

REMUNERATION REPORT 2024



Remuneration Report for 2024

This Remuneration Report for TCM Group A/S (hereafter TCM Group) has been prepared in accordance with section 139b of the Danish Companies Act. The report provides information on the total remuneration granted to each of the members of the Board of Directors and Executive Management of TCM Group for the last two financial years.

About TCM Group

TCM Group is Scandinavia's third-largest kitchen manufacturer, with a major part of its business concentrated in Denmark. The product offering includes cabinets, table tops and storage.

Manufacturing is generally carried out in-house, with more than 90% manufactured to a specific customer order. Production sites are located in the western part of Denmark, with four factories in Tvis and Aulum.

The Group pursues a multi-brand strategy, under which the main brand is Svane Køkkenet and the secondary brands are Tvis Køkken, Nettoline, AUBO and private label. Combined, the brands cater for the entire price range. Products are mainly marketed through a network of franchise stores and independent kitchen retailers. TCM Group is also a supplier to the 45%-owned e-commerce kitchen business Celebert, which operates the brands kitchn.dk, billigskabe.dk, Celebert and Just Wood.

TCM Group is listed on Nasdaq Copenhagen.

Remuneration policy and shareholder vote on Remuneration Report

Remuneration paid during the financial year 2024 follows our Remuneration Policy, most recently approved at the Annual General Meeting on 13 April 2021. The current TCM Group Remuneration Policy including guidelines for incentive pay is available on our website at governance-en.tcmgroup.dk.

The Remuneration Report for 2023 was submitted to the shareholders for an advisory vote at the Annual General Meeting held on 11 April 2024. The Remuneration Report for 2023 was adopted without any comments.

Overview of members of the Executive Management and Board of Directors

Below is an overview of members of the Executive Management and Board of Directors during the two financial years (*crosses in brackets indicate joined/elected/resigned during the financial year*):

Members	2024	2023	Comments
Executive Management			
Torben Paulin (CEO)	X	X	
Thomas Hjannung (CFO)	X	(X)	Joined 1 March 2023
Board of Directors			
Sanna Mari Suvanto-Harsaae (Chair until 11 April 2024)	(X) X	X X	Resigned 11 April 2024
Anders Skole-Sørensen (Chair from 11 April 2024/Deputy Chair)			
Carsten Bjerg	(X)	X	Resigned 11 April 2024
Søren Mygind Eskildsen (Deputy Chair from 11 April 2024)	X	X	
Jan Amtoft	X	X	
Pernille Wendel Mehl	X	(X)	Elected 13 April 2023
Erika Hummel	X	(X)	Elected 13 April 2023
Björn Olsson Lissner	(X)		Elected 11 April 2024

Board of Directors

The Company is governed by a Board of Directors consisting of four to seven directors elected by the Annual General Meeting.

Components

Components of the remuneration of the Board of Directors are described in the Remuneration Policy and have been approved at the Annual General Meeting. The remuneration consists of the components listed below.

Fixed remuneration

The ordinary members of the Board of Directors receive a fixed annual fee (base fee) approved by the Annual General Meeting. The Chair of the Board of Directors receives 2.5 times the base fee and the Deputy Chair 1.5 times the base fee.

An additional fee for members of the Audit Committee, Remuneration Committee and Nomination Committee is paid as a multiple of the base fee as specified below:

	Chair	Member
Audit Committee	0.5x	0.25x
Nomination Committee	0.25x	0.125x
Remuneration Committee	0.25x	0.125x

In 2024 the base fee for an ordinary member of the Board of Directors was DKK 250,000.

On presentation of vouchers, the Company will reimburse all travel and accommodation expenses incurred by a member of the Board of Directors while performing their board duties (including committee work). Reimbursements are generally insignificant and amounted to DKK 34 thousand for the entire Board of Directors in 2024.

Further, the Company will pay for such relevant training for each board member as is considered appropriate, having regard to their position.

Incentive pay

The remuneration of the members of the Board of Directors does not include any incentive pay.

Remuneration

The table below provides an overview of the total remuneration paid to the Board of Directors for 2024 and 2023:

DKK'000

2024	Base fee	Audit Committee	Nomination Committee	Remuneration Committee	Total	Change vs LY*
Sanna Mari Suvanta-Harsaae, Chair - resigned 11 April 2024	156	16	16	16	203	0%
Anders Skole-Sørensen, Chair	563	78	55	55	750	33%
Carsten Bjerg - resigned 11 April 2024	63	-	8	8	78	0%
Søren Mygind Eskildsen, Deputy Chair	344	-	23	23	391	56%
Jan Amtoft	250	47	-	-	297	19%
Pernille Wendel Mehl	250	-	23	23	297	19%
Erika Hummel	250	94	-	-	344	38%
Björn Olsson Lissner - elected 11 April 2024	188	-	-	-	188	n.a.
Total	2,063	234	125	125	2,547	

* Sanna Mari Suvanta-Harsaae and Carsten Bjerg resigned from the Board of Directors as of 11 April 2024, and Change vs LY has therefore been calculated using annualised figures for 2024.

2023	Base fee	Audit Committee	Nomination Committee	Remuneration Committee	Total	Change vs LY*
Sanna Mari Suvanta-Harsaae, Chair	625	63	63	63	813	0%
Anders Skole-Sørensen, Deputy Chair	375	125	31	31	563	0%
Carsten Bjerg	250	-	31	31	313	0%
Søren Mygind Eskildsen	250	-	-	-	250	0%
Danny Feltmann Espersen - resigned 13 April 2023	63	-	-	-	63	0%
Jan Amtoft	250	-	-	-	250	0%
Pernille Wendel Mehl - elected 13 April 2023	188	-	-	-	188	n.a.
Erika Hummel - elected 13 April 2023	188	-	-	-	188	n.a.
Total	2,188	188	125	125	2,625	

* Jan Amtoft was elected to the Board of Directors as of 5 April 2022, and Change vs LY has therefore been calculated using annualised figures for 2022. Danny Feltmann Espersen resigned from the Board of Directors as of 13 April 2023, and Change vs LY has therefore been calculated using annualised figures for 2023.

Executive Management

Components

Components of the remuneration of the Executive Management are described in the Remuneration Policy and comprise the elements listed below.

Fixed annual base salary

The members of the Executive Management will receive a fixed annual base salary as payment for their day-to-day performance.

The Executive Management will not be entitled to any further remuneration for assisting the Company's affiliated companies.

Pension

The Company's pension contribution potentially comprises a maximum of 25% of the fixed annual base salary. The pension contribution in 2024 was below the maximum contribution.

Variable incentive pay

In order to align goals for the Executive Management with those of the Company's shareholders, and to ensure long-term value creation in the Company as well as meeting the short- and long-term goals, the Board of Directors considers it appropriate to have incentive schemes in place for the Executive Management. Such incentive schemes may comprise various forms of variable remuneration, including share-based instruments such as shares, share options, warrants and phantom shares, as well as non-share-based bonus agreements. Variable remuneration will be earned, wholly or partly, over a period of minimum three years. Any specific incentive agreements with members of the Executive Management will be subject to these guidelines.

Short-term cash bonus (STI)

Annual bonus arrangements are one-year bonus schemes that drive and reward delivery of short-term business objectives. Annual bonus payments are conditional upon full or partial compliance with the terms and targets defined in the bonus agreement. These may comprise personal targets linked to the performance of the executive in question, the Company's delivery of annual business results, or the occurrence of a specific event.

The annual bonus schemes for the Executive Management allow members potentially to receive a bonus per financial year of up to 100% of the executive's fixed annual salary.

The STI programme for 2024 was capped at up to 50% of the fixed annual base salary and is based on annual KPIs for revenue, EBITDA and net working capital (NWC) ratio. The KPIs are weighted with 60% assigned to EBITDA, 30% to revenue and 10% to NWC ratio.

The STI programme included a threshold for the EBITDA target that, if not achieved, would result in no STI bonus being paid, regardless of performance on the other KPIs.

STI bonus paid to Executive Management for 2024:

STI 2024: (DKK'000)	Weighted	Performance vs target	CEO Torben Paulin		CFO Thomas Hjannung	
			Granted bonus	Maximum bonus	Granted bonus	Maximum bonus
KPIs:						
Revenue	30%	30%				
EBITDA	60%	53%				
NWC ratio	10%	10%				
Total	100%	93%	1,368	1,471	533	573
Total bonus %			93%		93%	

Long-term incentive scheme (LTI)

The long-term incentives are primarily designed to incentivise long-term performance, commitment and retention of members of the Executive Management, as well as to promote alignment of interests with those of the shareholders. The long-term incentives may potentially result in a maximum value per financial year of up to 50% of the executive's fixed annual base salary.

The LTI programme consists of individual Performance Share Unit Plans commencing each year with a three-year performance period. At the end of the performance period, the performance share units may be converted into shares in TCM Group A/S, which will be granted free of charge. The commencement of each new plan is subject to a separate decision by TCM Group's Board of Directors. The company intends to use treasury shares to meet its obligations to deliver shares under the Performance Share Unit Plans.

The LTI programme is applicable for the performance periods 2022-2024, 2023-2025 and 2024-2026. The performance measures for the LTI programme for the periods 2022-2024 and 2023-2025 are both three-year accumulative and comprise absolute total shareholder return for the Company's share (weighting 30%), EBITDA (weighting 50%) and reduction of the Group's carbon emissions (weighting 20%). The performance measures for the LTI programme for the period 2024-2026 are three-year accumulative and comprise absolute total shareholder return for the Company's share (weighting 30%), EBITDA (weighting 55%) and reduction of the Group's carbon emissions (weighting 15%). The LTI programme for the period 2024-2026 is capped at up to 50% of the annual basic salary for 2024, corresponding to a total of 37,885 shares in TCM Group.

The LTI programme for 2022-2024 is to be paid out in 2025, the LTI programme for 2023-2025 in 2026 and the LTI programme for 2024-2026 in 2027, depending on performance on the abovementioned criteria.

The expected vesting level depends on the performance in future financial years. The expected vesting level for 2024 for Executive Management was set at 85% of the maximum LTI amount.

Clawback

TCM Group has the right to reclaim LTI allocations or STI cash bonuses, in whole or part, from the participant (member of the Executive Management) in the event of serious misconduct, or if the allocation or reward was based on information that subsequently proves to be incorrect. No such event has taken place.

Other benefits and working tools

The Company will make a number of work-related benefits and working tools available to the members of the Executive Management, including but not limited to a mobile telephone, a company car, a computer and a broadband connection. The extent of such work-related benefits will be negotiated with each member of the Executive Management.

Termination and severance pay

The Company may terminate the employment of a member of the Executive Management with the notice specified in the executive service agreement. The period of notice may not exceed 12 months.

Further, a member of the Executive Management may terminate their employment with the Company with the notice specified in the individual contract.

Unless otherwise agreed in the executive service agreement, members of the Executive Management are not entitled to redundancy pay or compensation for voluntary or non-voluntary termination of employment. If redundancy pay or similar compensation is agreed in the Executive Service Agreement, such compensation cannot exceed 3 months' salary.

Remuneration

The development in the total remuneration for 2024 and 2023 is presented below.

DKK'000

	Base salary	Pension cost	Other benefits	STI	LTI *	Total	Fixed/variable	Change vs LY **
2024								
Torben Paulin, CEO	2,956	317	403	1,368	1,313	6,357	58 / 42	35%
Thomas Hjannung, CFO	1,646	184	209	533	587	3,159	65 / 35	33%
Total	4,602	501	612	1,901	1,900	9,516	60 / 40	

* LTI is the estimated grant value of the LTI for the entire period 2024-2026, granted in 2024, whereas the amount presented in note 5 to the consolidated financial statements in the Annual Report represents the grant value of the LTI programme accrued over the financial years 2022-2026.

	Base salary	Pension cost	Other benefits	STI	LTI *	Total	Fixed/variable	Change vs LY **
2023								
Torben Paulin, CEO	2,900	280	213	500	814	4,707	72 / 28	20%
Thomas Hjannung, CFO - joined 1 March 2023	1,288	135	160	500	288	2,371	67 / 33	n.a.
Mogens Elbrønd Pedersen, CFO - resigned 28 February 2023	373	32	25	-	-	430	100 / 0	8%
Total	4,561	447	398	1,000	1,102	7,508	72 / 28	

* LTI is the estimated grant value of the LTI for the entire period 2023-2025, granted in 2023, whereas the amount presented in note 5 to the consolidated financial statements in the Annual Report represents the grant value of the LTI programme accrued over the financial years 2021-2025.

** Mogens Elbrønd Pedersen resigned as of 28 February 2023, and Change vs LY has therefore been calculated using annualised figures for 2023.

Financial key figures and annual changes in remuneration

Parent company DKK'000	2024	2023	2022	2021	2020
Profit before tax	1,723	37,014	107,068	144,166	89,166
<i>Change in profit before tax</i>	-95.3%	-65.4%	-25.7%	61.7%	26.0%
Group results DKK'000	2024	2023	2022	2021	2020
Profit before tax	69,443	27,092	89,401	135,738	130,720
Net profit for the year	57,675	21,522	70,493	110,709	102,243
Earnings per share	5.52	2.20	7.77	11.55	10.22
<i>Change in profit before tax</i>	156.3%	-69.7%	-34.1%	3.8%	-8.2%
Remuneration* DKK'000	2024	2023	2022	2021	2020
Number of FTEs excl. Executive Management	458	443	494	502	481
Total cost for employees	246,614	231,197	243,924	237,691	222,998
Total cost for Board of Directors and Executive Management **	11,268	9,456	8,428	8,127	9,569
Total cost for employees, excl. Board of Directors and Executive Management	235,346	221,741	235,496	229,564	213,429
Average remuneration	514	501	477	457	444
<i>Change in average remuneration excl. Executive Management</i>	2.7%	5.0%	4.2%	3.1%	2.1%
<i>Change in remuneration of the Directors and Executive Management</i>	19.2%	12.2%	3.7%	-15.1%	-20.5%
Overview of remuneration and annual changes in remuneration*** DKK'000	2024	2023	2022	2021	2020
Board of Directors					
Sanna Mari Suvanta-Harsaae, Chair - resigned 11 April 2024	203	813	813	813	813
<i>Change in remuneration</i>	0%	0%	0%	0%	63%
Anders Skole-Sørensen, Chair	750	563	563	563	563
<i>Change in remuneration</i>	33%	0%	0%	0%	125%
Carsten Bjerg - resigned 11 April 2024	78	313	313	313	313
<i>Change in remuneration</i>	0%	0%	0%	0%	25%
Søren Mygind Eskildsen, Deputy Chair	391	250	250	250	250
<i>Change in remuneration</i>	56%	0%	0%	0%	0%
Jan Amtoft	297	250	188		
<i>Change in remuneration</i>	19%	0%	n.a.		
Pernille Wendel Mehl	297	188			
<i>Change in remuneration</i>	19%	n.a.			
Erika Hummel	344	188			
<i>Change in remuneration</i>	38%	n.a.			
Björn Olsson Lissner - elected 11 April 2024	188	63	250	250	250
<i>Change in remuneration</i>	n.a.	0%	0%	0%	0%
Executive Management					
Torben Paulin, CEO	6,357	4,707	3,934	4,001	3,921
<i>Change in remuneration</i>	35%	20%	-2%	-15%	
Thomas Hjannung, CFO	3,159	2,371			
<i>Change in remuneration</i>	33%	n.a.			
Mogens Elbrønd Pedersen, CFO		430	2,383	2,683	2,822
<i>Change in remuneration</i>		8%	-11%	-5%	-23%
Ole Lund Andersen, CEO					622
<i>Change in remuneration</i>					-47%

* Comparative figures have been restated to reflect changes in classifications.

** As stated in note 5 to the consolidated financial statements in the Annual Report.

*** Annual changes are calculated using annualised figures where the length of service is less than 12 months.

The parent company has no employees other than the Executive Management, and the primary income in the parent company is dividends from subsidiaries. Group results are therefore included in the overview to present a view of business performance during the years reported.

Statement by the Board of Directors

The Board of Directors has considered and approved the Remuneration Report for the financial year 2024 for TCM Group A/S.

The Remuneration Report has been prepared in accordance with section 139b 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 for an advisory vote at the Annual General Meeting.

Tvis, 26 February 2025

Board of Directors

Anders Skole-Sørensen
Chair

Søren Mygind Eskildsen
Deputy Chair

Pernille Wendel Mehl

Jan Amtoft

Erika Hummel

Björn Olsson Lissner

Independent Auditor's Statement on Remuneration Report

To the shareholders of TCM Group A/S

According to section 139 b of the Danish Companies Act, Management is responsible for preparing a remuneration report in accordance with the remuneration policy adopted at the Annual 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 2024, 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 Danish Companies Act are included in the Company's remuneration report for 2024.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2024.

Aarhus, 26 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Lindholm Jacobsen
State Authorised Public Accountant
Mne23328

Claus Lyngsø Sørensen
State Authorised Public Accountant
mne34539