

# Remuneration report 2021

## Introduction

This remuneration report provides an outline of how Pandox's guidelines for executive remuneration, adopted by the annual shareholders' meeting 2020, were implemented in 2021. The report also provides details on the remuneration of Pandox's CEO. In addition, the report contains a summary of Pandox's outstanding incentive programs. The report has been prepared in compliance 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 C7 (Salaries, other remuneration and payroll overheads) on pages [143-145] in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report available on [181-188], in the annual report 2021.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual shareholders' meeting and disclosed in note C7 on page [143], in the annual report 2021.

## Key developments 2021

### *Overall company performance in 2021*

The CEO summarizes the company's overall performance in his statement on pages [10-12] in the annual report 2021.

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

A prerequisite for a long-term successful and sustainable implementation of the company's business strategy is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. Pandox's remuneration guidelines enable the company to offer the executive management a competitive total remuneration.

Under Pandox's remuneration guidelines, remuneration shall be on market terms and may consist of the following components: fixed cash salary, short-term variable cash remuneration, cash-based incentive programs, pension benefits and other benefits. The remuneration guidelines, adopted by the annual shareholders' meeting 2021, can be found on page [144] in the annual report 2021.

During 2021, the company has complied with the applicable remuneration guidelines. 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 whether the company has complied with the guidelines is available on the company's website [www.pandox.se/governance/annual-general-meeting/agm-2022/](http://www.pandox.se/governance/annual-general-meeting/agm-2022/). No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual shareholders' meetings of Pandox have resolved to implement long-term share-related incentive schemes and on remuneration to the board of directors.

Total remuneration of the CEO (MSEK)\*

Name of Director, position	Financial year	1		2		3	4	5	6
		Fixed remuneration		Variable remuneration					
		Base salary	Other benefits	One-year variable	Multi-year variable				
Liia Nõu, CEO**	2021	2	0	1.2	0	0	0.7	3.9	63/37 (%)
Anders Nissen, former CEO***	2021	3.5	0	0	22****	0	1.2	26.7	14/86 (%)

\* Except for Multi-year variable remuneration, the table reports remuneration earned in 2021. Multi-year variable remuneration is reported if vested in 2021 and in that sense earned. Disbursement of any payments may or may not have been made the same year.

\*\* Liia Nõu entered the position as acting CEO on 21 May 2021 and as CEO on 23 August 2021. The amounts relate to Liia Nõu's remuneration from 23 August 2021 to 31 December 2021.

\*\*\* The amounts in the table relate to Anders Nissens's remuneration for the period from 1 January 2021 to 31 May 2021.

\*\*\*\* The amount refers to Multi-year variable remuneration within the framework of a previous incentive program that expired on 31 December 2020. Anders Nissen's 360.000 fictitious shares, resulting in the total amount of MSEK 22 being paid out to Anders Nissen, excluding payroll overheads.

Outstanding Incentive programme

During the financial year 2021 Pandox had one outstanding Incentive scheme for senior executives in the form of a continuous, ongoing performance- and cash-based incentive scheme based on predetermined and measurable financial and non-financial criteria.

Performance of the CEO in the reported financial year variable cash remuneration

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 2021 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

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	b) actual award/ remuneration outcome
Liia Nõu, CEO*	Profit for the year	50%	a) 1.2	b) 0
	Personal goals	50%	a) 1.2	b) 1.2*
Anders Nissen, former CEO**	Profit for the year	50%	a) 0	b) 0
	Personal goals	50%	a) 0	b) 0

\* Liia Nõu entered the position as acting CEO on 21 May 2021 and as CEO on 23 August 2021. The amounts relate to Liia Nõu's remuneration from 23 August 2021 to 31 December 2021. One-year variable remuneration is reported to the extent that it has been the subject of so-called vesting in 2021 and in that sense earned. This applies regardless of whether payment has, or has not, been made in the same year.

\*\* The amounts in the table relate to Anders Nissens's remuneration for the period from 1 January 2021 to 31 May 2021.

*Change of remuneration and company performance over the last five reported financial years (RFY)*

	<b>RFY 2020</b>	<b>RFY 2021</b>
CEO remuneration	10.6 MSEK*	8.6 MSEK**
Profit for the year	-1,408 MSEK	609 MSEK
Average remuneration on a full time equivalent basis of employees*** of the parent company	0.9 MSEK	1 MSEK

\* The amount is exclusive of pension costs of 2,9 MSEK.

\*\* Refers to the total compensation paid to Anders Nissen for the period from 1 January 2021 to 31 May 2021 and to Liia Nõu from and including 23 August 2021 to and including 31 December 2021. The amount does not include payment of Multi-year variable remuneration to Anders Nissen of SEK 22 million, as described in the table *Total remuneration to the CEO (MSEK)* \*.

\*\*\* Excluding members of the group executive management.