

Remuneration report 2023

Introduction

This report describes how the guidelines for remuneration to senior executives of BTS Group AB, agreed upon during the Extraordinary General Meeting July 7, 2022, were applied during 2022. The report also contains information regarding remuneration for the CEO. The report has been prepared in accordance with the Companies Act and the Board of the Swedish Corporate Governance Rules on executive remuneration and incentive programs.

Further information regarding remuneration to senior executives can be found in Note 7 on pages 24-26 in the Annual Report for 2023. Information on the remuneration committee's work in 2023 can be found in the Corporate Governance report on pages 70-74 in the Annual Report for 2023.

Board fees are not covered by this report. Such fees are decided annually by the Annual General Meeting and are reported in Note 7 on page 24 in the Annual Report for 2023.

Development in 2023

The company's overall results are summarized in the Management Report on pages 7-9 in the Annual Report for 2023.

Guidelines for remuneration to senior executives: scope, purpose and deviations

A successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, presupposes that the company can recruit and retain qualified employees. These guidelines contribute to BTS' business strategy, long-term interests, and sustainability by enabling the offering of competitive total remuneration to senior executives. The remuneration to senior executives must be market-based and may consist of basic salary/fixed remuneration, variable remuneration, pension, and other benefits. The Annual General Meeting may in addition – and independently of these guidelines – decide on, for example, share and share price-related remuneration.

Basic salary/fixed remuneration must be individual for each individual executive. The basic salary must be reviewed regularly (usually annually) and based on the executive's position, responsibilities, competence, experience, and performance.

Variable remuneration shall be based on predetermined and measurable criteria, designed for the purpose of promoting long-term value creation. The variable remuneration may not exceed 300 percent of the annual fixed salary. The variable remuneration shall not be pensionable, to the extent that nothing else follows from mandatory collective agreement provisions.

Pension benefits shall be defined-contribution to the extent that the executive is not covered by another defined-benefit pension in accordance with mandatory collective agreement provisions. Premiums are paid for as long as the employment lasts. The

ordinary retirement age follows the retirement age set by law. For the CEO, pension benefits shall amount to no more than 35 percent of the annual basic salary. For other senior executives, pension benefits shall amount to no more than 30 percent of the annual basic salary.

Other benefits may include car benefits, occupational health care, life and health insurance, and other similar benefits. Other benefits shall constitute a smaller proportion of the total remuneration and may correspond to no more than 10 percent of the senior executive's annual fixed salary.

The guidelines can be found on pages 25-26 in the Annual Report for 2023. In 2023, the company followed the applicable remuneration guidelines adopted by the General Meeting. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that, according to the guidelines, is to be applied to determine the compensation. The auditor's opinion on the company's compliance with the guidelines is available at www.bts.com. No compensation has been claimed back.

Terms of employment, remuneration structures and remuneration levels for senior executives in BTS Group follow the current guidelines for terms of employment for senior executives decided by the General Meeting. This means, among other things, that the total remuneration to senior executives is reasonable and well balanced. Furthermore, the total remuneration to senior executives is competitive, ceiling-fixed, appropriate, and contributes to good culture. These criteria also guide the remuneration of other employees.

Total remuneration to the CEO 2023 (KSEK)

Jessica Skon succeeded BTS founder Henrik Ekelund as CEO in May 2022. Total remuneration to the CEO 2022 covers Henrik Ekelund up to May 2022, and thereafter Jessica Skon.

Table 1

	Fixed compensation		Variable remuneration ¹⁾		Pension cost ²⁾	Total compensation	Proportion fixed resp. variable remuneration
	Basic salary	Benefits	Annual	Perennial			
Jessica Skon	4 877	333	8 844	-	634	14 688	37%/63%

1) Variable remuneration earned in 2023, paid in 2024. Unchanged performance criteria applied compared to the previous year.

2) Pension premiums are paid at 13 percent of the CEO's basic salary.

Outstanding share-related and share-price-related incentive programs

The company has introduced a stock option program (2022/2027). The stock options are of two series and have vesting periods of three years (series 2022/2025) and five years (series 2022/2027), respectively, and require continued employment within the group. Only after the respective vesting period the options can be exercised. The CEO has been assigned 200,000 options. A total of 495,000 options have been allocated, which corresponds to a dilution of approximately 2.6 percent of the share capital and approximately 1.8 percent of the number of votes for all shares.

Employee stock option program (CEO)

	The name of the Program	Allocation date	Vesting period	Utilization period	Strike price	Options at the beginning of the year	Assigned options during the year	Options at the end of the year
Jessica Skon	2022/2025	2022-09-30	2022-2025	2025-10-01 2025-12-31	336,50	100 000	0	100 000
	2022/2027	2022-09-30	2022-2027	2027-10-01 2027-12-31	392,60	100 000	0	100 000
Total						200 000	0	200 000

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been chosen to realize the company's strategy and to encourage actions that are in the company's long-term interest.

The CEO's variable remuneration may amount to a maximum of 300 percent of the fixed basic salary. The variable compensation is completely linked to the company's operating profit (EBIT) and is determined by two factors – the size of the operating profit and its growth. No variable remuneration is paid if the minimum level in the model is not reached for the year. The performance criteria have been unchanged, compared with the previous year.

Comparative information on changes in remuneration and the company's results

Change in remuneration and earnings during the last two reported financial years (KSEK).

Table 2

Annual change	2022 vs 2021	2023 vs 2022	2023
Remuneration CEO, Jessica Skon/Henrik Ekelund 3), 4)	2 380 24,4%	2 540 20,9%	14 688
Group revenues	612 872 32,0%	153 258 6,1%	2 682 892
The Group's operating profit (EBIT) 5)	47 745 18,7%	-15 201 -5,0%	288 050
The Group's operating margin (EBIT margin)% 6)	-1,3 percentage points	-1,3 percentage points	10,7%
Average remuneration to other employees based on the number of full-time equivalents in the Group 7)	92 9,4%	52 4,9%	1 112

3) Jessica Skon succeeded BTS founder Henrik Ekelund as CEO in May 2022. Total remuneration to the CEO 2022 covers Henrik Ekelund up to May 2022, thereafter Jessica Skon regarding May to December 2022.

4) The change in remuneration refers to the annual change in the sum of all remuneration components as they are reported in table 1.

5) In May 2020, the US BTS subsidiary received federal COVID-19 support under the "Paycheck Protection Program" (known as PPP loans). In accordance with the guidelines from the US authorities, this loan was written off during the third quarter of 2021, and had a positive impact of MSEK 49,7 on operating profit. For increased comparability, the Group's operating profit (EBIT) is stated excluding compliant PPP loans.

6) The Group's operating margin (EBIT margin) was 13.3% in 2021, 12.0% in 2022, and 10,7% 2023.

7) Total remuneration for all other employees excluding the CEO and board of the parent company, divided by the number of full-time equivalents in the Group during each year.

BTS GROUP AB (PUBL)
Stockholm, April 2024
The Board of Directors