

Remuneration Report for 2023

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 2023 financial year, and contains a summary of the Company's share-based or share price-based incentive programmes outstanding. The report also provides information on remuneration to the 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 Stock Market Self-Regulation Committee.

Further information on remuneration to senior executives is available in Note 8 (Personnel and senior executives) on pages 60–63 of ITAB's 2023 Annual Report. Information on the work of the Remuneration Committee in 2023 is set out in the Corporate Governance Report on page 36 of 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 61–62 of the 2023 Annual Report.

Key developments 2023

The CEO summarises the Company's significant events and overall performance in his statement on pages 5–6 of the 2023 Annual Report.

Guidelines for remuneration to senior executives in the ITAB Group: areas of application, goals and deviations

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 page 61 of ITAB's 2023 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.

During 2023, 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.

In addition to the remuneration covered by the remuneration guidelines, the Company's 2022 Annual General Meeting resolved to introduce a long-term share-based incentive programme.

Total remuneration to the CEO in 2023 (SEK thousand)

Name of executive (position)	1		2	3	4	5	6
	Fixed remuneration		Variable remuneration ³⁾	Share-based long-term remuneration ⁴⁾	Pension expense	TOTAL REMUNERATION	Proportion of fixed and variable remuneration ⁵⁾
	Base salary ¹⁾	Other benefits ²⁾					
Andréas Elgaard, CEO	5,509	202	4,252	760	1,618	12,341	Fixed: 59% Variable: 41%

1) Including holiday pay.

2) Taxable benefits for car and healthcare insurance.

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

4) Share-based long-term remuneration pertains to measured unpaid costs for LTIP 2022. It is based on fair value determined at the time of the participants' investment according to the below.

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

Share-based remuneration

Share-based and share price-based incentive programmes outstanding

The Annual General Meeting on 10 May 2022 resolved to introduce a long-term incentive programme ("LTIP 2022") for senior executives and other key individuals. Under the prerequisite that the participant has invested in shares in the Company or used previously owned shares for the programme (investment shares), they have been allocated a retention share right and two performance share rights for each investment share. The CEO has allocated 296,368 investment shares to the programme and subsequently been allocated 296,368 retention share rights and 592,736 performance share rights.

The share rights have been allocated free of charge, and are subject to a three-year vesting period and are conditional on the participant's continued employment. The vesting of performance shares is also contingent on fulfilment of applicable performance conditions. These are related to EBIT margin (measured as an average over the period from 1 January 2023 to 31 December 2024) and net growth (measured as an average over the period from 1 January 2022 to 31 December 2024). The number of performance shares vested depend on the extent to which the performance conditions are fulfilled. As of 31 December 2023, a total of 2,887,956 retention share rights and performance share rights were outstanding, which represents 1.3 percent of the shares in the Company after dilution.

Share programme (CEO)

Name of executive (position)	Primary conditions for the share programme					Information for the reported financial year					
						Opening balance	During the year		Closing balance		
	1 Name	2 Performance period	3 Date for allocation of share rights	4 Date for vesting of shares	5 End of lock-up period for share rights	6 Share rights at the start of the year	7 Allocated share rights	8 Vested shares	9 Shares subject to performance conditions	10 Share rights allocated not vested at the end of the year	11 Shares subject to lock-up period
Andréas Elgaard, CEO	LTIP 2022	EBIT margin: 1 Jan 2023–31 Dec 2024 Net growth: 1 Jan 2022–31 Dec 2024	30 Jun 2022	1 Jun 2025	1 Jun 2025 ¹⁾	889 104 ²⁾	0	0	592,736 ³⁾	889 104 ⁴⁾	0
Total						889,104	0	0	592,736	889,104	0

1) Shares allocated to the participant after the vesting period are subject to a three-year lock-up, during which time the participant is obligated to retain the shares with exceptions for shares divested to cover the payment of tax arising from the allocation of the shares.

2) Value: SEK 9,033 thousand, based on market price per share on allocation (SEK 10.16) multiplied by the number of share rights (889,104).

3) Value: SEK 6,022 thousand, based on market price per share on allocation (SEK 10.16) multiplied by the number of share rights (592,736).

4) Value: SEK 9,033 thousand, based on market price per share on allocation (SEK 10.16) multiplied by the number of share rights (889,104).

Application of performance criteria

The performance criteria 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 criteria, the strategic objectives and short-term and long-term business priorities for 2023 have been taken into account. Further, the non-financial performance criteria contribute to alignment with sustainability as well as the Company's values.

Outcome of performance criteria for variable cash remuneration for the CEO during the reported financial year 2023

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, President & CEO	Adjusted operating profit 2023	67%	a) 100% b) SEK 2,700 thousand
	Savings measured in operating profit before interest, tax, depreciation and amortisation (EBITDA) 2023	33%	a) 100% b) SEK 1,552 thousand

Outcome of performance criteria for variable share-based remuneration for the CEO during the reported financial year 2023

Name of executive (position)	Name of programme	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, President & CEO	LTIP 2022	EBIT margin 2023–2024	50%	N/A ¹
		Net growth 2022–2024	50%	N/A ¹

1) Performance period still ongoing

Comparative information on the change of remuneration and the Company's performance

Change of remuneration and the Company's performance (SEK thousand)

Average annual net growth	2021 compared with 2020	2022 compared with 2021	2023 compared with 2022	Outcome for 2023
Total remuneration to the CEO	+28%	+11%	+SEK 1,071 thousand (+10%)	12,341
Group operating profit	+100%	+87%	+SEK 29,000 thousand (+7%)	432,000
Average remuneration on a full time equivalent basis of employees ¹⁾ of the Parent Company	+6%	+5%	+SEK 75 thousand (+6%)	1,401

1) Excluding members of Group management.

Guidelines for remuneration to senior executives 2024

The Board proposes no changes to the guidelines for remuneration to senior executives for 2024.

Jönköping, March 2024

ITAB Shop Concept AB (publ)

The Board of Directors

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