

Remuneration report 2023

Introduction

This report describes how the guidelines for executive remuneration of Probi AB, adopted by the annual general meeting 2020, were implemented in 2023. 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 page 69 in the annual report 2023. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report available on pages 52-54 in the annual report 2023.

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 69 in the annual report 2023.

Key developments 2023

On December 8, 2022, Anita Johansen was appointed acting CEO, and in connection with this, Tom Rönnlund left Probi. Compensation related to the outgoing CEO's twelve-month notice period is fully disclosed in the amounts for 2022. The CEO summarizes the company's overall performance in her statement on page 6-7 in the annual report 2023.

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 48-49 in the annual report 2023. During 2023, the company has complied with the applicable remuneration guidelines adopted by the general meeting, with the exception for a departure regarding the bonus for the outgoing CEO. This deviation was made to ensure the company's long-term development and interests. 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 2023 (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				
Anita Johansen (CEO)	2 871	50	588	0	0	484	3 992	73/27

- a) Except for Multi-year variable remuneration, the table reports remuneration earned in 2023. The former CEO's compensation paid out in 2023 is reported in the CEO Remuneration report for 2022
- b) Base salary and vacation pay of 52 KSEK
- c) Refers to commuting expenses between residence and office
- d) Gross bonus amount for 2023 year's performance
- e) Pension expense includes defined pension contribution for fixed remuneration and one-year variable remuneration. Of the listed pension amount 100% relates to fixed contribution and 0% contribution on one-year variable
- f) Salary, vacation pay, benefits and pension on those items have been classified as fixed remuneration. One year variable and pension on that variable has been classified as variable 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 performance measures, the strategic objectives and short-term and long-term business priorities for 2023 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
Anita Johansen (CEO)	Achieve the annual financial goals in revenue and EBITDA	50%	a) 0% achievement b) 0 KSEK
	Develop external growth of Probi	25%	a) 100% achievement b) 294 KSEK
	Reinforce innovation positioning of Probi	25%	a) 100% achievement b) 294 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 (RFY) (KSEK)

	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023
CEO remuneration	-1 654 (-29 %) ^a	+1 557 (+39 %)	-362 (-7 %)	3 646 (+71 %) ^c	-4 822 (-55 %) ^c	3 993
Group operating profit	+10 426 (+10 %)	+12 139 (+11 %)	-14 438 (-12 %)	-58 669 (-54 %)	-39 254 (-78 %)	11 320
Average remuneration on a full time equivalent basis of employees ^b of the parent company	-41 (-5,3 %)	+105 (+14,4 %)	-83 (-9,9 %)	3 (+0,4 %)	105 (+13,9 %)	860

- a) Change of CEO. 2 CEO salaries are stated
- b) Excluding members of the group executive management
- c) Change of CEO. The amount for 2022 includes a severance payment of 3,865 KSEK, which was paid out in 2023