

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

Enea AB remuneration report 2021

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives in Enea AB ("Enea"), adopted by the Annual General Meeting 2021, have been applied during 2021. The report also includes information on remuneration to the CEO and a summary of Enea's outstanding share and share-price related incentive programs. The report has been prepared in accordance with the Swedish Companies' Act and *the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board.

Further information on remuneration to senior executives is available in note 4 (Employees and Other Senior Executives) on pages 68-71 of the 2021 Annual Report. Information on the work of the Remuneration Committee in 2021 is set out in the Corporate Governance Report, available on pages 43-47 of the 2021 Annual Report.

Remuneration to the board of directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and is disclosed in note 4 on page 70 of the 2021 Annual Report.

Key developments 2021

The CEO summarizes Enea's overall performance in his statement on pages 4-5 of the 2021 Annual Report.

Enea's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of Enea's business strategy and safeguarding of its long-term interests, including its sustainability, is that Enea can recruit, motivate and retain qualified personnel. To this end, Enea must offer competitive remuneration. Enea's remuneration guidelines enable the company to offer executives competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed salary, variable remuneration and pension. The variable remuneration shall be linked to financial or non-financial criteria. There may be individualized, quantitative, or qualitative objectives. The criteria shall be designed to contribute to Enea's business strategy, long-term interests and sustainability, and thereby Enea's long-term value creation by for example being clearly linked to the business strategy or promote the executive's long-term development.

The guidelines are found on pages 68-69 of the 2021 Annual Report. During 2021, Enea complied with the applicable remuneration guidelines adopted by the General Meeting. No deviations from the guidelines have taken place and no deviations have been made from the decision-making process that, according to the guidelines, is to be applied when determining remuneration. The auditor's report regarding Enea's compliance with the guidelines is available on www.enea.com/investors/corporate-governance. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the General Meetings of Enea have resolved to implement long-term share-related incentive programs.

Table 1 – Total CEO remuneration in 2021 (kSEK)

Name (position)	Fixed remuneration		Variable remuneration		Pension ^{2/}	Total	Fixed/Variable
	Base salary ^{1/}	Other benefits	One-year	Multi-year			
Jan Häglund (CEO)	3,184	0	1,607	0	935	5,725	72%/28%

^{1/} Including holiday pay of kSEK 220.

^{2/} Pension expense, which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Share-based remuneration

Outstanding share-related and share price-related incentive programs

Enea terminated a share-based incentive program (LTIP18) in 2021 and has two ongoing share-related incentive programs (LTIP19 and LTIP21) as of December 31, 2021. Participants in these incentive programs have been Group Management and other persons with senior positions in Enea. The share rights have been allotted free of charge, are subject to three-year vesting periods, and may entail free allocation of shares after the vesting period. The allocation is based on an initial allocation, which can be adjusted downwards depending on the outcome of the performance conditions for each incentive program. For LTIP19 and LTIP21 allocation is determined by fulfilment of the performance condition earnings per share. The incentive programs require further employment during the vesting period. For the terminated incentive program LTIP18 allocation was determined by fulfilment of performance condition earnings per share. A total of 48,000 shares were allocated for LTIP18, which at that time corresponded to 0.2% of the shares in Enea after dilution. For more information about Enea's incentive programs, see www.enea.se/investerare/bolagsstyrning/incitamentsprogram. The CEO has been allotted 42,000 share rights in LTIP19, and 21,000 share rights in LTIP 21 (maximum allocation before any adjustment after compliance with performance conditions). Outstanding shares for LTIP19 amounted to 438,000 and for LTIP21, 243,000 as of December 31, 2021. These two programs together represented 3.7% of the shares in Enea after dilution.

Vesting period for LTIP19 expires April 29, 2022 and calculated outcome is approximately 32% or approximately 117,536 share rights, representing 0,5% dilution.

Table 2 – Share-related incentive program to the CEO

Jan Häglund (CEO)					Information related to the current financial year					
Main conditions					Opening balance ^{2/}	Shares during the year		Closing balance ^{4/}		
Name of program	Performance period	Allocation date	Vesting date ^{1/}	End date lock-in ^{1/}		Holding	Allotted	Vested	Conditional performance ^{5/}	Share rights at the end of the year
LTIP19	2019-2021	2019-07-01	2022-04-29	2022-04-29	42,000	0	0	42,000	42,000	0
LTIP21	2021-2024	2021-07-01	2024-04-29	2024-04-29	0	21,000 ^{3/}	0	21,000	21,000	0

^{1/} The date of vesting and the end date lock-in (for employment) is the date of publication of the interim report for Q1 2022 (LTIP19) respectively interim report for Q1 2024. The preliminary dates are April 29, 2022 for LTIP19 respectively April 29, 2024 for LTIP21.

^{2/} Opening balance 2021-01-01.

^{3/} Value: kSEK 4,305 calculated as market price per share at allocation (SEK 205) multiplied by the number of rights (21,000).

^{4/} Closing balance 2021-12-31.

^{5/} Number of shares subject to performance conditions (Development of Enea's earnings per share compared to target).

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been selected to support implementation of Enea's strategy and to encourage actions that are in Enea's long-term interest. When selecting performance criteria, the strategic goals and short- and long-term business priorities for 2021 have been taken into account.

Table 3 – Performance of the CEO in the reported financial year: variable cash remuneration

Name (position)	Criteria related to the remuneration component	Relative weighting	Measured performance	Remuneration outcome
Jan Häglund (CEO)	Operating profit Group	50%	MSEK 250.4 ^{1/}	SEK 1,089,177
	Income Group	30%	MSEK 1,000.3	SEK 132,099
	Individual goals ^{2/}	20%	26% above target	SEK 385,320

^{1/} Operating profit adjusted for non-recurring items.

^{2/} Refers to the successful execution of Enea's organic growth initiatives, recurring revenues development and the acquisition of AdaptiveMobile Security.

Table 4 – Performance of the CEO in the reported financial year: share-related remuneration

Name (position)	Program	Remuneration part	Relative weighting	Measured performance	Remuneration outcome (SEK)
Jan Häglund (CEO)	LTIP19	Earnings per share 2019-2021 ^{1/}	100%	Performance period in progress	Performance period in progress
	LTIP21	Earnings per share 2021-2023 ^{2/}	100%	Performance period in progress	Performance period in progress

^{1/} The main rule is a range of accumulated earnings per share during the years 2019-2021, where the minimum level for allocation is SEK 24.26 and the maximum level is SEK 29.27. In addition to the general rule, there is an alternative rule that takes effect if the total outcome per year yields a better result than the main rule. In the alternative rule, the years 2019, 2020 and 2021 are calculated separately, whereby a maximum of 1/4 of full allocation is awarded based on the growth of earnings per share for each year.

^{2/} The main rule is a range of accumulated earnings per share during the years 2021-2023, where the minimum level for allocation is SEK 24.75 and the maximum level is SEK 29.86. In addition to the general rule, there is an alternative rule that takes effect if the total outcome per year yields a better result than the main rule. In the alternative rule, the years 2021, 2022 and 2023 are calculated separately, whereby a maximum of 1/4 of full allocation is awarded based on the growth of earnings per share for each year.

Comparative information on changes in remuneration and Enea's performance

Table 5 – Changes in remuneration and Enea's performance over the last five years (kSEK) ^{1/}

	2021	2020
CEO remuneration	5,725	5,148
Group operating profit	215,963	188,603
Average remuneration on a full-time equivalent basis of employees (FTE) ^{2/}	477	468

^{1/} As from and including the financial year 2020, which is the first financial year for this type of remuneration report.

^{2/} Average remuneration FTE (Full-time equivalent), has been calculated by dividing the total remuneration with the average number of full-time employees in the parent company (excluding the group executive management).

Kista, March 2022
Enea AB (publ)
The Board of Directors