,109	7.2%
2020/21	2,400	240	158	0	2,798	0.0%
2019/20	2,367	237	158	0	2,762	0.0%
Kim Müller, CTO						
2021/22	1,624	130	127	147	2,028	7.2%
2020/21	1,572	126	144	0	1,842	0.0%
2019/20	1,552	124	154	0	1,830	0.0%
Carsten Michno, CFO						
2021/22	1,624	130	118	147	2,019	7.3%
2020/21	1,572	126	129	0	1,827	0.0%
2019/20	1,552	124	160	0	1,836	0.0%
Total						
2021/22	5,728	508	401	519	7,156	7.3%
2020/21	5,544	492	431	0	6,467	0.0%
2019/20	5,471	485	472	0	6,428	0.0%

Compared with management remuneration in comparable Small Cap companies², the Executive Management's remuneration is assessed to be in line with market standards, if at the lower end of the range. The remuneration is in accordance with the remuneration policy and is considered to have contributed to Roblon's long-term performance, as the KPIs that were pursued support the Company's long-term strategy.

² According to PwC's remuneration survey for 2019, page 44, the average management remuneration in the Small Cap companies surveyed was DKKt 3,514 per executive management member. By comparison, the average remuneration in Roblon for 2021/22 was DKKt 2,385.

4 Comparison of remuneration and the Company's results during the latest 5 years

DKK '000	2021/22	2021/22 vs 2020/21	2021/22 vs 2019/20	2019/20 vs 2018/19	2018/19 vs 2017/18
Remuneration of Board members					
Jørgen Kjær Jacobsen	420	0	0	0	170
Ole Lønsmann Andersen	230	0	0	40	70
Randi Toftlund Pedersen	180	0	0	0	60
Peter Sloth Vagner Karlsen	180	0	0	0	60
Nita Svendsen	100	0	0	0	20
Flemming Nielsen	100	0	0	0	100
Hans Martin Kirkegaard					-40
Svend-Jørgen Rævdal					-40
Remuneration of Executive Management members					
Lars Østergaard	3,109	311	36	194	-457
Kim Müller	2,028	186	12	212	-189
Carsten Michno	2,019	192	-9	190	-275
Parent company results					
Revenue *)	200,829	74,330	-36,863	-11,528	27,246
Profit/loss before tax *)	5,447	27,784	-26,161	-13,360	7,591
Group results					
Revenue *)	380,859	130,976	-4,762	-12,545	45,349
Profit/loss before tax *)	-1,353	27,963	-65,162	55,504	-29,251
Average remuneration of employees on an FTE basis					
Parent company employees	581	7	24	-1	73
Group employees	420	-73	23	-15	3

*) from continuing operations

5 Statement by Management

The Board of Directors has today considered and adopted the remuneration report of Roblon A/S for the financial year 1 November 2021 - 31 October 2022. The remuneration report was prepared in accordance with section 139 b of the Danish Companies Act.

We believe that the remuneration report is in accordance with the remuneration policy adopted at the annual general meeting in January 2020, and the total remuneration disclosed in the report, which overall is in line with market standards, is assessed to have contributed to the Company's long-term results.

The remuneration report for 2021/22 is proposed for an indicative vote at the general meeting in January 2023.

Frederikshavn, 20 December 2022

Board of Directors

Jørgen Kjær Jacobsen
Chairman

Ole Lønsmann Andersen
Deputy Chairman

Peter Sloth Vagner Karlsen

Randi Toftlund Pedersen

Nita Svendsen
Employee representative

Flemming Nielsen
Employee representative