

Remuneration report 2022

Introduction

This report describes how the guidelines for remuneration to senior executives for Netel Holding AB (publ), adopted by the Annual General Meeting on 4 May 2022, were applied in 2022. The report also contains information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's *Rules on remuneration to senior executives and on incentive programmes*.

Further information about executive remuneration can be found in Notes 5-6 (Number of employees and Personnel costs) on pages 109-111 of the 2022 Annual Report. The Annual Report is available at <https://netelgroup.com/en/investors/reports-and-presentations/>. Information about the work of the Remuneration Committee during 2022 can be found in the Corporate Governance Report on pages 68-79 of the 2022 Annual Report.

Board fees are not covered by this report. Such fees are resolved on annually by the Annual General Meeting and are recognized in Note 6 on pages 110-111 of the 2022 Annual Report.

Developments in 2022

The CEO summarises the overall performance of the company in his statement on pages 6-7 of the 2022 Annual Report.

The company's remuneration guidelines: scope, purpose, and deviations

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 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, pension benefits and other benefits. The variable cash remuneration shall be linked predetermined and measurable criteria. They may be individualised, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by, for example, being clearly linked to the business strategy or promoting the senior executive's long-term development.

The guidelines are found on pages 72-74 of the 2022 Annual Report. During 2022, the company followed the applicable remuneration guidelines adopted by the annual general meeting. No deviations from the guidelines have been decided and no deviations have been made from the decision-making process that according to the guidelines should be applied to determine the remuneration. The auditor's report regarding the company's compliance with the guidelines is available at <https://netelgroup.com/en/corporate-governance/annual-general-meetings/>. No remuneration has been reclaimed.

Table 1 – Total CEO remuneration in 2022 (TSEK)

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary	Other benefits ¹	One-year	Multi-year	Extraordinary items ²	Pension costs	Total remuneration	Proportion of fixed and variable remuneration ³
Ove Bergkvist (CEO)	4,329	91	3,591	0	0	1,315	9,326	5,735/ 3,591

¹ Company car

² Extraordinary items refer, among other things, to any extraordinary pension

³ Pension costs (column 4), which refer in their entirety to Base salary and are defined contribution, have been fully recognised as fixed remuneration.

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of the performance measures, the strategic objectives and short- and long-term business priorities for the year 2022 have been taken into account.

Table 2 – Performance of the CEO in the reported financial year: variable cash remuneration

Name of director (position)	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) Measured performance and b) actual award/remuneration outcome
Ove Bergkvist (CEO)	Results based	80%	a) 29% b) TSEK 974
	Fulfilment of climate-related targets	10%	a) 100% b) TSEK 420
	Fulfilment of earnings per share	10%	a) 100% b) TSEK 420

Comparative information on the change of remuneration and company performance

Table 3 – Change of remuneration and company performance over the last reported financial year (RFY) (TSEK)¹

	2022 vs 2021	RFY 2022
CEO remuneration	-12,789 (-58%)	8,830
The Group's operating profit	+50,386 (+40%)	175,960
Average remuneration on a full-time equivalent basis of employees ² of the Group	-26 (-69%)	11

¹ Remuneration = fixed remuneration, variable remuneration and pension costs. Netel was listed on Nasdaq Stockholm in October 2021 which is why the company only reports the past two financial years.

² Excluding members of Group management.