

REMUNERATION REPORT 2022

Introduction

This report describes how the guidelines for executive remuneration of Nobia AB, adopted by the annual general meeting 2022, were implemented in 2022. 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 Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 4 on page 64 in the Annual and Sustainability Report 2022. Information on the work of the remuneration committee in 2022 is set out in the Board of Directors’ report available on page 25 in the Annual and Sustainability Report 2022.

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 64 in the Annual and Sustainability Report 2022.

Key developments 2022

The CEO summarizes the Nobia’s overall performance in his statement on page 5 in the Annual and Sustainability Report 2022.

Overview of the application of the remuneration guidelines in 2022

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 page 31 in the annual and sustainability report 2022. During 2022, the Board of Directors has, at one occasion, utilized its’ right to, in individual cases and if there are special circumstances, deviate from the guidelines. The deviation is that a senior executive has received severance pay amounting to over 12 monthly salaries, which was in line with local market practice and which the Board of Directors deemed to be in the Company’s interest. 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 2022 (kSEK)

Name of Director (Position)	Fixed remuneration		Variable remuneration				Pension expense***	Total remuneration	Proportion of fixed and variable remuneration
	Base salary*	Other benefits**	One-year variable	Multi-year variable	Extraordinary items				
Jon Sintorn (CEO)	7,834	246	0	0	0	2,028	10,108	100 / 0	

* 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 (2022/2024). The performance share plan comprises approximately 80 employees consisting of senior executives and senior managers within Nobia. Participation in the 2022/2024 plan required an employee's private investment in Nobia shares between 5% and 10% 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 shares is subject to continuous employment throughout the vesting period. For the CEO, each saving share carries entitlement to a maximum of six share rights. The CEO invested 100% (i.e. 20% of the annual base salary) in the 2022/2024 plan, corresponding to 25,913 savings shares and 155,478 share rights.

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 shares is subject to continuous employment throughout the vesting period. For the CEO, each saving share carries entitlement to a maximum of six 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 share rights.

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

See note 4 in the Annual and Sustainability Report 2022 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		
						6 Share awards held at beginning of year	7 Awarded	8 Vested	9 Subject to performance condition	10 Awarded and unvested at year end	11 Shares subject to retention period
Jon Sintorn (President and CEO)	2021/2023	2021-2023	2021-06-18	2024-06-01	2024-06-01	20,856	0	0	125,136	125,136	0
	2022/2024	2022-2024	2022-06-16	2025-06-01	2025-06-01	25,913	0	0	155,478	155,478	0
Total						46,769	0	0	280,614	280,614	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 and EPS. Overall target fulfillment for the CEO on the STI-program implied a payout of 0% of fixed salary.

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)	2021/2023	Average operating profit (EBIT) 2021-2023	100%	a) NA* b) NA*
	2022/2024	Average operating profit (EBIT) 2022-2024	100%	a) NA* b) NA*

*Performance period still running until approximately two weeks after the first quarterly report for 2024 and 2025 respectively.

Comparative information on the change of remuneration and Nobia's performance

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

	2019 vs 2020	2020 vs 2021	2021 vs 2022	RFY 2022
CEO remuneration (MSEK)	+4.5 (+37%)	-2.0 (-13%)	-3.0 (-23%)	10.1
Group EBIT (%)	-3.5% (-43%)	+2.8% (+61%)	-6.1% (-82%)	1.3%
Trading capital days	NA	NA	-4 (-12%)	28.5
Group cash flow (MSEK)**	+175 (+11%)	NA	NA	NA
Average remuneration of employees*** at the Nobia parent company (MSEK)	+0.04 (+4.6%)	-0.26 (-27%)	+0.19 (27%)	0.93

* 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)

** Not a performance target in 2021 and 2022.

*** Excluding members of the group executive management.