

# Remuneration Report 2022/23

1 April 2022 – 31 March 2023



Matas A/S  
Rørmosevej 1  
3450 Allerød  
Denmark

CVR no. 27 52 84 06

matas

## Contents

To our shareholders	3
Matas' remuneration policy	4
Remuneration of the Board of Directors	5
Remuneration of the Executive Management	6
Shareholdings	11
Development in remuneration and Matas A/S' financial results	12

## To our shareholders

Acting on the recommendation of the Remuneration Committee, the Board of Directors of Matas A/S is responsible for ensuring an appropriate remuneration structure for the Board of Directors and the Executive Management. The Remuneration Committee prepared its first remuneration policy in 2013 and has since updated it annually to ensure that remuneration is consistent with market standards and regulatory requirements.

The current remuneration policy, adopted by the Company's shareholders at the annual general meeting held on 29 June 2021, is available at [investor.matas.dk/governance.cfm](https://investor.matas.dk/governance.cfm).

The remuneration policy supports the goal of attracting, motivating and retaining qualified members of the Board of Directors and the Executive Management. The remuneration is designed to align the interests of Management and the Company's shareholders and thus to support the achievement of Matas' short-term and long-term strategic goals and to stimulate value creation. The remuneration must also ensure Matas' ability to attract, motivate and retain competent managers, which is crucial to the execution of the Company's strategy. The remuneration of other members of Matas' executive team is based on the same principles designed to attract, motivate and retain skilled employees and ensure a strong focus on value creation and strategic progress.

## The financial year 2022/23

The central achievement of the year is that Matas has been able to deliver both growth and earnings in line with our Growing Matas Group strategy.

Matas generated revenue of DKK 4,490 million for the financial year 2022/23, a year-on-year increase of 3.3%. Matas grew despite being up against two exceptional years where "life under COVID-19" drove a spike in demand for health and personal care products. Matas also grew despite unprecedented shifts in the macroeconomic environment and in consumption patterns.

Earnings for the year (EBITDA before special items) were stable compared to last year at DKK 809 million, and profitability reached the top end of our guidance for the year. This reflects our ability to manage the inflationary pressure. We took certain cost measures throughout the year and still had room to continue our investment in initiatives that will drive long-term growth.

Matas focused on maintaining and strengthening its leading ESG position in the health and beauty market, as reflected in Matas' ESG report 2022/23, which can be downloaded at [investor.matas.dk](https://investor.matas.dk).

## Lars Vinge Frederiksen

Chairman of the Board of Directors and Chairman of the Remuneration Committee

## **Matas' remuneration policy**

### **The Board of Directors**

As regards to the Board of Directors, the remuneration policy allows the provision of a fixed annual fee, while variable or incentive-based remuneration is not permitted. In addition, the members of the Board of Directors may receive a fee for work performed for a board committee and work performed in connection with specific ad-hoc tasks falling outside the Board's ordinary duties.

### **The Executive Management**

As regards to the Executive Management, the remuneration policy allows the provision of both a fixed base salary and variable remuneration.

The fixed base salary paid to the members of the Executive Management consists of

- a fixed salary
- a pension contribution
- other employee benefits

The variable remuneration paid to the members of the Executive Management consists of

- a short-term incentive programme (STIP) in the form of an annual cash bonus determined on the basis of the Company's financial results and ESG-related performance
- a long-term (3-year) incentive programme (LTIP) in the form of performance share units (PSUs)

Under the remuneration policy, STIP and LTIP may each amount to up to 100% of the fixed base salary at the date of grant.

The LTIP programme includes both a retention element and a performance element as described in further detail below.

The variable remuneration helps to align the interests of shareholders and the Executive Management. It is intended to reward individual effort and performance and ensure that the aggregate remuneration paid to each member of the Executive Management is in line with market practice of comparable companies. In exceptional cases, the remuneration policy allows for the granting of a cash or share-based bonus of up to 150% of each member's fixed salary. The long-term incentive programme also contributes to retaining the members of the Executive Management.

To be eligible to participate in LTIP, a member of the Executive Management must acquire shares in the Company for an amount corresponding to at least 50% of his or her annual fixed base salary.

Matas A/S may terminate an employment relationship with a member of the Executive Management by giving up to 24 months' notice. A member of the Executive Management may terminate the employment relationship by giving at least four months' notice. Termination benefits cannot exceed the aggregate compensation paid to the member of the Executive Management during the last 24 months.

## Remuneration of the Board of Directors

### Fees paid to members of the Board of Directors

The fee payable to the members of the Board of Directors in the next financial year is approved at the annual general meeting.

The fee payable to board members for financial year 2022/23, as approved by the shareholders in general meeting, is DKK 300,000 per member (2021/22: DKK 300,000). The Chairman receives 2.5 times the annual fee and the Deputy Chairman receives 1.5 times the fee. A resolution was also adopted to adjust the fee structure for committee work performed in 2022/23, as set out in the table below.

(DKK'000)	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee
Member	(base fee) 300	75	38	38
Chairman	(2.5 base fee) 750	150	75	75
Deputy Chairman	(1.5 base fee) 450	-	-	-

### Total remuneration of the Board of Directors for 2022/23

The remuneration of the Board of Directors for 2022/23 may be specified as follows:

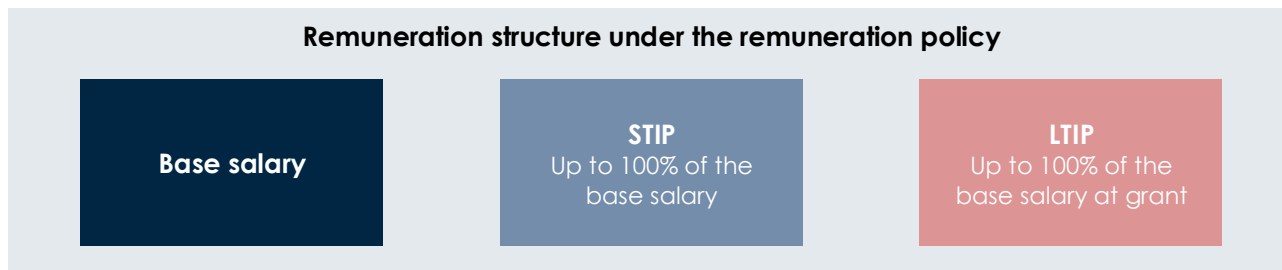
(DKK'000)	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	2022/23 Total
Lars Vinge Frederiksen	(Chair) 750	-	(Chair) 75	(Chair) 75	900
Mette Maix	(Dep. Chair) 413	-	38	38	488
Birgitte Nielsen	300	(Chair) 150	-	-	450
Henrik Taudorf Lorensen	300	-	38	38	375
Kenneth Melchior	300	75	-	-	375
Lars Jensen	225	56	-	-	281
Lars Frederiksen (Former Dep. Chair)	112	19	-	-	131
<b>Total remuneration of the Board of Directors</b>	<b>2,400</b>	<b>300</b>	<b>150</b>	<b>150</b>	<b>3,000</b>

## Remuneration of the Executive Management

### Components of the remuneration of the Executive Management

The Board of Directors wishes to offer members of the Executive Management a remuneration package which is competitive, promotes short-term and long-term value creation and ensures consistency between the Company's financial performance and the remuneration of the Executive Management. The fixed base salary is the key component of the remuneration package. The short-term incentive programme (STIP) rewards short-term results, typically based on the profit for the year, revenues, ESG and personal targets, while the long-term incentive programme (LTIP), which covers a period of three years, rewards long-term value creation.

The Board of Directors finds it important that a significant part of the remuneration package consists of variable components so as to ensure consistency between the Company's performance and the remuneration of the members of the Executive Management.



### Base salary of members of the Executive Management

The fixed base salary of the members of the Executive Management consists of a salary, pension contributions and other employee benefits. The pension contribution amounts to 10% of the fixed salary, and other employee benefits comprise a company car, phone, internet and newspaper subscriptions as well as health and accident insurance. The cars made available to members of the Executive Management are leased, and the annual lease payment per vehicle may not exceed DKK 240,000.

### Short-term incentive programme (STIP) for the Executive Management

Through his or her participation in the short-term incentive programme (STIP), each member of the Executive Management may qualify for a short-term cash bonus if certain annual targets defined by the Board of Directors and supporting the long-term execution of the 'Growing Matas Group' strategy are met. Under the remuneration policy, the total STIP bonus may amount to up to 100% of each member's fixed base salary exclusive of pension contributions at the date of grant, and the targets to be met to qualify for the bonus are related to the Company's financial performance and the achievement of specific personal goals. To be eligible for STIP bonus, certain minimum targets must be met, and bonus is paid once a year in proportion to the targets achieved.

### Long-term incentive programme (LTIP) for the Executive Management

The members of the Executive Management also participate in a long-term incentive programme (LTIP), under which they may qualify for a share-based bonus if targets directly related to the execution of the 'Growing Matas Group' strategy are met. Under the remuneration policy, each member of the Executive Management may qualify for Performance Share Units (PSUs) of an amount not to exceed 100% of the fixed base salary exclusive of pension contributions at the date of grant (based upon performance, vesting will be between 75-150%). The PSUs are granted as a percentage of the fixed salary at a value corresponding to the share price at the date of grant. The PSUs vest after three years, and the number of vested PSUs depends on the degree of achievement of two strategic goals related to total revenue and total earnings (EBITDA before special items) in the 3-year period. The long-term incentive programme is described in detail below.

To be eligible for PSUs, a member of the Executive Management must acquire Matas shares for an amount corresponding to at least 50% of his or her fixed base salary. New members of the Executive Management may accumulate such shareholding during the first four years of serving on the Executive Management.

### Total remuneration of the Executive Management for 2022/23

The total remuneration paid to the Executive Management for financial year 2022/23 amounted to DKK 15,8 million of which variable remuneration accounted for 48%.

(DKKm)	Base salary	Pension contributions	STIP (actual) <sup>2</sup>	LTIP (value on grant) <sup>3</sup>	2022/23 total
Gregers Wedell-Wedellsborg (CEO)	5.3	0.5	2.9	3.3	<b>12.1</b>
Per Johannesen (CFO) <sup>1</sup>	2.1	0.3	-	1.3	<b>3.7</b>
<b>Executive Management, total</b>	<b>7.5</b>	<b>0.8</b>	<b>2.9</b>	<b>4.6</b>	<b>15.8</b>

<sup>1</sup>) Joined on 1 August 2022

<sup>2</sup>) Paid in 2022/23 concerning 2021/22

<sup>3</sup>) Granted in the year

### Granting of variable remuneration

As regards to the short-term incentive programme (STIP), the performance targets to be met by the CEO and CFO are defined by the Board of Directors. The performance targets to be met by the rest of the executive team are defined by the Executive Management. The STIP performance targets for the next financial year are set annually in connection with the budget process.

Incentive-based remuneration may be clawed back if payment of the variable pay component is based on information which subsequently proves to be incorrect.

In addition to the variable remuneration that may be granted to the Executive Management, variable remuneration may also be granted to the rest of the executive team, which at 31 March 2023 consisted of the group of other Matas executives, comprising twelve people.

### Granting of STIP for 2022/23 to Matas' management

For financial year 2022/23, a short-term bonus programme (STIP) based on the achievement of defined financial performance targets, including EBITDA before special items, revenue (like-for-like) and inventory value for financial year 2022/23, and a number of discretionary targets, including ESG, has been agreed for the Executive Management and the rest of the executive team. The 2022/23 STIP potential has been set at up to 70% of the base salary.

The objective criteria's and the discretionary criteria have for the most part been met.

	Performance target	Weight	Target achievement
<b>Gregers Wedell-Wedellsborg (CEO)</b>			
	Revenue	20%	Partially achieved
	EBITDA before special items	20%	Above target
	Inventory value as a percentage of revenue at end-2022/23	15%	Above target
	Revenue growth, New Assortment	15%	Above target
	ESG and personal targets	30%	Partially achieved
<b>Per Johannesen (CFO)</b>			
	Revenue	20%	Partially achieved
	EBITDA before special items	20%	Above target
	Inventory value as a percentage of revenue at end-2022/23	15%	Above target
	Revenue growth, New Assortment	15%	Above target
	ESG and personal targets	30%	Partially achieved

Based on the results achieved, short-term bonus payments for the Executive Management for financial year 2022/23 will total DKK 4.6 million, corresponding to 93% of the maximum short-term bonus (2021/22: DKK 4.3 million and 86% of the maximum short-term bonus), which amount will be paid out upon approval at the annual general meeting of Matas' annual report for 2022/23.

Total short-term bonus payments for the rest of the executive team for financial year 2022/23 will amount to approximately DKK 4.4 million (2021/22: DKK 4.3 million). Bonus is calculated and paid out according to the same principles as those applying to the Executive Management.

### Granting of LTIP for 2022 to Matas' management

As described above, Matas has offered share-based incentive programmes in the form of Performance Share Units (PSUs) to the Executive Management and the rest of the executive team since 2016.

PSUs for 2022 are calculated and granted according to the following general principles:

- The term of a PSU is three years, after which it vests. The expiry date is thus three years after the date of grant.
- The number of conditional PSUs granted in a given year has been fixed at a value of up to 100% of the participant's fixed base salary exclusive of pension contributions at the date of grant.
- The number of PSUs granted is fixed on the basis of the share price at the date of grant.
- The financial performance targets associated with the granting of PSUs are determined once each year at the date of grant based on the budget, as approved by the Board of Directors, for the following financial year.
- Incentive-based remuneration may be clawed back if payment of the variable pay component is based on information which subsequently proves to be incorrect.
- Usual good and bad leaver rules apply.

The current programmes stipulate the following conditions for the vesting of conditional PSUs (to be converted into final PSUs):

- Depending on the achievement of two KPIs, which are each weighted 50%, one based on the EBITDA before special items performance and one on the revenue performance in the period up to and including the third financial year after grant, the number of final PSUs granted may at vesting vary by between 75% (threshold) and 150% (overperformance) of the number originally granted, subject, however, to the continued employment of the participant concerned.
- The PSUs are granted free of charge, and provided that the PSUs vest and do not lapse, each PSU entitles the holder to receive one Matas share at the time of vesting.
- Provided that the above-mentioned KPIs are met, the PSUs granted will vest after publication of the annual report for the third year after grant.
- As described above, to participate in the programme, participants must over a four-year period acquire shares in Matas corresponding to a pre-defined share of their gross salary (shareholding obligation).

In addition to the Executive Management, PSUs were granted to the rest of Matas' executive team and to the management of Firtal Group in June 2022.

#### **Vesting of LTIP granted in 2019**

The long-term incentive programme granted in September 2019 vested on 23 June 2022.

Pursuant to the Remuneration Policy, a total of 268,162 PSUs related to the Company's long-term incentive programme (LTIP) for 2019 vested. 268,162 of the PSUs vested in the form of 93,752 shares being granted to CEO Gregers Wedell-Wedellsborg and 174,410 shares being granted to the rest of the executive team, including resigned managers (good leavers).

The PSUs were granted free of charge to vest in the form of shares in Matas and are exercisable subject to employment/good leaver status at the date of vesting.

PSUs vested at 150% of the original grant.

	<b>Performance target</b>	<b>Weight</b>	<b>Target achievement</b>
<b>Gregers Wedell-Wedellsborg (CEO)</b>			
	Revenue	50%	Above target
	EBITDA before special items	50%	Above target

#### **Value of non-vested Performance Share Units (LTIP)**

There are currently three ongoing LTIP programmes initiated in 2020, 2021 and 2022.

The 2020 programme will vest in May 2023. Depending on the achievement of EBITDA before special items and revenue targets for financial years 2020, 2021 and 2022, the number of final PSUs granted may at vesting vary by between 75% and 150% of the number originally granted. The 2021 and 2022 programmes will vest in 2024 and 2025, respectively, based on the performance in the three preceding financial years.

The maximum number of PSUs (150% of the number originally granted) and their value at vesting at the time of vesting are shown below. The value is based on the closing price at 31 March 2023 (DKK 84.20).



LTIP programmes (granted year)	Programme 2022	Programme 2021	Programme 2020
<b>Number of participants</b>			
Executive Management	2	2	2
Other	10	9	8
<b>Total</b>	<b>12</b>	<b>11</b>	<b>10</b>
<b>Number of PSUs granted</b>			
Gregers Wedell-Wedellsborg (CEO)	55,700	44,293	47,518
Per Johannesen Madsen (CFO)	21,879	-	-
Anders Skole-Sørensen (CFO, resigned 1 June 2022)	-	16,614	25,007
<b>Executive Management, total</b>	<b>77,579</b>	<b>60,907</b>	<b>72,525</b>
Other executives	102,669	62,175	56,831
<b>Total</b>	<b>180,248</b>	<b>123,082</b>	<b>129,356</b>
Executive Management's proportion	43%	49%	56%
<b>Overperformance market value at 31 March 2023 (DKKm) <sup>1)</sup></b>			
Gregers Wedell-Wedellsborg (CEO)	7.0	5.6	6.0
Per Johannesen Madsen (CFO)	2.8	-	-
Anders Skole-Sørensen (CFO, resigned 1 June 2022)	-	2.1	3.2
<b>Executive Management, total</b>	<b>9.8</b>	<b>7.7</b>	<b>9.2</b>
Other executives	13.0	7.9	7.2
<b>Total</b>	<b>22.8</b>	<b>15.5</b>	<b>16.3</b>
Executive Management's proportion	43%	49%	56%
<b>Threshold market value at 31 March 2023 (DKKm) <sup>2)</sup></b>			
Gregers Wedell-Wedellsborg <sup>2)</sup> (CEO)	3.5	2.8	3.0
Per Johannesen Madsen (CFO)	1.4	-	-
Anders Skole-Sørensen (CFO, resigned 1 June 2022)	-	1.0	1.6
<b>Executive Management, total</b>	<b>4.9</b>	<b>3.8</b>	<b>4.6</b>
Other executives	6.5	3.9	3.6
<b>Total</b>	<b>11.4</b>	<b>7.8</b>	<b>8.2</b>
Executive Management's proportion	43%	49%	56%

**Any employee who is not considered a good leaver will be considered a bad leaver. Bad leavers are not entitled to exercise PSUs under the long-term incentive programme.**

<sup>1)</sup> Calculated as the number of PSUs granted x 150% (maximum number at vesting) x Matas closing price at 31 March 2023 (DKK 84.2).

<sup>2)</sup> Calculated as the number of PSUs granted x 75% (minimum number at vesting) x Matas closing price at 31 March 2023 (DKK 84.2).

#### **Value of actual total remuneration paid and granted to the Executive Management in 2022/23**

The total remuneration paid to the Executive Management, comprising the actual remuneration paid in 2022/23 and the value of the remuneration at minimum and maximum achievement of STIP and LTIP for 2022/23, is shown on the next page.

The actual remuneration is calculated as the fixed base salary plus STIP granted for 2022/23 (to be paid out in 2023/24) and the value of PSUs granted in financial year 2022/23 based on the share price at the end of the financial year (DKK 84.20).

The value of the remuneration at maximum and minimum achievement, respectively, is calculated as the fixed base salary plus 100% or 0% STIP achievement plus the value of PSUs granted at vesting in 2025 of either 150% (maximum) or 75% (minimum) of the value granted based on the share price at the end of the financial year (DKK 84.20).

(DKKm)	Actual remuneration paid and granted in 2022/23	Value of remuneration at maximum achievement	Remuneration at minimum achievement
<b>Gregers Wedell-Wedellsborg (CEO)</b>			
Base salary, inclusive of pension contributions and benefits	5.8	5.8	5.8
Cash bonus (STIP) <sup>1)</sup>	3.3	3.6	0.0
Value of PSUs granted (LTIP) <sup>2)</sup>	4.7	7.0	3.5
<b>Total</b>	<b>13.9</b>	<b>16.4</b>	<b>9.3</b>
<b>Per Johannesen Madsen (CFO)</b>			
Base salary, inclusive of pension contributions and benefits	2.4	2.4	2.4
Cash bonus (STIP) <sup>1)</sup>	1.3	1.4	0.0
Value of PSUs granted (LTIP) <sup>2)</sup>	1.8	2.8	1.4
<b>Total</b>	<b>5.5</b>	<b>6.6</b>	<b>3.8</b>
<b>Executive Management, total</b>	<b>19.4</b>	<b>23.0</b>	<b>13.2</b>

<sup>1)</sup> Granted in 2022/23, to be paid out in 2023/24. <sup>2)</sup> Granted in 2022, vesting in 2025.

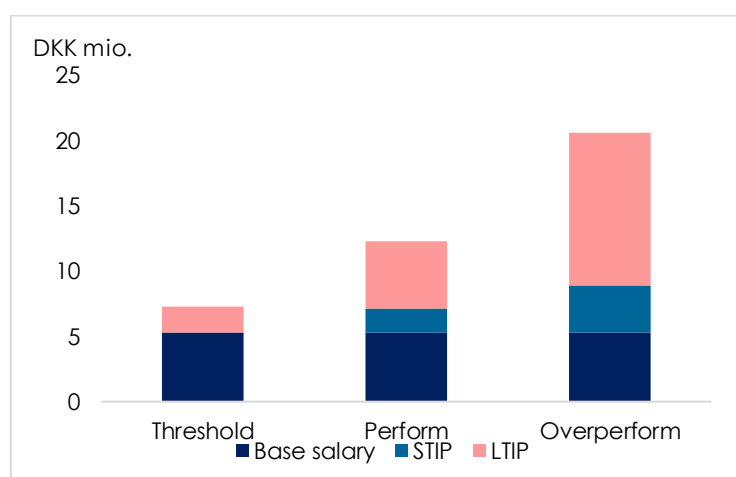
The distribution between fixed and variable remuneration for the Executive Management is shown below.

(%)	Fixed remuneration	Cash bonus <sup>1)</sup>	PSUs <sup>2)</sup>	Total remuneration
<b>2022/23</b>				
Gregers Wedell-Wedellsborg (CEO)	48%	24%	28%	100%
Per Johannesen Madsen (CFO)	66%	0%	34%	100%
<b>Executive Management, total</b>	<b>52%</b>	<b>19%</b>	<b>29%</b>	<b>100%</b>

<sup>1)</sup> STIP paid in the year. <sup>2)</sup> LTIP granted in the year (75%).

### Three scenarios for outcome of LTIP 2022

The chart below shows three possible outcomes of the LTIP 2022 programme for Gregers Wedell-Wedellsborg in a threshold, perform and overperform scenario, respectively. The assumptions for the three scenarios are set out in the table below, which are the same for the CFO.



	Threshold	Perform	Overperform
Base salary (DKKm)	5.3	5.3	5.3
STIP	0%	50%	100%
LTIP vesting	75	100	150
Share Price index	50	100	150

## Shareholdings

### Shareholdings of the Board of Directors

Shareholdings of the Board of Directors in Matas A/S and changes in shareholdings in 2022/23:

	Shareholding at 1 April 2022 No.	Purchase/sale in the period No.	Shareholding at 31 March 2023 No.	Market value at 31 March 2023 (DKKm)
<b>Board of Directors</b>				
Lars Vinge Frederiksen (Chair)	19,095	-	19,095	1.6
Mette Maix (Dep. Chair)	1,700	-	1,700	0.1
Birgitte Nielsen	3,439	-	3,439	0.3
Henrik Taudorf Lorensen	2,000	-	2,000	0.2
Kenneth Melchior	-	356	356	-
Lars Jensen	-	-	-	-

### Shareholdings of the Executive Management

Shareholdings of the Executive Management in Matas A/S and changes in shareholdings in 2022/23:

	Shareholding at 1 April 2022 No.	Purchase/sale in the period No.	Shareholding at 31 March 2023 No.	Market value at 31 March 2023 (DKKm)
<b>Executive Management</b>				
Gregers Wedell-Wedellsborg (CEO)	52,195	93,752	145,947	12.3
Per Johannesen Madsen (CFO)	-	30,200	30,200	2.5

## Development in remuneration and Matas A/S' financial results

Development in the remuneration of the Board of Directors and the Executive Management and in Matas A/S' financial results and average employee salaries are shown below. It should be noted that the financial performance for 2019/20 was negatively impacted by the Covid-19 pandemic, while the pandemic had a favourable effect on the 2020/21 financial performance.

	2022/23	2021/22	2020/21	2019/20
(DKKm)				
<b>Financial results<sup>1)</sup></b>				
Revenue, Matas A/S	4,489.6	4,344.2	4,163.6	3,688.5
EBITDA, Matas A/S	804.2	809.6	788.0	678.4
<b>Executive Management</b>				
Gregers Wedell-Wedellsborg (CEO)	12.1	12.8	10.6	10.7
Per Johannesen Madsen (CFO)	3.7	-	-	-
Anders Skole-Sørensen (CFO, resigned 1 June 2022)	-	5.9	5.5	5.5
(DKKm)				
<b>Board of Directors</b>				
Lars Vinge Frederiksen (Chair)	0.9	0.9	0.8	0.8
Mette Maix (Dep. Chair)	0.5	0.4	0.3	0.3
Birgitte Nielsen	0.5	0.5	0.4	0.4
Henrik Taudorf Lorensen	0.4	0.4	0.2	-
Kenneth Melchior <sup>2)</sup>	0.4	0.4	-	-
Lars Jensen <sup>3)</sup>	0.3	-	-	-
<b>Resigned board members</b>				
Lars Frederiksen <sup>4)</sup> (former Deputy Chairman of the Board of Directors)	0.1	0.5	0.5	0.5
Signe T. Hilstrøm <sup>5)</sup>	-	-	0.3	0.3
Christian Mariager <sup>6)</sup>	-	-	0.1	0.3
<b>Average employee remuneration<sup>7)</sup></b>				
Average salary of an employee of Matas HQ (excluding members of the Executive Management)	0.7	0.7	0.6	0.6
Ratio of remuneration of CEO to average salary	19	18	18	18

<sup>1)</sup>The granting of STIP and LTIP primarily depends on the achievement of two KPIs, the EBITDA before special items performance and the revenue performance

<sup>2)</sup> Joined on 29 June 2021

<sup>3)</sup> Joined on 28 June 2022

<sup>4)</sup> Resigned on 28 June 2022

<sup>5)</sup> Resigned on 29 June 2021

<sup>6)</sup> Resigned on 30 June 2020

<sup>7)</sup> Other than members of the Executive Management, Matas A/S had no employees in the period under review

# matas

**Matas A/S**  
Rørmosevej 1  
3450 Allerød  
Denmark

CVR no. 27 52 84 06