

REMUNERATION REPORT 2021

Introduction

This report describes how the guidelines for executive remuneration of Nobia AB, adopted by the annual general meeting 2021, were implemented in 2021. The report also provides information on remuneration to the President and CEO (the "CEO") and a summary of Nobia's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 4 on page 63 in the Annual and Sustainability Report 2021. Information on the work of the remuneration committee in 2021 is set out in the Board of Directors' report available on page 30 in the Annual and Sustainability Report 2021.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 4 on page 63 in the Annual and Sustainability Report 2021.

Key developments 2021

The CEO summarizes the Nobia's overall performance in his statement on page 8 in the Annual and Sustainability Report 2021.

Overview of the application of the remuneration guidelines in 2021

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, share related remuneration, pension benefits and other benefits. The variable remuneration shall be linked to financial targets or non-financial criteria. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including the sustainability of Nobia, by, for example, being clearly linked to the business strategy or support the executive's long-term development.

The guidelines are found on pages 30 in the annual and sustainability report 2021. During 2021, the company has followed the applicable remuneration guidelines adopted by the annual general meeting. No deviations from the procedure for implementation of the guidelines to determine the remuneration to the CEO have been made. No remuneration has been reclaimed.

Table 1 – Total CEO remuneration in 2021 (kSEK)

Name of Director (Position)	Fixed remuneration		Variable remuneration				Total remuneration	Proportion of fixed and variable remuneration
	Base salary*	Other benefits**	One-year variable	Multi-year variable	Extraordinary items	Pension expense***		
Jon Sintorn (CEO)	7 821	246	2 648	0	0	2 390	13 104	80 / 20

* Including holiday pay of 157 kSEK.

** Company car and private medical benefits.

*** Pension benefit is a defined contribution model based on base salary.

Share based remuneration

The CEO participated in the Nobia performance share plan (2021/2023). The performance share plan comprises approximately 80 employees consisting of senior executives and senior managers within Nobia. Participation in the 2021/2023 plan required an employee's private investment in Nobia shares between 8.3% and 20% of the annual base salary, depending on participant category. At the end of the vesting period, the participants will be allotted performance shares in Nobia free of charge, provided that the performance target related to average operating profit (EBIT) have been achieved. Allotment of the performance shares is subject to continuous employment throughout the vesting period. For the CEO, each saving share carries entitlement to a maximum of six performance share rights. The CEO invested 100% (i.e. 20% of the annual base salary) in the 2021/2023 plan, corresponding to 20,856 savings shares and 125,136 performance shares.

Nobia did not implement a long-term incentive program in 2020.

The CEO participated in the Nobia performance share plan (2019/2021). The performance share plan comprises approximately 100 employees consisting of senior executives and senior managers within Nobia. Participation in the 2019/2021 plan required an employee's private investment in Nobia shares up to one month's base salary. At the end of the vesting period, the participants will be allotted performance shares in Nobia free of charge, provided that the performance targets related to average operating profit (EBIT) and total shareholder return (TSR) on the company's shares have been achieved. However, if the EBIT performance target has been achieved but the TSR target on the Nobia share is negative, no allotment will take place. Allotment of the performance shares is subject to continuous employment throughout the vesting period. For the CEO, each saving share carries entitlement to a maximum of seven performance share rights. The CEO invested 100% (i.e. one monthly salary) in the 2019/2021 plan, corresponding to 12,062 savings shares and 84,432 performance shares.

See note 4 in the Annual and Sustainability Report 2021 for further details about LTI programs.

Table 2 – Share award plan

Name of director (position)	The main conditions of share award plans					Information regarding the reported financial year					
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	Opening balance	During the year	Closing balance		10 Awarded and unvested at year end	11 Shares subject to retention period
						6 Share awards held at beginning of year	7 Awarded	8 Vested	9 Subject to performance condition		
Jon Sintorn (President and CEO)	2019/2021	2019-2021	2019-06-01	2022-06-01	2022-06-01	12 062	0	0	84 432	84 432	0
	2021/2023	2021-2023	2021-06-18	2024-06-01	2024-06-01	20 856	0	0	125 136	125 136	0
Total						32 918	0	0	209 568	209 568	0

Performance of the CEO in the reported financial year

Performance criteria for short- and long-term incentive plans consist of financial criteria and include EBIT, trading capital days¹ and total shareholder return. Overall target fulfillment for the CEO on the STI-program implied a payout of 34% of fixed salary.

No deviations from the remuneration guidelines have been made and no deviations from the procedure for implementation of the guidelines have been made. No remuneration has been reclaimed.

Table 3 - Performance of the CEO in the reported financial year: share-based incentives

Name of director (position)	Name of plan	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Jon Sintorn (President and CEO)	2019/2021	Average operating profit (EBIT) 2019-2021	50%	a) 0% b) 0 SEK
		Total shareholder return (TSR) 2019-2022	50%	a) 0% b) 0 SEK
	2021/2023	Average operating profit (EBIT) 2021-2023	100%	a) NA* b) NA*

*Performance period still running until approximately two weeks after the first quarterly report for 2024.

Comparative information on the change of remuneration and Nobia performance

Table 4 – Remuneration and Nobia performance for the reported financial year

	2019 vs 2020	2020 vs 2021	RFY 2021
CEO remuneration (MSEK)	+4,5 (+37%)	-2,0 (-13%)	13,1
Group EBIT (%)	-3,5% (-43%)	+2,8% (+61%)	7,4%
Trading capital days	NA	NA	32,5
Group cash flow (MSEK)*	+175 (+11%)	NA	NA
Average remuneration of employees** at the Nobia parent company (MSEK)	+0,04 (+4,6%)	0,97	0,65

* Not a performance target in 2021

** Excluding members of the group executive management

¹ Trading capital days is calculated as follows: (Average Trading Capital Last 12 months/ Last 12 months sales). Trading capital is calculated as follows: (Inventory + Account receivables - Accounts Payables)