

Remuneration report 2022

Introduction

This report describes how the guidelines for remuneration of senior executives of Proact, adopted by the 2020 Annual General Meeting, have been implemented in 2022. The report also includes information on remuneration to Proact's Chief Executive Officer and a summary of Proact's outstanding share and share price related schemes. The report has been 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. Information on the work of the remuneration committee in 2022 can be found on pages 43-47 in the corporate governance report. Directors' fees are not covered by this report. Such fees are decided annually by the Annual General Meeting and are disclosed in Note 9 of the 2022 Annual Report. Further information on senior executives can also be found in Note 9 of the 2022 Annual Report.

Development in 2022

The Chief Executive Officer summarises the company's overall performance in his report on pages 2-3 of the 2022 Annual Report.

The company's remuneration policy, application, purpose and deviations

One prerequisite for successful implementation of Proact's strategy and safeguarding of its long-term interests, including sustainability aspects, require Proact to be able to recruit and

retain qualified employees. For this, Proact needs to be able to offer competitive remuneration to its employees. Proact's remuneration guidelines make it possible to offer senior executives competitive overall remuneration. According to the guidelines on remuneration, remuneration to senior executives must be in line with market conditions and must comprise the following components: fixed cash salary, flexible cash remuneration, pension benefits and other benefits. The variable cash reimbursement must be linked to financial and non-financial criteria. These may be involve customised quantitative or qualitative targets. These criteria must be formulated so that they promote Proact's strategy and long-term interests, including sustainability aspects, by maintaining a clear link to the strategy, for example, or promoting the long-term development of the executive.

The guidelines can be found in the Directors' Report in the 2022 Annual Report. In 2022, Proact has complied with the applicable remuneration guidelines adopted by the General Meeting. There have been no deviations from the guidelines, and no deviations from the decision-making process that has to be applied according to the guidelines in order to determine the remuneration. The auditor's opinion on Proact's compliance with the guidelines can be found on the Proact website, www.proact.eu. No compensation has been claimed back. Besides the remuneration covered by the remuneration guidelines, Proact's Annual General Meetings have made a decision to introduce long-term, share-based incentive schemes.

Total remuneration to the Chief Executive Officer in 2022 and 2021, SEK thousands

	Financial year	Fixed remuneration		Performance-related pay ¹⁾			Pension costs	Total remuneration	Percentage of fixed remuneration and performance related pay ²⁾
		Basic salary	Other benefits ³⁾	One-year performance-related pay	Multiyear performance-related pay	Extraordinary items			
Jonas Hasselberg, CEO	2022	4,201	26	1,545	0	-	1,273	7,045	78/22
	2021	4,079	4	0	0	-	1,196	5,278	100/0

1) The performance-related pay was earned during the year. Multiannual share-based remuneration is included when it is paid and thus earned

2) Pension costs are accounted for as fixed remuneration

3) Car benefit and health benefit

Outstanding share and share price-related incentive schemes

Proact has implemented four share incentive schemes (2019/2021, 2020/2022, 2021/2023 and 2022/2024) for the Group executive and key employees. To participate in the share incentive schemes, the Group executive and key employees must have invested in shares themselves (savings shares). The Group executive and key employees may be awarded zero to five share rights (performance shares) per savings share at the end of the schemes. Performance shares are awarded free of charge and are subject to three-year vesting periods and continued employment. The vesting of performance shares requires fulfilment of specific performance conditions. In the first program (2019/2021), the performance conditions were earnings per share in 2021 (relative weighting 50%) and net revenues in 2021 (relative weighting 50%). In the second program (2020/2022), the targets are earnings per share in 2022 (relative

weighting ~33%), net revenues in 2022 (relative weighting ~33%) and return on capital employed in 2022 (relative weighting ~33%). In the third program (2021/2023), the targets are earnings per share in 2023 (relative weighting ~33%), net revenues in 2023 (relative weighting ~33%) and return on capital employed in 2023 (relative weighting ~33%). In the fourth program (2022/2024), the targets are earnings per share in 2024 (relative weighting ~33%), net revenues in 2024 (relative weighting ~33%) and return on capital employed in 2024 (relative weighting ~33%).

The 2019/2021 incentive programme expired in 2022. As the minimum level of performance conditions was not met, this resulted in no performance shares being issued. For the remaining programmes, a maximum of 368,000 performance shares may be allocated if the schemes meet the conditions, corresponding to 0.45% (2020/2022), 0.45% (2021/2023) and 0.44% (2022/2024) of the shares in the company after dilution.

Remuneration of the Chief Executive Officer in shares

Name, position of executive	Main conditions for the share incentive program					Information 2022				
						Opening balance	During the year			Closing balance
	Name of program	Performance period	Allocation date	Vesting date	End of the lock-in period	Share rights at start of year	Awarded ¹⁾	Vested	Expired	Subject to performance conditions
Jonas Hasselberg, CEO	LTI Plan 2019	2019-2021	9 May 2019	2022 Q1 reporting date	2022 Q1 reporting date	13,500			-13,500	0
	LTI Plan 2020	2020-2022	6 May 2020	2023 Q1 reporting date	2023 Q1 reporting date	13,500				13,500
	LTI Plan 2021	2021-2023	6 May 2021	2024 Q1 reporting date	2024 Q1 reporting date	13,500				13,500
	LTI Plan 2022	2022-2024	5 May 2022	2025 Q1 reporting date	2025 Q1 reporting date		13,500			13,500
						40,500	13,500	0	-13,500	40,500

1) Shares include only share rights in the program, all of which are performance shares. Savings shares invested by the Chief Executive Officer himself in order to participate in the program are not included in the table. All shares subject to performance conditions are awarded but unvested and subject to lock-in.

Application and performance of the Chief Executive Officer in the reported financial year

The performance criteria for the Chief Executive Officer's performance-related pay have been chosen in order to implement the company's strategy and encourage actions that are in the long-term interests of the company. The selection of performance criteria has taken into account the strategic objectives and short- and long-term business priorities for 2022.

The non-financial performance criteria also contribute to sustainability and the company's values.

The table below describes how the criteria for performance-related pay have been applied during the reported financial year.

Performance of the Chief Executive Officer in the reported financial year: performance-related pay

Name, position of executive	Description of criteria related to the performance component	Relative weighting of performance criteria, %	A) Measured performance and B) Actual award/remuneration outcome
Jonas Hasselberg, CEO	Organic revenues	40	A) SEK 4,548 million B) SEK 608 thousand
	Earnings before tax	50	A) SEK 244 million B) SEK 938 thousand
	eNPS = Employee Net Promoter Score	10	A) 10 B) SEK 0 thousand

Comparative information on changes in remuneration and company results

Changes in remuneration and company results over the last five reported financial years

Annual change	2018/2017	2019/2018	2020/2019	2021/2020	2022/2021	2022
Remuneration to the Chief Executive Officer						
Chief Executive Officer ¹⁾	1%	4%	3%	9%	33%	SEK 7,045 thousand
Proact performance						
EBITA	7%	33%	61%	9%	59%	313 1 MSEK
Average remuneration per full-time equivalent employed by the company						
Average remuneration per FTE ²⁾	1%	6%	5%	0%	7%	SEK 983 thousand

1) 2018 includes costs for severance pay to the Chief Executive Officer.

2) Employees of the Swedish subsidiaries.