

Remuneration report 2021

This remuneration report provides an overview of how the principles for remuneration of senior executives at Arise AB, adopted by the Annual General Meeting in May 2021 (“the remuneration guidelines”), were implemented in 2021. The report also provides information on remuneration of the CEO of Arise AB and a summary of the company’s current short and long-term variable remuneration programmes for Group management.

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 executive remuneration is available in Note 4 of the Arise Group’s annual report for 2021 (“2021 Annual Report”).

Information on the work of the Remuneration Committee of Arise AB’s Board in 2021 is set out in the corporate governance report available on pages 92–95 in the 2021 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 4 in the 2021 Annual Report.

SUMMARY OF 2021

Information about Arise AB’s performance for the financial year is summarised in the 2021 Annual Report on pages 33–34.

REMUNERATION GUIDELINES

A prerequisite for the successful implementation of Arise’s business strategy and safeguarding of its long-term interests,

including its sustainability, is that Arise is able to recruit and retain highly skilled senior executives with the capacity to achieve established targets. To this end, it is necessary that Arise offers competitive remuneration.

The remuneration shall be on market and competitive terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The level of remuneration for each individual executive will be based on such factors as work duties, expertise, experience, position and performance. The AGM may also – regardless of these guidelines – adopt remuneration based on, for example, share and share-price-related incentive schemes.

The guidelines are found in the 2021 Annual Report on pages 38-41. During 2021, the company complied with the applicable remuneration guidelines adopted by the General Meeting and the total CEO remuneration was in accordance with the remuneration guidelines. No remuneration has been paid or promised to the CEO or other senior executives that entails a deviation or derogation from the remuneration guidelines.

The auditor’s report regarding the company’s compliance with the guidelines is available on Arise’s website, www.arise.se. No remuneration has been reclaimed. During

Total CEO remuneration in 2021

Name of director and position	Financial year	Fixed remuneration *		Variable remuneration *, ***	Pension expense ****	Total remuneration	Proportion of fixed and variable remuneration
		Fixed salary	Other benefits **				
Per-Erik Eriksson, CEO	2021	1,267	32	851	319	2,469	Fixed: 65.5% Variable: 34.5%
Daniel Johansson, CEO	2021	1,478	49	0	447	1,947	Fixed: 100% Variable: 0%
Daniel Johansson, CEO	2020	2,354	88	0	756	3,198	Fixed: 100% Variable: 0%
Daniel Johansson, CEO	2019	2,202	85	2,160	718	5,166	Fixed: 58.2% Variable: 41.8%

All amounts are in thousands of SEK (TSEK).

* The CEO received remuneration only from Arise AB and not from any other company in the Arise Group. The CEO did not receive any extraordinary remuneration (remuneration that in accordance with the remuneration guidelines could be paid under extraordinary circumstances).

** This includes a company car and health care benefits.

*** See below (Compliance with the remuneration guidelines and application of performance criteria) for a more detailed description of the conditions and performance criteria.

**** All pension costs for the CEO were attributable to fixed salary.

the 2021 financial year, the General Meeting did not resolve on any share-related or share price-related remuneration.

The table on the preceding page presents the total remuneration to Arise AB's CEO in 2021. The CEO's fixed salary was determined at the start of 2021 and is higher than in the preceding year since the CEO contributed to and is expected to continue to contribute to the favourable underlying performance of the company. Variable remuneration was paid in line with satisfying the criteria for awarding variable cash remuneration and for extraordinary circumstances at individual level for the purpose of recruiting a new CEO.

COMPLIANCE WITH THE REMUNERATION GUIDELINES AND APPLICATION OF PERFORMANCE CRITERIA

Variable cash remuneration shall aim at promoting Arise's business strategy and long-term interests, including its sustainability. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. Performance over a longer period of time may also be considered in the assessment. Variable cash remuneration may not amount to more than 100% of the fixed annual salary and does not qualify for pension. The variable cash remuneration shall be linked to one or more predetermined and measurable criteria which can be financial, such as adjusted profit after tax, or non-financial, such as increased growth, competitiveness, successful acquisitions, refinancing, growing human capital or the fulfilment of other objectives. The objectives are to advance Arise's business strategy, long-term interests and sustainability by linking the senior executives' remuneration with the company's financial and operational development in a clear and measurable manner. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company. The Board of Directors shall have the possibility to reclaim

variable remuneration paid on incorrect grounds (claw-back).

At the start of 2021, a criterion was established that would enable variable remuneration to be paid at a maximum of 12 monthly salaries based on the performance of total earnings before tax, adjusted before write-ups and write-downs, in the Development and Solutions segments ("earnings"). If earnings amounted to MSEK 20, one monthly salary could be paid in variable remuneration. If earnings amounted to between MSEK 20 and MSEK 100, additional variable remuneration could be paid up to an equivalent of 11 monthly salaries. However, the Remuneration Committee is entitled to decide on a different distribution than that proposed. In its decision, the Remuneration Committee is to consider, for example, earnings, development and performance during the year. If there were special reasons, the Remuneration Committee would be entitled to withhold a portion of this extra scope.

Earnings for 2021 amounted to MSEK 47, primarily due to the divestment of the Ranasjö- and Salsjöhöjden projects during the year, which is why the variable remuneration of the CEO for 2021 amounted to MSEK 0.4*. In addition, the CEO received MSEK 0.5 in variable cash remuneration for recruiting a new CEO.

* Outgoing CEO Daniel Johansson did not receive any variable remuneration in 2021. In addition to MSEK 0.4 that Per-Erik Eriksson received in variable remuneration in his capacity as CEO, Per-Erik Eriksson also received MSEK 0.4 in 2021 in his capacity as Chief Operating Officer related to satisfying the criteria for variable remuneration.

DEVIATIONS AND DEROGATIONS FROM THE GUIDELINES

No deviations or derogations from the remuneration guidelines or the procedure for implementation of the guidelines were made in 2021.

March 2022

Arise AB (publ)

The Board of Directors

Remuneration and the company's earnings 2021, 2020 and 2019

CEO	Profit	Total remuneration
2021	47,174	4,443
2020	-5,000	3,198
2019	132,000	5,166
Change 2020 to 2021	N/A	39%
Total average remuneration, other employees *		Average salary
2021		927
2020		787
2019		885
Change 2020 to 2021		17%

All amounts are in thousands of SEK (TSEK).

* Excluding members of Group management.