

Remuneration report for Nordic Waterproofing Holding AB (publ) 2023

Introduction

This report describes how the Guidelines for remuneration to senior executives of Nordic Waterproofing Holding AB (the "Company"), adopted by the Annual General Meeting, April 28 2022, were applied during 2023. The report also contains information on remuneration to the CEO and a summary of the Company's outstanding share-related and share price-related incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the *Remuneration rules* issued by the Stock Market Self-Regulation Committee.

Further information on remuneration to senior executives can be found in Note 7 (Employees and personnel expenses) on pages 86-87 of the Annual Report for 2023. Information about the remuneration committee's work in 2023 can be found in the corporate governance report on page 58 of the Annual Report for 2023.

Board remunerations are not covered by this report. Such fees are resolved annually by the Annual General Meeting and are reported in Note 7 on page 86 of the Annual Report for 2023.

Development in 2023

2023 was a year of weaker development within the Groups core markets and a negative development for several of the KPI's of the Nordic Waterproofing Group. This was mainly caused by operational challenges withing some of the newly acquired operations in combination with an increased price competition in the European market for EPDM membranes, our core operations strengthened their position in the market with a satisfying profitability. Further information on the Group's operating and financial results can be found in the audited Annual Report for 2023, where the CEO summarizes the Company's overall results in his statement on page 5.

The Company's remuneration guidelines: scope, purpose and deviations

A prerequisite for a successful implementation of the Company's business strategy and the safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified employees. This requires that the Company can offer competitive remuneration. The Company's remuneration guidelines enable senior executives to be offered a competitive total remuneration. According to the Company's Guidelines for remuneration to senior executives, the remuneration to these shall be on market terms and may consist of the following components: fixed cash salary, pension benefits, variable cash remuneration, long-term share-based incentive program, other benefits and any additional bonus on special terms. The variable cash remuneration shall be linked to specific objectives. The payment of bonuses is only relevant when terms and objectives have been achieved, either in whole or in part (by agreement).

The guidelines are summarized on page 56 of the Annual Report for 2023 and on the Company's website. During 2023, the Company has followed the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines have been made and no deviations have been made from the decision-making process to be applied in order to determine the remuneration. The auditor's opinion on the Company's compliance with the guidelines is available at the Company's webpage. No compensation has been claimed back.

Table 1 – Total remuneration to the CEO (Martin Ellis) in 2021 - 2023 (SEK M)

Executive	1. Fixed remuneration		2. Variable remuneration		3. Extraordinary items	4. Pension cost	5. Total remuneration	6. Share of fixed or variable remuneration
	Basic salary	Other benefits	Annual	Multi-year*				
2023	6.8	-	0.8	1.9	-	-	9.5	72/28
2022	6.1	-	3.6	1.8	-	-	11.5	53/47
2021	5.6	-	3.3	2.1	-	-	11.0	51/49

* Refers to booked costs for LTIP for the CEO

Share-based remuneration

The Company has decided to introduce annual recurring long-term share-based incentive programs. These programs are described in Note 7 on page 87 of the Annual Report for 2023. In 2023, the LTIP 2020 (LTIP 2019) was finalized and the CEO was allotted 23,170 (26,534) shares corresponding to 100% (100%) of the full target fulfillment.

Table 2 – Share Program (CEO)

Executive	1. Program name	2. Performance period	3. Date of award	4. Date of full earning	5. Lock-in period ends	6. Required number of shares to participate *	7. Number of shares received at min. level**	8. Number of shares received at max. level**
Martin Ellis (CEO)	LTIP 2021	2021 - 2023	2021-04-29	2024-04-29	2024-04-29	35,017	2,801	14,007
	LTIP 2022	2022 - 2024	2022-04-28	2025-04-28	2025-04-28	35,392	2,831	14,157
	LTIP 2023	2023 - 2025	2023-04-27	2026-04-27	2026-04-27	39,582	3,167	15,833

* In order to participate in each program, the participant shall own at least this number of shares.

** Number of shares received at minimum respective maximum target fulfilment, in between an extrapolation is done.

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been chosen to drive the Company's earnings development and to encourage business behavior. When selecting performance criteria, the strategic goals and short- and long-term business priorities for 2023 have been considered.

Table 3 – The CEO performance during the reported financial year: variable cash remuneration

Executive	1. Description of criteria attributable to the remuneration component	2. Relative weighting of the performance criteria	3. Outcome of performance criteria
Martin Ellis (CEO)	NWG EBIT Development	80%	0%
	NWG Sales Development	20%	100%

Comparative information regarding changes in remuneration and the Company's results

Table 4 – Changes in remuneration and the Company's results during the last five reported financial years (SEK M)*

	2023	2022	2021	2020
Remuneration to the CEO	9.5	11.5	11.0	10.6
Group operating profit	293	430	382	337
Compensation per employee**	0.8	0.7	0.7	0.7

* From the financial year 2020, which is the first financial year for this type of remuneration report.

** Average remuneration based on the number of full-time equivalent employees in the Group.