

Norva24 Group AB (publ) Remuneration report 2021





Remuneration report 2021

INTRODUCTION

This report describes how the guidelines for executive remuneration of Norva24 Group AB ("Norva24"), adopted by the extraordinary general meeting held on 30 June 2021, were implemented in 2021. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance 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 8 (Remuneration and fees for board of directors, CEO and auditor) on pages 92-93 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 pages 64-67 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 general meeting and disclosed in note 8 on page 92 in the annual report 2021.

KEY DEVELOPMENTS 2021

The CEO summarizes Norva24's overall performance in his statement on page 8 in the annual report 2021.

NORVA24'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. Norva24'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 salary, 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. 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 60-61 in the annual report 2021. During 2021, the company has complied with the applicable remuneration guidelines adopted by the general meeting. 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 the company's compliance with the guidelines is available on <https://www.norva24.com/about-us/general-meetings/>.

No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the extraordinary general meeting of Norva24 held on 8 December 2021 resolved to implement a long-term share-related incentive plan.

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

The variable pay is split in two, where 75% of the bonus is based on financial performance and 25% on individual targets. For 2021, the financial targets were linked to revenues and Adjusted EBITA and the individual, non-financial, targets were linked to for example M&A activity and sustainability. The bonus related to 2020 was paid in 2021 and is reported as bonus in the 2021 annual report. Maximum bonus for 2021 was 7 months' salary, equalling 2,246 kNOK. Actual total bonus amounted to 678 kNOK, or 30.2% of maximum.

SHARE BASED INCENTIVE PROGRAM

The CEO participated in the LTIP which was set up in connection with the IPO during 2021. No changes were made in the terms since the issue. In total, the LTIP includes 22 individuals. Certain member of the management and key employees in the Group (the "Participants") were offered to acquire shares in Norva24 MipCo AB, (the "MipCo"), a subsidiary to the company, at fair market value of the shares in MipCo. The number of shares that each Participant was offered depended on the Participant's position and responsibility in the Group. The CEO has acquired 100,000 shares in MipCo.

TOTAL CEO REMUNERATION IN 2021*

kNOK		2021
Henrik Damgaard CEO		
Fixed remuneration	Base salary	3,850
Fixed remuneration	Pension (Denmark), Currency compensation and holiday pay	540
Fixed remuneration	Pension expense (OTP Norway)	72
Total Fixed remuneration	Total Base salary	4,462
Variable remuneration	One-year variable	678
Total remuneration		5,140
	Proportion of fixed and variable	87/13

* CEO Henrik Damgaard is employed by Norva24 AS, and all remuneration is from this company.



The Participants will have the opportunity to acquire warrants in the company against payment consisting of their shares in MipCo, which will be used by the Participants and the Participants will then obtain shares in the company on the day occurring three years after the initial public offering of the company's shares on Nasdaq Stockholm. The Participants rights to obtain warrants for the full value of the MipCo shares is dependent on for how long the Participants have been employed during the three-year period as well as the reason for the termination of the employment.

For each MipCo share the company shall transfer such number of warrants, that the fair market value of the total number of warrants which are transferred to the Participant is equal to the fair market value of the total number of MipCo shares which are acquired from the Participant in question. Notwithstanding the

foregoing, a Participant shall under no circumstances, have the right to receive more than 8.4 warrant(s) per MipCo share, and the total number of warrants which are transferred to the Participants for the acquisition of all MipCo shares, shall under no circumstances exceed 6,207,880 warrants.

Each warrant entitles the Participant to subscribe for a certain number of shares in the company, where the number of shares is dependent on the increase or decrease of the value of the Company's shares during the vesting period of three years, the subscription payment for one share shall, after the transfer of the warrant to the Participant, correspond to the quota value of one share in the company. Each warrant can at the most entitle the holder to one share in the company (with reservation for recalculation in accordance with standardized conditions for recalculation).

GROUP MANAGEMENT PARTICIPATION IN MIPCO

Shares in Mipco	Number of shares
Henrik Damgaard, CEO	100,000
Rest of Group Management	193,774

PERFORMANCE OF THE CEO IN THE REPORTED FINANCIAL YEAR: VARIABLE CASH REMUNERATION

Name of director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Henrik Damgaard CEO	Financial criteria	75%	a) 30.2% b) 678 kNOK
	Non-financial criteria	25%	
	Total variable cash payment, gross		

CHANGE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE LAST TWO REPORTED FINANCIAL YEARS (RFY)*

kNOK	RFY 2020	RFY 2021	Change	in %
CEO remuneration kNOK**	5,049	5,054	5	0.1
Group management salaries other than to the CEO, kNOK***	10,980	11,072	92	0.8
Group management FTE other than to the CEO	4.83	5.25		
Group management remuneration per FTE, other than to the CEO	2,273	2,109	-164	-7.2
Group operating profit, EBIT MNOK	179	194	14	8.0
Average remuneration on a full time equivalent basis of employees, kNOK****	605	591	-14	-2.3

* The table includes the years 2021 and 2020, when the rules are applied for the first time.

** CEO remuneration is based on remuneration paid out in 2020 and 2021. Compensation earned in 2020 and 2021 were 4,212 and 5,140 kNOK, which constitutes an increase of 22%.

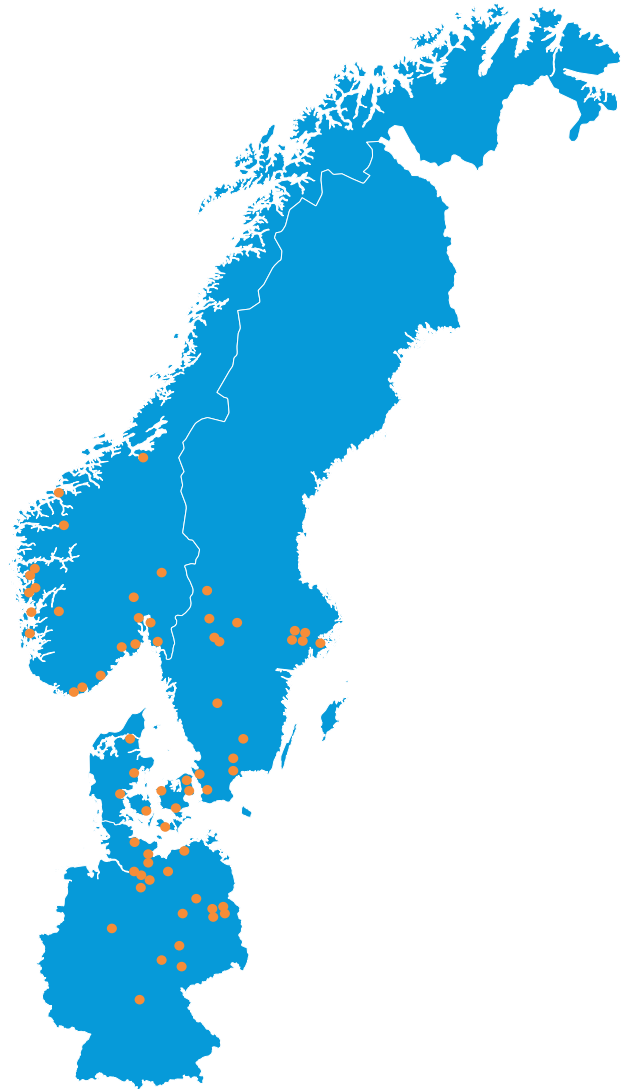
*** "Group management salaries other than to the CEO" in 2020 includes former German representative in management team. In 2021 this line item includes salary to former CEO of Denmark.

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

The average remuneration on a full time equivalent basis of employees shows a reduction of 2.3% from 2020 to 2021. This does not reflect the development in remuneration. The reason for the reduction is mainly the increase of employees in Sweden and Germany where the level of remuneration is lower compared to Denmark and Norway

ALWAYS HERE
TO HELP!

NORVA²⁴



Norva24

Grandeveien 13, 6783 Stryn, Norway

ir@norva24.com

www.norva24.com