

Remuneration report 2022

This report describes how the guidelines for Executive remuneration of Sensys Gatso Group AB, adopted by the annual general meeting 2022, have been implemented. 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 2 (Salaries, other remuneration and social insurance contributions). Information on the work of the remuneration committee in 2022 is set out in the Corporate Governance Report available on pages 28-29. The remuneration of the board of directors is not covered by this report, this is disclosed in the Corporate Governance report on pages 26-29.

Key developments 2022

The CEO summarizes the company's overall performance in his statement on page 4 in the annual report 2022.

The company'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. The company'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 remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or nonfinancial 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.

During 2022, 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 www.company.se/corporategovernance. No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

Total CEO remuneration 2022 (TSEK)

Name of director	Base salary	Variable Remuneration paid	Other benefits	Pension expense	Total remuneration	% variable remuneration
Ivo Mönnink CEO	3,118	1,559	392	981	6,050	25.8%

Application of performance criteria variable remuneration

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 remuneration of the performance year is paid out in the year following the performance year.

Performance measurement 2021 (paid out in 2022)

	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	Measured performance 2021 (tSEK)	Variable remuneration awarded over performance year 2021
Ivo Mönnink, CEO	Group Sales	50%	506,789	438
	Operating profit (EBITDA)	50%	83,502	648
	Total			1,086

Performance measurement 2022 (to be paid out in 2023)

	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	Measured performance 2022 (tSEK)	Variable remuneration awarded over performance year 2022
Ivo Mönnink, CEO	Group Sales	50%	494,575	443
	Operating profit (EBITDA)	50%	73,344	536
	Organizational development			580
	Total			1,559

Comparative information on the company performance in relation to the remuneration

The comparative numbers of the years 2018 and earlier are not restated for the impact of IFRS16.

Performance	2022	2021	2020	2019	2018
Group Sales	494,575	506,789	454,933	406,325	380,349
Group EBITDA	73,344	83,502	59,438	28,567	37,562
Remuneration awarded	6,050	5,356	4,683	3,619	4,526

Share-based remuneration

Outstanding share-option plan

The company has implemented a share option plan 2017/2020 for the CEO. Options have been granted free of charge, are subject to three-year vesting, the employee has been awarded the corresponding number of matching share awards and performance share awards. In 2022 the two year exercise period ended for the share options granted under Plan 2017-2020. The share option plan has been exercised by the CEO. Due to the high cost associated with the execution of this Share Option Plan the board and the CEO have agreed to transform the value into a short term incentive related to organizational development. The short term incentive can be awarded taking into consideration the maximum agreed short term incentive for the CEO of 50% of base salary. For the year 2022 the CEO was awarded 580tSEK for the development of the organisation.

New share-option plan

In 2021 the general meeting of shareholders approved a new share-option plan for 2021-2024. This plan includes management and non-management employees of the company. These options have been granted free of charge and are subject to three-year vesting period. The share-options will be net settled in shares when executed.

The main conditions of the share option plan

	Name of plan	Performance period	Award date	Vesting date	Exercise period	Exercise price (SEK)
Ivo Mönnink, CEO	Plan 2017-2020	2017-2020	1 Oct 2017	30 Sep 2020	2 years	0.81
	Plan 2021-2024	2021-2024	8 Jul 2021	7 Jul 2024	2 years	1.28

	Opening balance	Information regarding the reported financial year				Closing balance
	Share options held at beginning of the year	Share options awarded	Share options vested	Share options subject to performance condition	Share options awarded and unvested	Share options in exercise period
Ivo Mönnink, CEO	5,500,000	6,000,000	-6,000,000	0	5,500,000	0