



netcompany

Creating long term shareholder value

Remuneration report 2020

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From left: Claus Jørgensen (COO),
André Rogaczewski (CEO) and
Thomas Johansen (CFO)

Introduction

Remuneration Report for the financial year 2020 for Netcompany Group A/S.

This remuneration report provides an overview of the total remuneration received by each member of the Board of Directors and of the Executive Management of Netcompany Group A/S, CVR no. 39488914, (the "Company") for the financial year 2020 with comparative figures for the past four financial years. The Executive Management includes the members of the Executive Management of the Company registered as such with the Danish Business Authority.

The remuneration of the Board of Directors and Executive Management during the past financial year has been provided in accordance with the remuneration policy of the Company approved by the annual general meeting on 11 March 2020, which is available on the Company's website:

» <https://www.netcompany.com/int/Investor-Relations/Governance>

The overall objective of the remuneration is to attract, motivate and retain qualified members of the Board of Directors and the Executive Management and to align the interests of the Board of Directors and the Executive Management with the interests of the Company and its shareholders. In this context, remuneration should contribute towards promoting the strategy, long-term sustainability and creation of value in the Company by supporting the Company's long-term and short-term objectives.

The remuneration of the Board of Directors and Executive Management for the financial year 2020 is consistent with the framework provided by the Remuneration Committee and the Board of Directors. There has been no deviation or derogation from the framework provided by the Remuneration Policy.

All amounts are included in DKK.

Remuneration Package

The Remuneration Policy of Netcompany aims to set market-based salary levels for the Board of Directors (BoD) as well as Executive Management (EM) with a clear link to the creation of long term shareholder value. The current remuneration packages were put in place in connection with the IPO in June 2018.

The current remuneration package consists of the elements shown on the right.

Remuneration structure of the Board of Directors

The overall remuneration level of the Board of Directors proposed to the Annual General Meeting, is assessed to be in line with market practice of companies of similar market capitalisation and size to Netcompany.

An updated Remuneration Policy based on the new requirements in the Shareholders Rights Directive will be presented at the Annual General Meeting for approval.

Fees of the Board of Directors

The fees and fixed base salaries are unchanged in 2020 from what were reported in the prospectus forming the basis of the IPO on 7 June 2018.

There exists no model for the Board to achieve short term bonuses related to the financial performance of the Company, as

Remuneration	BoD	EM	Comments
Fixed annual fee / Fixed annual salary	●	●	
Fee for committee work	●		Fee for Audit Committee, Remuneration Committee and Nomination Committee work
Short Term Incentive Plan		●	Up to 60% of fixed base salary against defined objectives and target
Long Term Incentive Plan		●	Up to 80% of fixed base salary measured at the time of grant
Travel allowances and other expenses	●	●	
Benefits		●	Company car, phone etc. comprising up to 10% of fixed annual salary
Severance pay		●	In accordance with the employment contract, the Executive Management cannot request a severance payment

well as the Board is not remunerated in shares. However, two out of five Board members have invested directly into Netcompany as per 31 December 2020.

Fees for Committee work

All fees for Board work and Board committee work are based on fixed fees.

In the event that the Chairman or Vice-Chairman of the Board of Directors also serves as members of the Remuneration

Committee or the Nomination Committee, no additional fee is payable.

Travel expenses and other relevant expenses

Netcompany reimburses all relevant and reasonable travel costs for any Board member for travel related to Board meetings or Board committee meetings. All other relevant and reasonable out of pocket costs are also reimbursed.

Board of Directors Fees (audited)

(DKK'000)

Board fee

Chairman	1.050
Vice-Chairman	700
Member	350

Audit Committee fee

Chairman	175
Member	88

Remuneration Committee fee

88

Nomination Committee fee

88

Composition of the Board of Directors

Hege Skryseth and Åsa Riisberg joined the Board of Directors in August 2020. Pernille Fabricius (former Vice-chairman of the Board) retired from the Board of Directors in March 2020 and Robert Kuppens retired from the Board in August 2020.

Since 19 August 2020 the Board of Directors have consisted of Bo Rygaard (C), Juha Christensen (VC), Scanes Bentley, Hege Skryseth and Åsa Riisberg.

Composition of the Committees**Remuneration Committee**

The Remuneration Committee consists of two members of the Board of Directors, Juha

Christensen (Chairman) and Bo Rygaard and its purpose is to assist the Board of Directors by preparing and presenting proposals and recommendations on matters related to the remuneration of the Company's Board of Directors and Executive Management.

Audit Committee

The Audit Committee consists of three members of the Board of Directors, Åsa Riisberg (Chairman), Juha Christensen and Scanes Bentley.

Nomination Committee

The Nomination Committee consists of two members of the Board of Directors, Juha Christensen (Chairman) and Bo Rygaard.

Board of Directors remuneration (audited) (DKK'000)	Board fee		Committee fee		Travel Allowance		Other fee		Total Remuneration		Number of shares²	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Bo Rygaard, <i>Chairman</i>	1,050	604	0	56	1	1	0	0	1,051	661	10,203	10,203
Juha Christensen, <i>Vice-Chairman</i>	631	350	66	157	65	116	0	0	763	624	13,009	27,195
Scanes Bentley	350	279	126	108	13	7	0	0	489	394	0	0
Hege Skryseth	128	-	0	-	0	-	0	-	128	-	0	-
Åsa Riisberg	128	-	64	-	7	-	0	-	199	-	0	-
Robbert Kuppens	222	127	56	32	18	10	0	0	296	168	N/A	0
Pernille Fabricius	137	629	34	175	8	50	0	0	179	855	N/A	15,023
Pekka Ala-Pietilä ¹	-	669	-	0	-	61	-	0	-	730	N/A	N/A
Thomas Broe-Andersen ¹	-	0	-	0	-	0	-	0	-	0	N/A	N/A
Carsten Gomard ¹	-	223	-	56	-	0	-	358	-	637	N/A	N/A
Total	2,647	2,882	346	584	112	245	0	358	3,105	4,069	23,212	52,421

¹ Retired from the Board of Directors² Part of the Board of Directors has sold shares during 2020.

Remuneration structure of the Executive Management

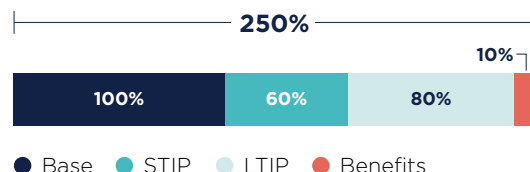
In line with the Remuneration Policy, the Board of Directors proposes the remuneration of the Executive Management for the coming year.

The remuneration model for Executive Management is set to reflect market-based remuneration for similar publicly traded companies in respect to growth, profitability, size and international reach. The total remuneration is constructed to be aligned with the long term objectives of the shareholders with Executive Management incentives.

The target salary for Executive Management assumes a full allocation of variable incentives, and will at full pay out of incentives be a total of 250% including the fixed base salary.

The STIP is based on targets ensuring focus on day-to-day operations, while LTIP grants are tied to targets in line with the long term strategy of Netcompany.

Executive Management remuneration structure (based on full allocation)



Fixed base salary and benefits

The fixed based salary includes all contributions to pension schemes. Other benefits such as company car, phone etc. may not exceed 10% of the fixed base salary.

Short Term Incentive Plan (STIP)

The STIP is a cash-based bonus of up to 60% of the fixed base salary, granted annually on basis of performance in the year that has past. Targets in the STIP vary from year to year and are set by the Board of Directors at the beginning of a year.

The 2020 STIP targets are based on organic revenue growth, and adjusted EBITA before acquisitions.



Long Term Incentive Plan (LTIP)

The LTIP is a share-based incentive programme that is granted annually, and will vest in three years pending performance in the given three year period. The programme is revolving in character. The value of the annual grant is transferred into Restricted Stock Units (RSU) based on the weighted average share price the first three days following the release of the annual report.

The targets in the LTIP is based on top line growth and operating profit, in the three year period each grant covers. The targets are in line with the strategic objectives of the Group.

For each year, the Board of Directors grants RSUs to the Executive Management with a maximum value of 80% of the fixed base salary.

Notice and severance

The Executive Management may terminate their employment by giving Netcompany a nine months' notice. Netcompany may terminate the employment of the Executive Management by giving them a twelve months' notice.

According to the Remuneration Policy Netcompany may pay severance payment to

the members of the Executive Management, not exceeding the individual's total remuneration of the last year. In accordance with the employment contract, the Executive Management cannot request a severance payment.

The Company will, under special circumstances, be entitled to reclaim any variable remuneration (both cash- and share-based) awarded on the basis of data that have been misstated.

Granted RSUs to Executive Management (audited)	1 Jan 2020	Granted	Cancelled	Outstanding 31 Dec 2020	Value at grant date	Market value at 31 December 2020	Vesting date
	No.	No.	No.	No.	DKK'000	DKK'000	
André Rogaczewski, CEO							
Allocated in 2018	13,162	0	0	13,162	2,040	8,193	30 June 21
Allocated in 2019	17,454	0	0	17,454	3,600	10,865	31 December 21
Allocated in 2020	0	10,237	0	10,237	3,600	6,373	31 December 22
Total	30,616	10,237	0	40,853	9,240	25,431	
Claus Jørgensen, COO							
Allocated in 2018	13,162	0	0	13,162	2,040	8,193	30 June 21
Allocated in 2019	17,454	0	0	17,454	3,600	10,865	31 December 21
Allocated in 2020	0	10,237	0	10,237	3,600	6,373	31 December 22
Total	30,616	10,237	0	40,853	9,240	25,431	
Thomas Johansen, CFO							
Allocated in 2018	7,313	0	0	7,313	1,134	4,552	30 June 21
Allocated in 2019	9,697	0	0	9,697	2,000	6,036	31 December 21
Allocated in 2020	0	5,687	0	5,687	2,000	3,540	31 December 22
Total	17,010	5,687	0	22,697	5,135	14,129	
Total granted RSUs to Executive Management	78,242	26,161	0	104,403	23,614	64,991	

Remuneration for the Executive Management

In accordance with the above described remuneration package, the total remuneration for the Executive Management has increased 2% to DKK 26.8m in 2020 from DKK 26.2m in 2019.

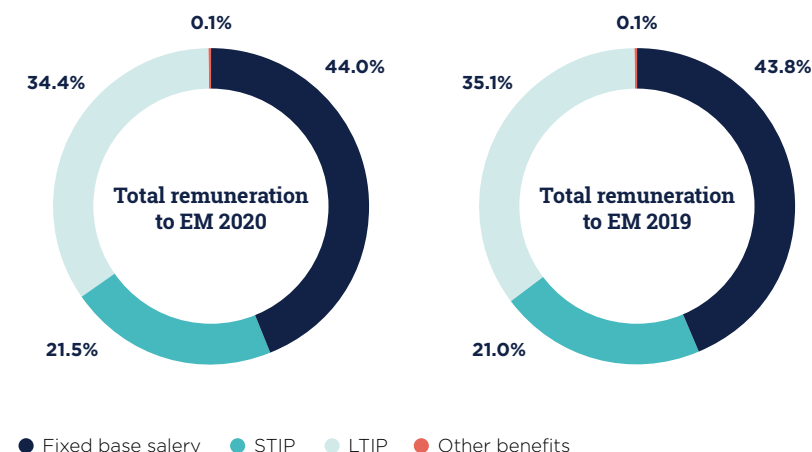
In 2020, 44% of the total remuneration constituted the fixed based salary, which is an increase of 0.2 percentage point compared to 43.8% in 2019. The fixed based salary increased 2.5% to DKK 11.8m from DKK 11.5m.

As not all financial targets for the 2020 STIP were met, STIP bonus for all members of the Executive Management have been reduced to 81.5% (2019 80%) of the maximum payout

for 2020. The STIP for the Executive Management amounted to DKK 5.8m in 2020, corresponding to 21.5% of the total remuneration. Compared to 2019 the STIP increased by 4.4% in 2020 from DKK 5.5m.

The Executive Management was granted 26,161 shares in the LTIP in 2020, which equals to a total of DKK 9.2m. Compared to 2019, the LTIP for the Executive Management in nominal amount is unchanged, and decreased 41.3% in number of granted shares due to the increase in stock price. The LTIP thereby covers 34.4% of their total remuneration in 2020 which is an decrease of 0.7 percentage points compared to the remuneration split in 2019.

Remuneration split (audited)



Executive Management remuneration (audited) (DKK'000)	Fixed base salary		STIP		Benefits ¹		Granted value in LTIP ²		Total Remuneration		Number of shares ³	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
André Rogaczewski, CEO	4,613	4,500	2,256	2,160	7	7	3,600	3,600	10,475	10,267	2,575,294	2,575,294
Claus Jørgensen, COO	4,613	4,500	2,256	2,160	7	7	3,600	3,600	10,475	10,267	2,575,294	2,575,294
Thomas Johansen, CFO	2,563	2,500	1,253	1,200	7	7	2,000	2,000	5,823	5,707	5,884	14,329
	11,788	11,500	5,764	5,520	21	21	9,200	9,200	26,773	26,241	5,103,248	5,164,917

¹ In addition, the Executive Management are entitled to spend up to 10% of their fixed base salary on a company car. The CEO has utilised DKK 285k (DKK 365k), the COO has utilised DKK 34k (DKK 235k) and the CFO has utilised DKK 179 k (DKK 213k).

² The granted value in LTIP recognised is the full award which will cover a three year period, and vest following the release of the Annual report three year after granted.

³ Part of the Executive Management has sold shares during 2020.

Remuneration key figures

5 year key figures (audited) (DKK'000)	2020	% change	2019	% change	2018	% change	2017	% change	2016 ¹
Remuneration of Board of Directors									
Bo Rygaard, Chairman	1,051	59.0%	661	50.9%	438	0.3%	437	54.2%	23
Juha Christensen, Vice Chairman	763	22.3%	624	24.3%	502	49.5%	336	66.8%	23
Scanes Bentley	489	-1.1%	394	-	-	-	-	-	-
Hege Skryseth	128	-	-	-	-	-	-	-	-
Åsa Riisberg	199	-	-	-	-	-	-	-	-
Robbert Kuppens ²	296	0%	168	-	-	-	-	-	-
Pernille Fabricius ²	179	0%	855	56.6%	546	2.3%	89	-	-
Pekka Ala-Pietilä ²	-	-	730	0%	1,057	-66.3%	525	-	-
Thomas Broe-Andersen ²	-	-	0	0%	0	0%	0	0%	0
Carsten Gomard ²	-	-	637	0%	1,000	0%	333	-	-
Nicholas Hjorth ²	-	-	-	-	-	-	-	-	0
Lars Denkov ²	-	-	-	-	-	-	-	-	0
Remuneration of Executive Management³									
André Rogaczewski, CEO	10,475	2.0%	10,267	35.5%	7,575	145.8%	3,082	0.0%	3,082
Claus Jørgensen, COO	10,475	2.0%	10,267	35.5%	7,575	145.8%	3,082	0.0%	3,082
Thomas Johansen, CFO	5,823	2.0%	5,707	1.3%	5,636	120.2%	1,498	-	-
Carsten Gomard ⁴	-	-	-	-	-	-	2,095	0.6%	3,124
Financial Measures, Netcompany Group									
Revenue	2,838,590	15.7%	2,453,853	19.5%	2,053,216	45.0%	1,416,085	57.4%	899,593
Organic Revenue	2,812,433	14.6%	2,416,493	17.7%	1,777,506	25.5%	1,232,044	37.0%	887,860
Adjusted EBITA margin	26.2%	1.1pp	25.2%	0.1pp	25.0%	-3.3pp	28.4%	0.8pp	27.6%
Average FTEs in Group	2,768	20.7%	2,293	23.2%	1,861	48.2%	1,256	43.2%	877
Average pay for company employees ⁵	561	5.3%	533	5.3%	510	-7.1%	543	12.4%	483
CEO Pay-Ratio ⁶	1:18	9.9%	1:17	28.7%	1:12	164.4%	1:06	-11.0%	1:06

¹ The Group was established on 1 February 2016; prior to this date Netcompany only consisted of Netcompany A/S. To allow for a meaningful comparison between the full-year numbers, the financial highlights and key figures of 2016 shows the consolidation between the 11-months reported figures in NC TopCo A/S and the one month of January 2016 reported in Netcompany A/S, which in total, comprise the Group. Please refer to the Prospectus for further information.

² Retired from the Board of Directors.

³ In addition, the Executive Management are entitled to spend up to 10% of their fixed base salary on a company car.

⁴ Retired from the Executive Management

⁵ Average pay excluding Board of Directors and Executive Management

⁶ CEO pay-ratio is calculated by dividing the CEOs salary costs by the average pay for company employees.

The Board of Director's Statement on the Remuneration Report

The Board of Directors has today considered and adopted the Remuneration Report of Netcompany Group A/S for the financial year 1 January 2020 to 31 December 2020.

The report has been prepared in accordance with section 139 b 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 to the Annual General Meeting 2021 for an indicative vote.

Copenhagen, 28 January 2021

Board of Directors

Bo Rygaard
Chairman

Juha Christen Christensen
Vice Chairman

Scanes Bentley

Hege Skryseth

Åsa Riisberg

Independent Auditor's Report

To the Shareholders of Netcompany Group A/S

We have examined whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the company's remuneration report for 2020, and whether the disclosures presented as 'audited' in the remuneration report are accurate and complete.

Management's responsibility

Management is responsible for the preparation of the remuneration report in accordance with section 139b of the Danish Companies Act and the remuneration policy adopted at the Annual General Meeting.

Further Management is responsible for the internal control that the Board of Directors considers needed to prepare the remuneration report that is free from material misstatement and omissions, whether due to fraud or error.

Auditor's responsibility

It is our responsibility to express a conclusion on whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the company's remuneration report, and whether the disclosures presented as 'audited' in the remuneration report are accurate and complete.

We have 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 regulation to obtain reasonable assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors (Code of Ethics for Professional Accountants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our examinations included an examination of whether the remuneration report, to the extent relevant, includes the disclosures required by section 139b(3), items 1-6, of the Danish Companies Act for the remuneration of each member of Management.

- We have verified that the disclosures in the remuneration report, which are presented as 'audited', are in accordance with

the remuneration policy, reporting practice for the remuneration report, agreements entered into, actual grants, payouts and other underlying documentation, including key figures and ratios, and other relevant financial information stated in the annual report for the financial year 2020, as we have recalculated the average remuneration on the basis of full-time equivalents of employees other than the Executive Management, and verified that the comparative information is calculated according to the same reporting practice.

- We have assessed Management's process for gathering, aggregating and presenting disclosures on remuneration of the Board of Directors and the Executive Management, including determination of the fair value of granted share-based remuneration for the Executive Management, and the holdings of the Company's shares by the Board of Directors and Executive Management,

Conclusion

It is our opinion that Management has fulfilled its obligations to disclose, in all material respects, the information required by section 139b(3) of the Danish Companies Act in the company's remuneration report for 2020 and that the disclosures presented as 'audited' in the remuneration report are accurate and complete.

Copenhagen, 28 January 2021

Deloitte

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