

Remuneration Report 2022

Introduction

This remuneration report provides an overview of how the guidelines for remuneration to senior executives for Padox, adopted by the Annual General Meeting 2020, have been applied during 2022. The report also contains information on the remuneration of the Chief Executive Officer (CEO). In addition, the report contains a summary of Padox's outstanding incentive programs. 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 programs.

Further information on remuneration to senior executives can be found in Note c7 (Salaries, other remuneration and social security costs) on pages 160-162 of the Annual Report for 2022. Information about the work of the Remuneration Committee in 2022 can be found in the Corporate Governance Report on pages 119-125 of the Annual Report for 2022.

Board fees are not covered by this report. Such fees are resolved annually by the Annual General Meeting and are reported in Note c7 on page 160 of the Annual Report for 2022.

Development in 2022

Overall company performance 2022

The CEO summarizes the company's overall performance in her report on pages 8-10 of the Annual Report 2022.

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 can recruit and retain qualified employees. To this end, it is necessary that the company offers competitive remuneration. Padox's remuneration guidelines enable senior executives to be offered a competitive total remuneration.

According to Padox'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 General Meeting 2020, can be found on page 161 of the Annual Report for 2022.

During 2022, the Company has complied with the applicable remuneration guidelines. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that the guidelines require to be applied to determine the remuneration. The auditor's opinion on the company's compliance with the guidelines is available on the company's website <https://www.padox.se/sv/bolagsstyrning/bolagsstamma/arsstamma-2023/>. No compensation has been re-claimed. In addition to the remuneration covered by the remuneration guidelines, Padox's Annual General Meeting, in addition to board fees, has also resolved on long-term share-related incentive schemes. However, no such share-related incentive scheme is currently in place.

Total remuneration to the CEO (MSEK)*

Officer's name, position	Financial year	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension cost	5 Total compensation	6 The proportion of fixed and variable remuneration
		Basic salary	Other benefits	Annual	Perennia 1				
Liia Nõu, CEO	SE-2022	6,1	0	2,6	3,0	0	2,2	13,9	52/48 (%)

* With the exception of Multi-year variable remuneration, the table reports remuneration that is due in 2022. Multi-year variable remuneration is reported to the extent that it has been subject to so-called vesting in 2022 and in that sense earned. This applies regardless of whether the payment has, or has not, been made in the same year.

Outstanding incentive programs

During the financial year 2022 Pandox had an outstanding incentive program for senior executives in the form of a continuous, continuous, performance- and cash-based incentive program based on predetermined and measurable financial and non-financial criteria.

CEO's performance during the financial year: variable cash remuneration

The performance criteria for the CEO's variable remuneration have been chosen to realize the company's strategy and to encourage actions that are in the company's long-term interest. When selecting performance criteria, the strategic objectives as well as short- and long-term business priorities for the year 2022 have been taken into account. The non-financial performance criteria further contribute to alignment with sustainability and the company's values.

Officer's name, position	1 Description of criteria relating to the replacement component	2 Relative weighting of performance criteria	3 (a) measured performance and b) actual award / compensation outcome
Liia Nõu, CEO*	Profit for the year	50%	a) 100 % b) 1,3*
	Personal goals	50%	a) 100 % b) 1,3*

* One-year variable remuneration is reported to the extent that it has been the subject of so-called vesting in 2022 and in that sense earned. This applies regardless of whether the payment has, or has not, been made in the same year.

Changes in remuneration and the company's earnings over the past five reported financial years (RR)

	RR 2020	RR 2021	RR 2022
Remuneration of the CEO	13.5 MSEK	8.6 MSEK *	1 3.9 MSEK
Profit for the year	- 1,408 MSEK	609 MSEK	SEK 4,204 million
Average remuneration based on the number of full-time equivalents employed** in the parent company	0.9 MSEK	0.9 MSEK	1.0 MSEK

* Refers to the total remuneration paid to Anders Nissen for the period from 1 January 2021 to 31 May 2021 and to Liia Nõu from 23 August 2021 to 31 December 2021. The amount does not include the payment of Multi-Annual Variable Remuneration to Anders Nissen of SEK 22 million, as described in the remuneration report for 2021.

** Excluding members of group management.