

A black and white photograph of a modern building's exterior. The building features a prominent white structural frame with large glass windows and doors. A corrugated metal roof with a gutter system runs along the top. The image is used as a background for the report cover.

**Remuneration  
report 2023**

## Background

This Remuneration Report provides a comprehensive overview of the remuneration paid to the members of the Board of Directors and the Executive Management of cBrain A/S (CVR no. 24233359) in the fiscal year 2023 and the four preceding years. The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act.

At the Annual General Meeting held on April 19, 2023, the Board of Directors noted that some shareholders opposed the adoption of the Remuneration Report for 2022. The reason behind this dissent was the shareholders' desire for additional information regarding the short-term incentives for the executive management. A shareholder argued that discretionary bonuses were acceptable provided the policy made it clear which factors were included in the assessment.

Consequently, the Board of Directors declared its intention to revise the remuneration policy to enhance transparency. The updated remuneration policy will be presented at the Annual General Meeting scheduled for April 2024.

The Remuneration Report for 2023 has been prepared consistently with the Remuneration Report for 2022. However, the Remuneration Report for 2023 has already adopted the principles of increased transparency decided by the Board of Directors. Most significant changes relate to background for the variable remuneration for the Executive Management

The remuneration of the Board of Directors and the Executive Management for the fiscal year 2023 has been prepared in accordance with cBrain's remuneration policy, which has been approved by the Annual General Meeting. The policy is available on cBrain's website via the following link: [www.cbrain.com/s/Remuneration-Policy-UK.pdf](http://www.cbrain.com/s/Remuneration-Policy-UK.pdf).

## Remuneration Policy

The overall purpose of cBrain's remuneration policy is:

- Regulate the remuneration of the Board of Directors
- Attract, motivate, and retain qualified members of the Board of Directors and Executive Management
- Ensure alignment between the interests of the Executive Management and the interests of cBrain and its shareholders
- Contribute to value creation in cBrain and thereby support cBrain's business strategy

According to cBrain's remuneration policy, the remuneration to the Board of Directors and the Executive Management consists of the following elements:

Board of Directors:

- Fixed fee (annual board fee)

Executive Management:

- Base salary, short-term incentive and benefits

The fixed fee and base salary are primarily intended to ensure that cBrain can attract and retain qualified members of the Board of Directors and Executive Management on competitive terms. The variable remuneration component, a short-term incentive, is intended to ensure alignment between the interests of the Executive Management and the Shareholders.

This component allows for the recognition of exceptional performance relative to the strategy and business results, thereby prioritizing value creation consistent with cBrain's strategy. cBrain's notice of termination to the Executive Management may not exceed 12 months, and the termination notice for Executive Management may normally not exceed 6 months.

Any severance payments to the Executive Management, including those resulting from changes in the company's ownership structure, may not exceed six months' monthly salary.

## Reportings

The Remuneration Report is divided into 6 sections, corresponding to the requirements for a Remuneration Report in section 139b(3) of the Danish Companies Act:

1. Remuneration divided by components
2. Changes in remuneration and information about full-time equivalents (FTEs)
3. Remuneration from Group companies
4. Stock options and exercise of stock options
5. Possibility to claw back variable remuneration
6. Deviations from the remuneration policy procedure

## 1. Remuneration Divided by Components

The table on the right illustrates remuneration divided by components for the Board of Directors and the Executive Management, in comparison with the company's financial performance for 2023 and the four preceding years.

After conducting interviews with the Executive Management and assessing remuneration in similar companies, the Remuneration Committee has determined that the remuneration provided to the Executive Management serves as motivation and contributes to the retention of key executives. Additionally, the Remuneration Committee acknowledges that the remuneration aligns with the adopted remuneration policy and has played a role in fostering the company's value creation. This assessment takes into consideration various factors, including the company's financial development and long-term results over the years 2023 and the preceding four years.

The variable remuneration for the Executive Management is not contractually fixed, and the key performance indicators (KPIs) used in calculating the variable remuneration may vary annually. The variable remuneration for the Executive Management is determined based on several factors, including the execution of the company's growth plan, financial results for the year, market, organization, financial performance, and sustainability.

However the executive management has expressed a desire for wage restraint, as they prefer investing in the company and its growth journey.

Both members of the Executive Management also serve as major shareholders in the company, ensuring alignment between the Executive management's and shareholders' interests, particularly with a focus on the company's long-term results.

### Performance highlights

T.DKK	2023	2022	2021	2020	2019
Revenue	239.182	187.924	154.662	120.120	96.412
Percentage change	27%	22%	29%	25%	16%
Earnings Before Tax (EBT)	81.354	48.928	38.989	20.097	10.800
Percentage change	66%	25%	94%	86%	237%

### Remuneration to Board of Directors, annual board fee

T.DKK	2023	2022	2021	2020	2019
Henrik Hvidtfeldt, Chair	150	150	150	125	125
Percentage change	0%	0%	20%	0%	0%
Lisa Herold Ferbing	100	100	100	75	75
Percentage change	0%	0%	33%	0%	0%
Peter Loft	100	100	100	75	75
Percentage change	0%	0%	33%	0%	0%
Per Tejs Knudsen, CEO	-	-	-	-	-
Percentage change	-	-	-	-	-
Thomas Qvist, CTO	-	-	-	-	-
Percentage change	-	-	-	-	-
<b>Total</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>275</b>	<b>275</b>

### Remuneration to the executive management

T.DKK	2023	2022	2021	2020	2019
<b>Per Tejs Knudsen, CEO</b>					
Base salary	2.111	2.111	2.111	2.010	2.010
Short-term incentive	965	886	638	506	0
	<b>3.076</b>	<b>2.997</b>	<b>2.749</b>	<b>2.516</b>	<b>2.010</b>
Percentage change	3%	9%	9%	25%	-32%
<b>Thomas Qvist, CTO</b>					
Base salary	1.323	1.323	1.323	1.260	1.260
Short-term incentive	618	571	402	320	0
	<b>1.941</b>	<b>1.894</b>	<b>1.725</b>	<b>1.580</b>	<b>1.260</b>
Percentage change	2%	10%	9%	25%	-27%

## 2. Changes in remuneration and information about Full-Time Equivalents (FTEs)

The development of remuneration and changes in remuneration for the Executive Management and the Board of Directors are shown in the table under section 1. The table below shows the remuneration of FTEs in the limited liability company (cBrain A/S) other than members of the Executive Management. cBrain employs a number of part-time employees, which are recognized proportionally in relation to the number of employees and payroll.

## 3. Remuneration from Group companies

No one in the Executive Management receives remuneration from group companies.

## 4. Stock Options and Exercise of Stock Options

No one in the Executive Management or Board of Directors has stock options, nor have they exercised any.

## 5. Possibility of Claw back of Variable Remuneration

In special cases, claw back (recoupment) of the Executive Management's variable remuneration can be initiated, including instances where the variable remuneration was disbursed based on information that later proves to be inaccurate or misleading. It is noteworthy that no recoupments have been executed to date.

## 6. Deviations from the remuneration policy procedure

There are no deviations from the remuneration policy procedure.

## Management's shares in cBrain A/S

Numbers	2023	2022	2021	2020	2019
<b>Board of Directors</b>					
Henrik Hvidtfeldt, Chair	8.300	8.300	8.300	8.300	8.300
Percentage change	0%	0%	0%	0%	0%
Lisa Herold Ferbing	-	-	-	-	-
Percentage change	-	-	-	-	-
Peter Loft	-	-	-	-	-
Percentage change	-	-	-	-	-
Per Tejs Knudsen, CEO	8.532.000	8.532.000	8.532.000	8.932.000	8.932.000
Percentage change	0%	0%	-4%	0%	0%
Thomas Qvist, CTO	715.945	715.945	715.945	1.662.354	1.662.354
Percentage change	0%	0%	-57%	0%	0%
<b>Total</b>	<b>9.256.245</b>	<b>9.256.245</b>	<b>9.256.245</b>	<b>10.602.654</b>	<b>10.602.654</b>

## CEO pay ratio

T.DKK	2023	2022	2021	2020	2019
Total salaries excluding CEO	115.380	103.997	86.530	74.280	59.949
Percentage change	11%	20%	16%	24%	1%
FTE's excluding CEO	166	151	136	116	97
Percentage change	10%	11%	17%	20%	1%
Average salary per FTE's excluding CEO	695	689	636	640	618
Percentage change	1%	8%	-1%	4%	2%
CEO pay ratio	4,4:1	4,4:1	4,3:1	3,9:1	3,3:1

# Management's Statement

The Board of Directors has today considered and adopted the Remuneration Report of cBrain A/S ('cBrain') for the fiscal year 2023.

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

In our opinion, the remuneration is in accordance with cBrain's remuneration policy, adopted on April 22, 2022, and is free from material misstatement and omissions. The Remuneration Report will be presented at the Annual General Meeting 2023.

Copenhagen, February 22, 2024

## Board of Directors

Henrik Hvidtfeldt  
Chair

Peter Loft

Lisa C. Herold Ferbing

Per Tejs Knudsen  
CEO

Thomas Qvist  
CTO

# Independent Auditor's Statement on Remuneration Report

To the shareholders of cBrain A/S

As agreed with the Company's Board of Directors, we have examined that the Remuneration Report for cBrain A/S for the financial year 2023 includes the disclosures required by section 139 b(3) of the Danish Companies Act.

The degree of assurance we express in this report is reasonable.

## Board of Directors' responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of the Remuneration Report in accordance with section 139 b(3) of the Danish Companies Act and the Remuneration Policy dated April 22, 2022, as adopted by the Annual General Meeting.

The Board of Directors is also responsible for such internal control that the Board of Directors determines is necessary to enable the preparation of the Remuneration Report that is free from material misstatement, whether due to fraud or error.

## Auditor's independence and quality control

We have complied with the independence and other ethical requirements of 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 behavior, as well as ethical requirements applicable in Denmark.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, 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 responsibilities

Our responsibility is to express a conclusion on Remuneration Report based on our examinations. We conducted our examinations in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and additional requirements under Danish audit legislation to obtain reasonable assurance for purposes of our conclusion.

As part of our examinations, we performed the below procedures:

- We have verified that the Remuneration Report includes the information on remuneration for each individual member of the Board of Directors and Executive Board as required by section 139 b(3), item 1-6 of the Danish Companies Act.

In our opinion, the examinations performed provide a sufficient basis for our opinion.

## Conclusion

In our opinion, the Remuneration Report, in all material respects, includes the disclosures required by section 139 b(3) of the Danish Companies Act.

Copenhagen, February 22, 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Mikkel Sthyr  
State Authorised  
Public Accountant  
mne26693

Henrik Pedersen  
State Authorised  
Public Accountant  
mne35456