

Remuneration report 2022

Introduction

This report describes how the guidelines for executive remuneration of Probi AB, adopted by the annual general meeting 2020, were implemented in 2022. The report also provides information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and *Rules on Remuneration of the Board and Executive Management and on Incentive Programs* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 10 (Employees and personnel costs) on pages 70 in the annual report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available on pages 52-54 in the annual 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 10 on page 70 in the annual report 2022.

Key developments 2022

The interim CEO summarizes the company's overall performance in his statement on page 6-7 in the annual report 2022.

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 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, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives where the focus has been to use financial 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 promote the executive's long-term development.

The guidelines are found on pages 50-51 in the annual report 2022. During 2022, the company has complied with the applicable remuneration guidelines adopted by the general meeting.

In accordance with the guidelines, the Board has the possibility to deviate from the guidelines if there are special reasons for meeting the company's long-term interests. During the financial year, deviation from the guidelines was made in one respect. In relation to the guidelines adopted by the Annual General Meeting 2020, the deviation consisted of variable remuneration to the resigning CEO has been based only on good handover of duties to the new interim CEO. The deviation was decided by the Board of directors with the aim of meeting the company's long-term interests by ensuring good opportunities for effective operation of the company's ongoing management. The auditor's report regarding the company's compliance with the guidelines is available on www.probi.com/investor-relations/corporate-governance/. No remuneration has been reclaimed.

Table 1 – Total CEO remuneration in 2022 (kSEK)^a

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense ^e	5 Total remuneration	6 Proportion of fixed and variable remuneration ^f
	Base salary ^b	Other benefits ^c	One-year variable ^d	Multi-year variable				
Tom Rönnlund (CEO), until December 8	2 721	97	0	0	4 945 ^g	878	8 641	43/57
Anita Johansen (interim CEO), from December 8	146	3	0	0	0	24	173	100/0

a) Except for multi-year variable remuneration, the table reports remuneration earned in 2022.

b) Base salary and vacation pay.

c) Car and Medical Insurance.

d) Gross bonus amount for 2022 year's performance.

e) Pension expense includes defined pension contribution for fixed remuneration and one-year variable remuneration. 100% of the listed pension amount relates to fixed contribution.

f) Salary, vacation pay, benefits and pension on those items have been classified as fixed remuneration. One year variable and pension on that variable, and extraordinary expense has been classified as variable remuneration.

g) Refers to contractual severance pay (including vacation pay (kSEK 368) and pension cost (kSEK 972) attributable to the severance pay), as well as variable cash setting (in the form of cash bonus) of kSEK 711 decided by the Board of directors based on good handover of duties to the new interim CEO, and will be paid out in 2023.

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 performance measures, the strategic objectives and short-term and long-term business priorities for 2022 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

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
Tom Rönnlund (CEO)	Financial goals in revenue and EBITDA	70%	a) 0% achievement	b) 0 kSEK
	Develop external growth of Probi	15%	a) 0% achievement	b) 0 kSEK
	Reinforce innovation positioning of Probi	15%	a) 0% achievement	b) 0 kSEK

Comparative information on the change of remuneration and company performance

Table 3 – Change of remuneration and company performance over the last five reported financial years (kSEK)

	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2022
CEO remuneration	+1,799 (+47%) ^a	-1,654 (-29%) ^a	+1,557 (+39%)	-362 (-7%)	3,646 (+71%) ^c	8,814
Group operating profit	-2,971 (-3%)	+10,426 (+10%)	+12,139 (+11%)	-14,438 (-12%)	-58,669 (-54%)	50,574
Average remuneration on a full-time equivalent basis of employees ^b of the parent company	+120 (+18.5%)	-41 (-5.3%)	+105 (+14.4%)	-83 (-9.9%)	+3 (+0.4%)	755

a) Change of CEO. Refers to two CEO salaries in 2018.

b) Excluding members of the group executive management.

c) Change of CEO. Severance pay (incl vacation pay and pension cost) of kSEK 3,865 included in the amount for 2022, and will be paid out in 2023.