

Remuneration Report

2024

January 1 – December 31, 2024

cBrain A/S
Kalkbrænderiløbskaj 2
DK-2100 Copenhagen
Denmark

CVR no. 24233359

Introduction

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) for the fiscal year 2024, as well as the four preceding years. The report has been prepared in accordance with Section 139b of the Danish Companies Act.

The remuneration of the Board of Directors and the Executive Management for the fiscal year 2024 adheres to cBrain's remuneration policy, which was approved at the Annual General Meeting. This policy is available on cBrain's website via the following link: www.cbrain.com/s/Remuneration-Policy-UK.pdf.

In 2024, the Annual General Meeting approved a 10% increase in the board fee and an additional increase of TDKK 25 for the deputy chair of the audit committee. These adjustments were made to ensure a competitive fee level and to fairly reflect the chair's role, responsibilities, and actual functions on the Board.

All shareholder-elected Board members were re-elected.

The remuneration of the Executive Management totaled TDKK 5,152 (2023: TDKK 5,017). This remuneration level reflects both the company's business results and the individual performance of the executives.

The base salaries of the executives increased by 5%, in line with the adjustments for other employees at cBrain, due to general salary inflation.

The short-term incentive bonus for 2024 is based on targets aligned with cBrain's growth plan and an assessment of individual contributions, as outlined in Section 1.

There are no long-term incentive programs in place for 2024.

Remuneration Policy

The overall purpose of cBrain's remuneration policy is to:

- 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 Executive Management and those of cBrain and its shareholders.
- Contribute to value creation in cBrain, thereby supporting cBrain's business strategy.

According to cBrain's remuneration policy, the remuneration for 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 designed 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 align the interests of the Executive Management with those of the shareholders. This component also recognizes exceptional performance relative to the company's strategy and business results, thereby emphasizing value creation consistent with cBrain's objectives.

cBrain's notice of termination for Executive Management may not exceed 12 months, and the termination notice period for Executive Management may not normally exceed six months.

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

Contents

The Remuneration Report is divided into six sections, in accordance with the requirements for a Remuneration Report outlined in Section 139b(3) of the Danish Companies Act:

1. Remuneration is 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 the remuneration divided by components for the Board of Directors and the Executive Management, compared to the company's financial performance for 2024 and the four preceding years.

After reviewing comparable companies and consulting Executive Management, the Remuneration Committee concluded that the remuneration motivates and retains key executives, aligns with the adopted policy, and supports value creation based on financial performance and long-term results. Variable remuneration is not contractually fixed, with KPIs varying annually.

The Board of Directors, exercising its discretion, has decided to award a discretionary variable cash bonus to the members of the Executive Board in accordance with the remuneration policy, based on the successful execution of the company's growth plan. The following criteria formed the basis for this decision:

- **Product:** Development and release of F2 version 12, including the F2 AI Assistant, AI components such as RAG, and enhancements to the F2 Service Builder, all critical to the growth plan.
- **Market:** Satisfactory progress in the German market and the establishment of a partnership agreement with UNDP.
- **Organization:** Implementation of Delivery Version 2 methodology.
- **Sustainability:** Positioning efforts in the U.S. regarding permitting.
- **Recognition:** Winning the ESG Transparency Award 2024 during European Sustainability Week in Bonn.

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

Performance highlights

T.DKK	2024	2023	2022	2021	2020
Revenue	267.781	239.182	187.924	154.662	120.120
Percentage change	12%	27%	22%	29%	25%
Earnings before income taxes (EBT)	86.004	81.354	48.928	38.989	20.097
Percentage change	6%	66%	25%	94%	86%

Remuneration to Board of Directors, annual board fee

T.DKK	2024	2023	2022	2021	2020
Henrik Hvidtfeldt, Chair	165	150	150	150	125
Percentage change	10%	0%	0%	20%	0%
Lisa Herold Ferbing	135	100	100	100	75
Percentage change	35%	0%	0%	33%	0%
Peter Loft	110	100	100	100	75
Percentage change	10%	0%	0%	33%	0%
Per Tejs Knudsen, CEO	-	-	-	-	-
Percentage change	-	-	-	-	-
Thomas Qvist, CTO	-	-	-	-	-
Percentage change	-	-	-	-	-
Total	410	350	350	350	275

Remuneration to the executive management

T.DKK	2024	2023	2022	2021	2020
Per Tejs Knudsen, CEO					
Base salary	2.216	2.111	2.111	2.111	2.010
Short-term incentive	947	965	886	638	506
	3.163	3.076	2.997	2.749	2.516
Percentage change	3%	3%	9%	9%	25%
Thomas Qvist, CTO					
Base salary	1.389	1.323	1.323	1.323	1.260
Short-term incentive	600	618	571	402	320
	1.989	1.941	1.894	1.725	1.580
Percentage change	2%	2%	10%	9%	25%

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

The development and changes in remuneration for the Executive Management and the Board of Directors are presented in the table under Section 1. The table to the right illustrates changes in the CEO pay ratio between the CEO and cBrain's employees. cBrain employs several part-time staff, with their remuneration recognized proportionally based on the total number of employees and payroll.

3. Remuneration from Group companies

None of the Executive Management members receive remuneration from group companies.

4. Stock Options and Exercise of Stock Options

None of the Executive Management or Board of Directors holds or has exercised any stock options.

5. Possibility of Claw back of Variable Remuneration

In exceptional cases, the clawback (recoupment) of the Executive Management's variable remuneration may be initiated, such as when the remuneration was paid based on information that later proves to be inaccurate or misleading. It is important to note that no recoupments have been carried out to date.

6. Deviations from the remuneration policy procedure

There have been no deviations from the remuneration policy procedure.

CEO pay ratio

T.DKK	2024	2023	2022	2021	2020
Total salaries excluding CEO	129.723	115.380	103.997	86.530	74.280
Percentage change	12%	11%	20%	16%	24%
FTE's excluding CEO	188	166	151	136	116
Percentage change	13%	10%	11%	17%	20%
Average salary per FTE's excluding CEO	690	695	689	636	640
Percentage change	-1%	1%	8%	-1%	4%
CEO pay ratio	4,6:1	4,4:1	4,4:1	4,3:1	3,9:1

Management's shares in cBrain A/S

Numbers	2024	2023	2022	2021	2020
Board of Directors					
Henrik Hvidtfeldt, Chair	8.300	8.300	8.300	8.300	8.300
Percentage change	0%	0%	0%	0%	0%
Lisa Herold Ferbing, Vice Chair	-	-	-	-	-
Percentage change	-	-	-	-	-
Peter Loft	-	-	-	-	-
Percentage change	-	-	-	-	-
Per Tejs Knudsen, CEO	8.339.270	8.532.000	8.532.000	8.532.000	8.932.000
Percentage change	-2%	0%	0%	-4%	0%
Thomas Qvist, CTO	715.945	715.945	715.945	715.945	1.662.354
Percentage change	0%	0%	0%	-57%	0%
Total	9.063.515	9.256.245	9.256.245	9.256.245	10.602.654

Management's Statement

The Board of Directors has today considered and adopted the Remuneration Report of cBrain A/S (cBrain') for the fiscal year 2024.

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

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 to be held on April 29, 2025.

Copenhagen, February 20, 2025

Board of Directors

Henrik Hvidtfeldt
Chair

Lisa Herold Ferbing
Vice Chair

Peter Loft

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 2024 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 20, 2025

EY Godkendt Revisionspartnerselskab
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