

Remuneration report 2023

This report describes how the guidelines for remuneration to senior executives at Vitec Software Group AB (publ), adopted by the 2021 Annual General Meeting, were implemented in 2023. The report also contains information about the remuneration of the Chief Executive Officer and a summary of the company'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 Programs" issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 2 on pages 151-152 in the 2023 annual report. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report available on page 101 in the annual report.

This report does not cover remuneration of the board of directors. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 2 on page 152 in the 2023 annual report.

Key developments in 2023

The Chief Executive Officer summarizes the company's overall performance in the section "Comments from the CEO" on pages 8-9 in the 2023 annual report.

Guidelines for remuneration of senior executives

Successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, relies on the ability of the company to recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. Vitec's remuneration guidelines enable the company to offer senior executives a competitive total remuneration package. Under the remuneration guidelines, executive remuneration shall be on market terms. Remuneration consists of base salary, pension benefits and other benefits.

Guidelines for remuneration of senior executives can be found on pages 122-123 of the annual report. In 2023, the Company complied with the applicable remuneration guidelines adopted by the general meeting. No deviations were made from the guidelines and no derogations were made from the decision-making process required under the guidelines to determine remuneration. The auditor's report regarding the company's compliance with the guidelines is available at www.vitecsoftware.com/en/ir/. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the Annual General Meetings in April 2021 and April 2022 resolved to implement long-term share-related incentive programs. The Annual General Meeting in April 2023 resolved to implement a share savings program.

Table 1 – Remuneration to CEO, SEK thousands

Name and position	Financial year	Fixed remuneration		One-off payment*	Pension	Total remuneration
		Base salary	Other benefits			
Olle Backman	2023	4,508	3		450	4,961
Olle Backman	2022	3,916	3	302	450	4,671

*Relates to remuneration for premium for warrant

Share-based remuneration

Outstanding share-related and share-price related incentive programs:

The company has introduced two shareholder programs (TO 2021:1 and TO 2022:1). The programs are aimed at about 45 people in Sweden, Finland, the Netherlands, Norway and Denmark.

The options have been allocated by the participant paying an option premium corresponding to SEK 22 per option for TO 2021:1 and SEK 37 per option for TO 2022:1. As compensation the participant received a one-time payment.

TO 2021:1 can be exercised from June 3, 2024 to June 14, 2024 and TO 2022:1 can be exercised from June 3, 2025 to June 14, 2025. There are no performance conditions attached to the options.

A total of 445,300 warrants have been allocated, corresponding with 1.2 % of shares and 0.7 % of votes in the company after dilution.

The company has further implemented a share savings program, ESSP 2023, for all employees. Subject to the employee having made an own investment in shares in the company (savings shares), the employee has been awarded the corresponding number of matching share awards. In the plan, the CEO has invested in 291 savings shares and thus been awarded 291 matching share awards. Matching share awards have been awarded free of charge and are subject to three-year vesting periods and continued employment.

In total, 14,273 matching share awards have been awarded, the shares have been acquired on the market and do not entail any dilution.

Table 2 – Stock option plan (Chief Executive Officer)

					Opening balance	During the year	Closing balance
Name and position	Name of the program	Grant date	Exercise period	Redemption price (SEK)	Stock options, Jan. 1	Granted stock options	Stock options, Dec 31
Olle Backman, CEO	Incentive program TO 2022:1	Jul 20, 2022	Jun 3, 2025–Jun 14, 2025	579	10,000		10,000
Olle Backman, CEO from Apr 29, 2021	Incentive program TO 2021:1	Jun 15, 2021	Jun 3, 2024–Jun 14, 2024	463	10,000		10,000

Table 3 – Share savings program (Chief Executive Officer)

The main conditions of the share savings program					
Name and position	Name of plan	Performance period	Award date	Vesting date	End of retention period
Olle Backman, CEO	ESSP 2023	Jun 1, 2023–Jun 30, 2026	Oct 23, 2023	Jul 1, 2026	Jun 30, 2026

Name and position	Opening balance	During the year			Closing balance	
	Share awards held at beginning of year	Awarded	Vested	Subject to performance condition	Awarded and unvested at year end	Shares subject to retention period
Olle Backman, CEO	-	291*	-	-	-	291

*Value SEK 125 thousand, calculated as the market price per share at the time of award (SEK 429) multiplied by the number of awards (291).

Comparative information

Table 4 – Change in remuneration and the company's earnings over the past five reported financial years, SEK thousands

Annual change	RFY-4 vs RFY-5	RFY-3 vs RFY-4	RFY-2 vs RFY-3	RFY-1 vs RFY-2	RFY vs RFY-1	RFY 2023
Remuneration to CEO						
Remuneration to CEO, SEK thousands	-178 (-5%)	338 (+ 10%)	418 (+ 12%)	622 (+15%)	290 (+6%)	4,961
Company performance						
Operating profit (EBIT), SEK thousands	15,550 (+12%)	178,512 (+55%)	60,616 (+27%)	77,791 (+26%)	234,276 (+66%)	590,117
Average remuneration to employees, SEK thousands*	12 (+2%)	-8 (-1%)	-24 (-4%)	23 (+4%)	44 (+7%)	669
*Based on the number of full-time equivalents other employees in the Group, not senior executives. Change in average remuneration to employees is affected by currency changes, as well as by corporate acquisitions.						