

**Remuneration report  
2019/20**

**Statutory remuneration report for the financial year 2019/20 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 remuneration report for 2019/20 is Roblon's first such report.

## 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 2019/20, however.

As announced at the annual general meeting held in 2020, the Board of Directors proposes that the fee for 2020/21 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 2019/20, specified as follows:

<b>Remuneration, Board of Directors DKK'000</b>					
<b>Name and position</b>	<b>Board fees</b>	<b>Committee fees</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>
Jørgen Kjær Jacobsen, Chairman and member of three committees	300	120	420	420	250
Ole Lønsmann Andersen, Deputy Chairman and chairman of one committee	150	80	230	190	120
Randi Toftlund Pedersen, board member and chairman of one committee	100	80	180	180	120
Peter Sloth Vagner Karlsen, board member and chairman of one committee	100	80	180	180	120
Nita Svendsen, board member (employee representative)	100	0	100	100	80
Flemming Nielsen, board member (employee representative)	100	0	100	100	0
Hans-Martin Kirkegaard, board member (employee representative), left the company during financial year					40
Svend-Jørgen Rævdal, board member (employee representative), left the company during financial year					40
<b>Total</b>	<b>850</b>	<b>360</b>	<b>1,210</b>	<b>1,170</b>	<b>770</b>

The change relative to 2018/19 is due to the fact that Ole Lønsmann Andersen was appointed chairman of the

Governance, Nomination and Remuneration Committee and resigned as ordinary member of another, now dissolved committee.

Compared with board fees in comparable Small Cap companies<sup>1</sup>, the Board of Directors' remuneration is assessed to be in line with market standards and was determined in accordance with the remuneration policy.

### **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 2019/20, the Executive Management could earn a bonus of up to three monthly salary payments. Such bonus payments were linked to Roblon's financial performance reaching specified levels in relation to the following KPIs:

- budget performance; and
- revenue and pre-tax profit growth.

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<sup>1</sup> 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 2019/20 was DKKt 202.

The total remuneration paid to the Executive Management, including the value of employee benefits, was DKKt 6,428 for the financial year 2019/20, specified as follows:

<b>Remuneration, Executive Management 2019/20, DKK'000</b>						
<b>Name and position</b>	<b>Fixed remuneration</b>			<b>Variable remuneration</b>	<b>Total remuneration</b>	<b>Variable share (%)</b>
	Fixed remuneration	Pensions	Employee benefits	Bonus		
<b>Lars Østergaard, CEO</b>						
2019/20	2,367	237	158	0	2,762	0.0%
2018/19	2,167	217	184	0	2,568	0.0%
2017/18	2,134	258	183	450	3,025	14.9%
<b>Kim Müller, CTO</b>						
2019/20	1,552	124	154	0	1,830	0.0%
2018/19	1,430	114	74	0	1,618	0.0%
2017/18	1,287	137	102	281	1,807	15.6%
<b>Carsten Michno, CFO</b>						
2019/20	1,552	124	160	0	1,836	0.0%
2018/19	1,430	114	102	0	1,646	0.0%
2017/18	1,410	126	85	300	1,921	15.6%
<b>Total</b>						
2019/20	5,471	485	472	0	6,428	0.0%
2018/19	5,027	445	360	0	5,832	0.0%
2017/18	4,831	521	370	1,031	6,753	15.3%

Variable remuneration for 2019/20 was based on the actual performance of KPIs. The actual performance was below the specified levels for the three KPIs: budget performance, revenue growth and pre-tax profit for all three members of the Executive Management. Roblon did not use the option of clawing back variable remuneration.

Compared with management remuneration in comparable Small Cap companies<sup>2</sup>, 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.

<sup>2</sup> 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 2019/20 was DKKt 2,143.

## 4 Comparison of remuneration and the Company's results

DKK'000	2019/20	Annual change	2018/19	Annual change	2017/18
<b>Remuneration of Board of Directors</b>					
Jørgen Kjær	420	0	420	170	250
Ole Lønsmann	230	40	190	70	120
Randi Toftlund	180	0	180	60	120
Peter Sloth	180	0	180	60	120
Nita Svendsen	100	0	100	20	80
Flemming Nielsen	100	0	100	100	0
Hans Martin Kirkegaard *)	0	0	0	-80	40
Svend-Jørgen Rævdal *)	0	0	0	-80	40
<b>Remuneration of Executive Management</b>					
Lars Østergaard	2,762	194	2,568	-457	3,025
Kim Müller	1,830	212	1,618	-189	1,807
Carsten Michno	1,836	190	1,646	-275	1,921
<b>Parent company results</b>					
Revenue **)	163,362	-11,528	174,890	27,246	147,644
Profit/loss before tax **)	3,824	-13,360	17,184	7,591	9,593
<b>Group results</b>					
Revenue **)	254,645	-12,545	267,190	45,349	221,841
Profit/loss before tax **)	35,846	55,504	-19,658	-29,251	9,593
<b>Average remuneration of employees based on FTEs</b>					
Parent company employees	550	-1	551	73	478
Group employees	470	-15	485	3	482

\*) left the company during the financial year, the annual change is based on annualised amounts

\*\*) of 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 2019 - 31 October 2020. 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, 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.

Frederikshavn, 22 December 2020

### 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

## 6 Independent auditors' statement on the remuneration report

To the shareholders of Roblon Aktieselskab

Pursuant to section 139 b of the Danish Companies Act, Management is responsible for preparing a remuneration report in accordance with the remuneration policy adopted by the company in general meeting.

Our opinion on the audit of the consolidated financial statements and the parent company financial statements does not include the remuneration report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements for 2019/20, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139 b(3) of the Companies Act are included in the Company's remuneration report for 2019/20.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2019/20.

Aalborg, 22 December 2020  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
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