

Appendix 1 Remuneration report for 2020/21

Remuneration report 2020/21

Statutory remuneration report for the financial year 2020/21 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 2019/20 at the annual general meeting in January 2021 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 2020/21, however.

At the annual general meeting to be held in January 2022, the Board of Directors will propose that the fee for 2021/22 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 2020/21, specified as follows:

Remuneration, Board of Directors					
DKK'000					
Name and position	Board fees	Committee fees	2020/21	2019/20	2018/19
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	190
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	1,170

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 2020/21 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 2020/21, the Executive Management did not have an agreement providing for variable remuneration.

The total remuneration paid to the Executive Management, including the value of employee benefits, was DKKt 6,467 for the financial year 2020/21, specified as follows:

Remuneration, Executive Management 2020/21, DKK'000						
Name and position	Fixed remuneration			Variable remuneration	Total remuneration	Variable share (%)
	Fixed remuneration	Pensions	Employee benefits	Bonus		
Lars Østergaard, CEO						
2020/21	2,400	240	158	0	2,798	0.0%
2019/20	2,367	237	158	0	2,762	0.0%
2018/19	2,167	217	184	0	2,568	0.0%
Kim Müller, CTO						
2020/21	1,572	126	144	0	1,842	0.0%
2019/20	1,552	124	154	0	1,830	0.0%
2018/19	1,430	114	74	0	1,618	0.0%
Carsten Michno, CFO						
2020/21	1,572	126	129	0	1,827	0.0%
2019/20	1,552	124	160	0	1,836	0.0%
2018/19	1,430	114	102	0	1,646	0.0%
Total						
2020/21	5,544	492	431	0	6,467	0.0%
2019/20	5,471	485	472	0	6,428	0.0%
2018/19	5,027	445	360	0	5,832	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 2020/21 was DKKt 2,156.

4 Comparison of remuneration and the Company's results

DKK'000	2020/21	Annual change	2019/20	Annual change	2018/19
Remuneration of Board members					
Jørgen Kjær Jacobsen	420	0	420	0	420
Ole Lønsmann Andersen	230	0	230	40	190
Randi Toftlund Pedersen	180	0	180	0	180
Peter Sloth Vagner Karlsen	180	0	180	0	180
Nita Svendsen	100	0	100	0	100
Flemming Nielsen	100	0	100	0	100
Remuneration of Executive Management members					
Lars Østergaard	2,798	36	2,762	194	2,568
Kim Müller	1,842	12	1,830	212	1,618
Carsten Michno	1,827	-9	1,836	190	1,646
Parent company results					
Revenue *)	126,499	-36,863	163,362	-11,528	174,890
Profit/loss before tax *)	-22,337	-26,161	3,824	-13,360	17,184
Group results					
Revenue *)	249,883	-4,762	254,645	-12,545	267,190
Profit/loss before tax *)	-29,316	-65,162	35,846	55,504	-19,658
Average remuneration of employees on an FTE basis					
Parent company employees	574	24	550	-1	551
Group employees	493	23	470	-15	485

*) 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 2020 - 31 October 2021. 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, 21 December 2021

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 2020/21, 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 2020/21.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2020/21.

Aalborg, 21 December 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
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