



PROACT
Remuneration report 2023



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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 2023. The report also includes information on remuneration to Proact's Chief Executive Officer and Deputy 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 2023 can be found in the Annual Report on pages 44-48 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 2023 Annual Report. Further information on senior executives can also be found in Note 9 of the 2023 Annual Report.

Development in 2023

The Chief Executive Officer summarises the company's overall performance in his report on pages 2-3 of the 2023 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 2023 Annual Report. In 2023, 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 and Deputy Chief Executive Officer in 2023 and 2022, 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	2023	4,411	42	597	1,030	-	1,330	7,410	78/22
	2022	4,201	26	1,545	0	-	1,273	7,045	78/22
Magnus Lönn, Deputy CEO	2023 ⁴⁾	624	9	210	0	-	76	919	77/23

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

4) The dep CEO position was established 1 October

Outstanding share and share price-related incentive schemes

Proact has implemented four share incentive schemes (2020/2022, 2021/2023, 2022/2024 and 2023/2025) 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 (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 2020/2022, 2021/2023 and 2022/2024 schemes respectively zero to seven share rights (performance shares) per savings share at the end of the 2023/2025 scheme. 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. The targets for all active programmes are earnings per share (relative weighting ~33%), net revenues (relative weighting ~33%) and return on capital employed (relative weighting ~33%).

The 2020/2022 incentive programme expired in 2023. Achievement of the programme in 2020 amounted to 98% of the maximum level and resulted in an allocation of 4.92 shares per saving share. For the remaining programmes, a maximum of 501,000 performance shares may be allocated if the schemes meet the conditions, corresponding to 0.45% (2021/2023), 0.45% (2022/2024) and 0.94% (2023/2025) of the shares in the company after dilution.

Remuneration of the Chief Executive Officer and Deputy Chief Executive Officer in shares

Name, position of executive	Main conditions for the share incentive program					Information 2023				
						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 2020	2020-2022	6 May 2020	4 May 2023	4 May 2023	13,500		-13,281	-219	0
	LTI Plan 2021	2021-2023	5 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
	LTI Plan 2023	2023-2025	4 May 2023	2026 Q1 reporting date	2026 Q1 reporting date		28,000			28,000
						40,500	28,000	-13,281	-219	55,000
Magnus Lönn, Deputy CEO	LTI Plan 2022	2022-2024	5 May 2022	2025 Q1 reporting date	2025 Q1 reporting date	6,750				6,750
	LTI Plan 2023	2023-2025	4 May 2023	2026 Q1 reporting date	2025 Q1 reporting date		14,000			14,000
						6,750	14,000	0	0	20,750

1) Shares include only share rights in the program, all of which are performance shares. Savings shares invested by the Chief Executive Officer and Deputy 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 2023.

The non-financial performance criteria also contribute to sustainability and the company's values. The performance criteria for the Deputy Chief Executive Officer's performance-related pay have been chosen correspondingly, but where in 2023 largely related to Business Unit Nordic and Baltics. The table below describes how the criteria for performance-related pay have been applied during the reported financial year.

Comparative information on changes in remuneration and company results

Performance of the Chief Executive Officer and Deputy 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 4,668 million B) SEK 255 thousand
	Earnings before tax	50	A) SEK 218 million B) SEK 145 thousand
	eNPS = Employee Net Promoter Score	10	A) 31 B) SEK 197 thousand
Magnus Lönn, Deputy CEO	Organic EBIT Proact Group	20	A) SEK 321 million B) SEK 17 thousand
	Organic revenue NOBA	20	A) SEK 2,567 million B) SEK 53 thousand
	Organic EBITA NOBA	25	A) SEK 202 million B) SEK 70 thousand
	Organic MCS GM NOBA	10	A) SEK 37 million B) SEK 18 thousand
	Total contract value NOBA	10	A) SEK 146 million B) SEK 11 thousand
	eNPS = Employee Net Promoter Score	10	A) 57 B) SEK 42 thousand

Performance of the CEO in the reported financial year: share-based incentives

Name of Director, Position	LTI programme 2020	Relative weighting of the performance criteria, %	A) Measured performance and B) actual award/ remuneration outcome ¹⁾
Jonas Hasselberg, CEO	Reported revenue	33	A) SEK 4,757 million B) 1.67 performance shares
	Earnings per share	33	A) 20.91 SEK B) 1.59 performance shares
	Return on Capital Employed	33	A) 17.2% B) 1.67 performance shares

1) Number of performance shares allocated per saving share; target fulfillment multiplied by maximum number of performance shares.

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

Annual change	2019/2018	2020/2019	2021/2020	2022/2021	2023/2022	2023
Remuneration to the Chief Executive Officer						
Chief Executive Officer ¹⁾	-4%	3%	-9%	33%	5%	SEK 7,410 thousand
Deputy Chief Executive Officer				n/a	n/a	SEK 919 thousand
Proact performance						
EBITA	-33%	61%	-9%	59%	-9%	SEK 285.5 million
Average remuneration per full-time equivalent employed by the company						
Average remuneration per FTE ²⁾	6%	5%	1%	7%	13%	SEK 1,112 thousand

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

2) Employees of the Swedish subsidiaries.