

Remuneration report 2023

Introduction

This report describes how the guidelines for executive remuneration for Netel Holding AB (publ), adopted by the Annual General Meeting held on 4 May 2023, were implemented in 2023. The report also contains information about remuneration of the CEO. The report was prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes*.

Additional information about executive remuneration is found in Notes 5–6 (number of employees and personnel costs) on pages 113–115 of the 2023 Annual Report. Read the Annual Report at <https://netelgroup.com/en/investors/reports-and-presentations/>. Information about the work of the Remuneration Committee in 2023 is presented in the corporate governance report on pages 72–85 of the 2023 Annual Report.

Board fees are not included in this report. Such fees are resolved on annually by the Annual General Meeting and disclosed in Note 6 on pages 114–115 of the 2023 Annual Report.

Key developments in 2023

The CEO summarises the company's overall performance in his statement on pages 6–7 of the 2023 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 to predetermined and measurable targets. They may be individualised, quantitative or qualitative objectives. The criteria shall be designed so as 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 76–80 of the 2023 Annual Report. In 2023, the company followed the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on <https://netelgroup.com/en/corporate-governance/annual-general-meetings/>. No remuneration has been reclaimed.

Table 1 – Total CEO remuneration in 2023 (TSEK)

Name of director (position)	1		2		3	4	5	6	
	Fixed remuneration		Variable remuneration		Extraordinary items ²	Pension costs	Total remuneration	Proportion of fixed and variable remuneration ³	
	Base salary	Other benefits ¹	One-year	Multi-year					
Ove Bergkvist (CEO) ⁴	2,829	85	0	0	0	1,950	4,864	4,864/	0
Jeanette Reuterskiöld (CEO) ⁴	2,801	0	0	0	0	865	3,667	3,667/0	

¹ Company car

² Extraordinary items refer to, for example, 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.

⁴ Ove Bergkvist announced his resignation in May 2023, Jeanette Reuterskiöld took over as acting CEO in May 2023 and took office as CEO in December 2023

Application of performance criteria

The performance criteria 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 performance criteria, the strategic objectives and short-term and long-term business priorities for 2023 have been taken into account. Ove Bergkvist announced his resignation in May 2023, Jeanette Reuterskiöld took over as acting CEO in May 2023 and took office as CEO in December 2023. These changes meant that no variable cash remuneration was paid for the 2023 financial year.

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) 0% b) TSEK 0
	Fulfilment of climate-related targets	10%	a) 0% b) TSEK 0
	Fulfilment of earnings per share	10%	a) 0% b) TSEK 0
Jeanette Reuterskiöld (CEO)	No resolved variable cash remuneration in 2023	N/A	N/A

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

	2023 vs 2022	RFY 2023
CEO remuneration	-795 (-9%)	8,531
The Group's operating profit	-48,156 (-27%)	127,804
Average remuneration based on the number of full time equivalent employees ² in the Group	-2 (-18%)	10

¹ Remuneration = fixed remuneration, variable remuneration and pension costs. Reported amounts include remuneration of the CEO during the period, which for 2023 entails remuneration of the outgoing CEO and the new incoming CEO.

² Excluding members of the Executive Team.