

REMUNERATION REPORT 2023

INTRODUCTION

This report describes how the guidelines for remuneration to senior executives of Powercell Sweden AB (publ) ("**PowerCell**" or the "**Company**"), adopted by the Annual General Meeting on 19 April 2023 (the "**Guidelines**"), were applied during 2023. The report also includes information on remuneration to the CEO and the deputy CEO as well as a summary of the Company's outstanding share and share price related incentive programmes. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Stock Market Self-Regulation Committee's Rules on remuneration of the board and executive management and on incentive programmes.

Further information on remuneration of senior executives can be found in Note [9] ("Employee remuneration, etc.") on pages 81-82 of the 2023 Annual and Sustainability Report. Information on the work of the Remuneration Committee during 2023 can be found in the Corporate Governance Statement on pages 60-61 of the 2023 Annual and Sustainability Report.

The remuneration of the Board of Directors is not covered by this report. Such remuneration is decided annually by the Annual General Meeting and is disclosed in note [9] on pages 81-82 of the 2023 Annual and Sustainability Report.

DEVELOPMENT IN 2023

Information on PowerCell's overall performance and development for 2023 can be found on pages 4-5 of the 2023 Annual and Sustainability Report.

THE COMPANY'S GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

In order to ensure that the Company can recruit and retain qualified employees in senior positions, the fundamental principle is that senior executives shall be offered employment conditions and remuneration in line with market conditions. The guidelines in their entirety can be found on PowerCell's website, www.powercellgroup.com.

During 2023, the Company has complied with the Guidelines. No deviations from the Guidelines have been made and no deviations have been made from the decision-making process that according to the Guidelines should be applied for the determined remuneration.

The auditor's statement regarding PowerCell's compliance with the Guidelines is available on the Company's website, www.powercellgroup.com. No remuneration has been claimed back.

Other than stated below, the Company has no variable remuneration and no share option or share programmes, or other share or share price related incentive programmes.

TOTAL REMUNERATION TO THE CEO, RICHARD BERKLING, AND THE DEPUTY CEO, KARIN NILSSON, DURING 2023 (KSEK UNLESS OTHERWISE STATED)¹

	Fixed remuneration		Variable remuneration		Extraordinary items	Pension cost	Total remuneration	Share of fixed and variable remuneration (%)
	Basic salary ²	Other benefits	Annual ³	Multi-year ⁴				
Richard Berkling (CEO)	2,789	142	607	2,778	0	831	7,147	53/47%
Karin Nilsson (Vice CEO)	1,795	85	389	606	0	663	3,538	72/28%

PERFORMANCE OF THE CEO AND DEPUTY CEO DURING 2023 (KSEK UNLESS OTHERWISE STATED)

		Actual remuneration
Richard Berkling (CEO)	Bonus	607
	LTI 2021	2,778
Karin Nilsson (Vice CEO)	Bonus	389
	LTI 2021	606

PowerCell has a bonus system/bonus programme, which applies to all employees but with some distinction between senior executives and employees. The programme is structured around parameters that collectively benefit PowerCell's business and can be directly affected by employees in the organisation. The parameters are related to expansion of the Company's business as a whole, strengthening the Company's margin and improving customer relations.

PowerCell also has a long-term incentive programme, LTI 2021, offered to senior executives and key employees. The goal is to be able to offer benefits in the form of long-term incentives linked to the Company's share price to attract, motivate, and retain key employees and senior executives.

The programmes are designed to align the participants' incentives with the shareholders' interests.

¹ [With the exception of multi-year remuneration, the table states remuneration that was earned during 2023. Multi-year remuneration is stated to the extent that it has become a benefit for so-called vesting during 2023].

² Includes holiday pay.

³ Variable remuneration earned in 2023 to be paid in 2024.

⁴ Calculated number of shares in LTI 2021 vested as of 31 December 2023 and in accordance with the valuation principles contained in the terms and conditions for LTI 2021 adopted by the general meeting/annual general meeting, which can be found in full on PowerCell's website.

COMPARATIVE INFORMATION REGARDING CHANGES IN REMUNERATION AND THE COMPANY'S RESULTS (KSEK UNLESS OTHERWISE STATED)

Annual change ⁵	2023 compared to 2022	2022 compared to 2021	2021 compared to 2020	2020 compared to 2019	2019 compared to 2018
CEO	7,840 (+12%)	6,978 (+62%)	4,295 (+5%)	4,088 (+32%)	3,102 (+4%)
Deputy CEO	3,538 (+4%)	3,418 (+113%)	1,605 (+100%)	(not applicable)	(not applicable)
Net turnover	310,287 (+27%)	243,838 (+53%)	158,959 (+54%)	103,139 (+54%)	66,850 (+10%)
Operating result	-80 468 (+9%)	-73 600 (-7%)	-79 129 (-17%)	-95 691 (+19%)	-80 417 (+33%)
Average remuneration of employees of the Company ⁶	1 179 (+2%)	1,153 (+8%)	1,072 (-6%)	1,142 (+4%)	1,094 (+7%)

Until June 2020, Per Wassen was the CEO. From July 2020 to December 2020, Karin Nilsson was acting CEO. For the financial year 2020, in addition to the table above, a severance payment of SEK 3,199 thousand has been paid to Per Wassen and pension costs of SEK 896 thousand. From January 2021 Richard Berkling is CEO and from July 2021 Karin Nilsson is Deputy CEO. For financial periods before July 2020, no remuneration to the Deputy CEO is reported as the position did not exist at the time. The variation in average remuneration to employees is affected by bonuses received for each period.

OUTSTANDING SHARE-BASED AND SHARE PRICE RELATED INCENTIVE PROGRAMMES

At the Annual General Meeting on 22 April 2021, the shareholders resolved to introduce a performance-based and long-term incentive programme for certain senior executives and key employees in the Company ("**LTI 2021**"). The motives for the programme are to strengthen the Company's ability to retain existing staff and recruit key individuals to the Company. The programme is also designed to spread and increase share ownership among the participants and ensure a common focus on long-term and sustainable growth for the Company, which means that the interests of the shareholders and participants are further united. LTI 2021 involves 28 key persons in the Company. The maximum number of performance share rights that can be allocated and vested by the participants in LTI 2021 amounts to 390,601 (corresponding to the same number of shares in the Company).

The so-called performance share rights mean that participants in the programme are entitled to receive one warrant in the Company for each performance share right, free of charge, with a right for its holder to acquire one share in the Company at a price corresponding to the share's quota value at the time the shares are subscribed for (currently SEK 0.022), provided that the vesting conditions are fulfilled. After a vesting period of five years, the participants will be allotted warrants in the Company free of charge, provided that certain vesting conditions are fulfilled. The warrants can be exercised for subscription of shares no later than 1 July 2026. In order for the performance share rights to entitle participants to allotment of warrants, it is required that participants have chosen to maintain their employment in the Company during the relevant vesting period until 1 January 2026. The performance share rights vest gradually over approximately five years, until 1 January 2026.

In addition to the above conditions, the performance share rights are subject to performance-based vesting based on the extent to which the Company for each vesting period achieves certain milestones established by the Board of Directors. In addition to the fulfilment of the performance

⁵ Remuneration includes salary, fringe benefits and pension benefits.

⁶ Remuneration includes salary, fringe benefits and pension benefits, excluding the management team.

targets, the annual outcome of LTI 2021 depends on the annual development of PowerCell's share price in relation to the average annual share price development for all companies whose shares are admitted to trading on the list on which PowerCell's share is admitted to trading at any given time. The terms for LTI 2021 adopted by the general meeting/annual general meeting can be found in full on PowerCell's website, www.powercellgroup.com .
