

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 2020

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives in Enea AB ("Enea"), adopted by the Annual General Meeting 2020, have been applied during 2020. 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 57-60 of the 2020 Annual Report. Information on the work of the Remuneration Committee in 2020 is set out in the Corporate Governance Report, available on pages 30-38 of the 2020 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 59 of the 2020 Annual Report.

Key developments 2020

The CEO summarizes Enea's overall performance in his statement on pages 4-5 of the 2020 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 57-58 of the 2020 Annual Report. During 2020, 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 2020 (kSEK)

Name (position)	Fixed remuneration		Variable remuneration		Pension ^{2/}	Total	Fixed/Variable
	Base salary ^{1/}	Other benefits	One-year	Multi-year			
Jan Häglund (CEO)	3,129	0	1,110	0	909	5,148	78%/22%

^{1/} Including holiday pay of kSEK 249.

^{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 (LTIP17) in 2020 and had two ongoing share-related incentive programs (LTIP18 and LTIP19) as of December 31, 2020. 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. The allocation for LTIP17 was determined by compliance with the following performance conditions: sales targets, operating profit targets and earnings per share targets, all with the same weighting. A total of 241,230 shares were allotted for LTIP17, which corresponded to 1.1% of the shares in Enea after dilution. For LTIP18 and LTIP19, fulfilment is determined only by the performance condition earnings per share. All incentive programs require employment during the vesting period. For more information about Enea's incentive programs, see www.enea.se/investerare/bolagsstyrning/incitamentsprogram. The CEO has been allotted 42,000 share rights (corresponding to the maximum allocation before any adjustment after compliance with performance conditions) in LTIP19. Outstanding shares for LTIP18 amounted to 48,000 and for LTIP19, 402,000 as of December 31, 2020. These two programs together represented 2.1% of the shares in Enea after 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 ^{3/}		
Name of program	Performance period	Allocation date	^{1/} Vesting date	^{1/} End date lock-in	Holding	Allotted	Vested	^{4/} Conditional performance	Share rights at the end of the year	Conditional lock-in
LTIP19	2019-2021	2019-07-01	2022-04-29	2022-04-29	42,000	0	0	42,000	42,000	0

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

^{2/} Opening balance 2020-01-01.

^{3/} Closing balance 2020-12-31.

^{4/} 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 2020 have been taken into account. The non-financial performance criteria further contribute to adaptation of sustainability and Enea's values.

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 221.5 ^{1/}	SEK 717,402
	Income Group	30%	MSEK 929.1	SEK 46,995
	Individual goals ^{2/}	20%	20% above target	SEK 345,600

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

^{2/} Refers to the successful execution of Enea's organic growth initiatives and the acquisition of Aptilo.

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

^{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.

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/}

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

^{1/} As from and including the financial year 2020, which is the first financial year for this type of remuneration report. Enea has not previously produced data on previous financial years in this regard, but this will be reported in future remuneration reports for each financial year for comparison.

^{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 2021
Enea AB (publ)
The Board of Directors