

Remuneration Report 2021

Introduction

This report describes how the guidelines for remuneration to senior executives of ITAB Shop Concept AB (publ), adopted by the Annual General Meeting in May 2021, were implemented in the 2021 financial year. The report also provides information on remuneration to the CEO and Deputy CEO. 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 8 (Personnel and senior executives) on pages 65–68 in the 2021 Annual Report. Information on the work of the Remuneration Committee in 2021 is set out in the Corporate Governance Report on pages 45–46 in the Annual Report.

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 8 on pages 66–67 in the 2021 Annual Report.

Key developments 2021

The CEO summarises the company's significant events and overall performance in his statement on pages 6–7 in the 2021 Annual Report.

Guidelines for remuneration to senior executives in the ITAB Group

ITAB has a clear strategy for achieving profitable growth and creating shareholder value. 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 senior executives competitive total remuneration. For more information about the company's strategy, refer to the company's website.

The applicable guidelines for remuneration to senior executives, adopted by the Annual General Meeting in May 2021, can be found on pages 66–67 of ITAB's 2021 Annual Report. Under the remuneration guidelines, remuneration to senior executives 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 non-financial criteria. They may be individualised, 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.

Deviations from the company's remuneration guidelines

In accordance with the guidelines, the Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. During 2021, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been made 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 the company's website, itabgroup.com. No remuneration has been reclaimed during the year.

Total remuneration to the CEO and Deputy CEO in 2021 (SEK thousand)*

Name of executive (position)	1		2	3	4	5	6
	Fixed remuneration		Variable remuneration ³⁾	Extra-ordinary items	Pension expense	TOTAL REMUNERATION	Proportion of fixed and variable remuneration ⁴⁾
	Base salary ¹⁾	Other benefits ²⁾					
Andreas Elgaard, CEO & President	4,896	206	3,600	N/A	1,434	10,137	Fixed: 64% Variable: 36%
Mikael Gustafsson, Deputy CEO ⁵⁾	555	30	271	N/A	177	1,033	Fixed: 74% Variable: 26%

1) Including holiday pay.

2) Taxable benefits for car and healthcare insurance.

3) Variable remuneration for the CEO and Deputy CEO is for one year.

4) Pension expense in column 4, which in its entirety relates to base salary and is premium defined, has been reported entirely as fixed remuneration.

5) Mikael Gustafsson was Deputy CEO of ITAB for the 1 January–8 March 2021 period. Stipulated remuneration and benefits refer to the same period.

Share-based remuneration

ITAB currently has no share-related or share price-related incentive programmes outstanding.

Application of performance criteria

The performance measures for the CEO's and the Deputy 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.

Outcome of performance criteria for variable remuneration during the reported financial year 2021

Name of executive (position)	1	2	3
	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) Actual award/remuneration outcome
Andreas Elgaard, CEO & President	Adjusted operating profit 2021	70%	a) 100% b) SEK 2,520 thousand
	Savings measured in operating profit before interest, tax, depreciation and amortisation (EBITDA) 2021	30%	a) 100% b) SEK 1,080 thousand
Mikael Gustafsson, Deputy CEO ¹⁾	Adjusted operating profit 2021	100%	a) 100% b) SEK 271 thousand

1) Mikael Gustafsson was Deputy CEO of ITAB for the 1 January–8 March 2021 period. Stipulated remuneration and benefits refer to the same period.

Comparative information on the change of remuneration and company performance

Remuneration and company performance during the 2021 financial year (SEK thousand)

	Outcome for 2021 compared with 2020	Outcome for 2021
Total remuneration to the CEO	+SEK 2,236 thousand (+28%)	10,137
Total remuneration to the Deputy CEO ¹⁾	+SEK 58 thousand (+6%)	1,033
Group operating profit	+SEK 112,000 thousand (+100%)	224,000
Average remuneration on a full time equivalent basis of employees ²⁾ of the Parent Company	+SEK 74 thousand (+6%)	1,259

1) Mikael Gustafsson was Deputy CEO of ITAB for the 1 January–8 March 2021 period. Stipulated remuneration and benefits refer to the same period.

2) Excluding members of Group management.

Jönköping, March 2022

ITAB Shop Concept AB (publ)

Board of Directors

This is in all respects a translation of the Swedish original report. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.