



**Norva24 Group AB (publ)  
Remuneration report 2023**



# Remuneration report 2023

## 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 2023. 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 7 (Remuneration and fees for board of directors and group management) on page 106 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 78-81 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 7 on page 106 in the annual report 2023.

## KEY DEVELOPMENTS 2023

The CEO summarizes Norva24's overall performance in his statement on pages 8-9 in the annual report 2023.

## 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 at 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 promoting the executive's long-term development.

The guidelines are found on pages 74-76 in the annual report 2023. During 2023, 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 December 8, 2021 resolved to implement a long-term share-related incentive plan, and the annual general meeting of Norva24 held on May 25, 2023, resolved to implement an option based long term 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 behavior 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.

## TOTAL CEO REMUNERATION IN 2023

NOK thousand		2021	2022	2023*	Change	Change, %
Fixed remuneration	Base salary	3,850	3,985	4,091	106	2.7
Fixed remuneration	Pension expense, holiday pay and currency compensation	612	594	1,086	492	82.8
<b>Total fixed remuneration</b>	<b>Total base salary</b>	<b>4,462</b>	<b>4,578</b>	<b>5,177</b>	<b>598</b>	<b>13.1</b>
Variable remuneration	One-year variable	678	1,104	804	-300	-27.1
Variable remuneration	Sign-on bonus**	0	0	1,990	1,990	-
<b>Variable remuneration</b>		<b>678</b>	<b>1,104</b>	<b>2,794</b>	<b>1,690</b>	<b>153.1</b>
<b>Total remuneration</b>		<b>5,140</b>	<b>5,682</b>	<b>7,971</b>	<b>2,288</b>	<b>40.3</b>
	Proportion of fixed and variable	87/13	81/19	65/35		

\* Includes compensation for Henrik Damgaard from January 1-July 31, 2023 and Henrik Norrbom from September 18, 2023. CEO Henrik Damgaard was employed by Norva24 Holding AS, and all remuneration was from this company. Henrik Norrbom is employed by Norva24 Group AB.

\*\* The incoming CEO received a sign-on bonus of SEK 2 million.





The variable pay is split in two, where 75% of the bonus is based on financial performance and 25% on individual targets. The financial targets have over the last years been linked to revenues (15% of the total bonus) and adjusted EBITA (60% of the total bonus). The individual, non-financial targets (25% of the total bonus) have been linked to criteria such as M&A activity, ESG targets, improved Business Intelligence etc. For 2023, the non-financial targets were linked to preparing for an orderly transition to the incoming CEO, and M&A activity. The bonus earned in a specific year is paid out the year after, but reported in the annual report for the year in which the bonus is earned. For 2023 both the outgoing and the incoming CEOs had a bonus scheme in place. The maximum bonus on an annual basis was 7 months base salary. This constituted a maximum of 4.1 months of base salary (NOK 1,356 thousand) for the outgoing CEO, and 1.75 months of base salary (SEK 630 thousand) for the incoming CEO in 2023. The actual total bonus amounted to NOK 512 thousand for the outgoing CEO, representing 37.7% of the maximum possible outcome, while the incoming CEO achieved a bonus of SEK 294 thousand, representing 46.7% of the maximum possible outcome.

For the 2024 variable remuneration parts of the management group targets are related to ESG, M&A and lifting margins of low performing units.

## SHARE BASED INCENTIVE PROGRAM

### Long-term incentive program 2021

The former 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 members 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, which corresponded to the offer price for the company's shares in the IPO (i.e. SEK 36). The number of shares that each Participant was offered depended on the Participant's position and responsibility in the Group. The former CEO has acquired 100,000 shares in MipCo. These were sold subsequent to leaving Norva24 at a price based on a valuation performed by an external valuation expert.

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 (i.e. 9 December 2024). 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).

### Long-term incentive program 2023

On May 25, 2023, the Annual General Meeting decided to introduce an option-based long-term incentive plan for members of management and key personnel, in accordance with the Board of Directors' proposal. The long-term incentive program comprises approximately 35 employees within the group.

The participants are required, with their own funds, to acquire shares in Norva24 to market price on Nasdaq Stockholm. For each share acquired, the participants will be allotted 40 options which will give the participants a right to acquire additional shares in Norva24 at a predetermined price. 225,701 options have been allotted to the current CEO. The strike price for the options is 32.45 SEK.

The options are subject to a three-year vesting period. The total amount of shares in Norva24 that can be allocated to the participants under the long-term incentive program amounts to 2,283,534 shares, which represents approximately 1.25 percent of the outstanding shares and votes in Norva24.

## CHANGE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE LAST THREE REPORTED FINANCIAL YEARS (RFY)

NOK thousand	RFY 2020	RFY 2021	RFY 2022	RFY 2023	Change	Change, %
CEO remuneration	5,049	5,140	5,682	7,971	2,289	40.3
Group management salaries other than to the CEO	10,980	11,072	11,290	16,307	5,017	44.4
Group management FTE other than to the CEO	4.83	5.25	5.00	5.9	1	18.0
Group management remuneration per FTE, other than to the CEO	2,273	2,109	2,258	2,764	506	22.4
Group operating profit, EBIT NOK million	179	194	212	284	72	33.9
Average remuneration on a full time equivalent basis of employees*	605	591	617	645	28	4.5

\* Excluding members of the group executive management.

**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 until July 31, 2023	Financial criteria	75%	a) 37.7%, b) NOK 512 thousand
	Non-financial criteria	25%	
	Total variable cash payment, gross		
Henrik Norrbom, CEO from September 18, 2023	Financial criteria	75%	a) 46.7%, b) SEK 294 thousand
	Non-financial criteria	25%	
	Total variable cash payment, gross		

**GROUP MANAGEMENT PARTICIPATION IN MIPCO**

Shares in Mipco	Number of shares
Henrik Damgaard, CEO (former)	0
Henrik Norrbom, CEO (current)	0
Rest of Group Management	193,774