

Introduction

This report describes how the guidelines for executive remuneration at Fortnox AB (publ) (hereinafter the "Company"), adopted by the extraordinary general meeting in December 2021, were implemented in 2022. The report also provides information on remuneration to the CEO and Deputy CEO. Finally, the report contains information on the Company's incentive programs outstanding. The report has been prepared in accordance with Chapter 8, Sections 53 a-b of the Swedish Companies Act (2005:551) and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (the "Remuneration Rules") issued by the Swedish Corporate Governance Board.

Further information on executive remuneration in accordance with Chapter 5, Sections 40-44 is available in Note 5 of the Company's 2022 Annual Report. Information on the work of the Remuneration Committee in 2022 is set out in the corporate governance report in the 2022 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 5 of the 2022 Annual Report.

Key developments 2022

The CEO summarizes the Company's overall performance in his statement in the 2022 Annual Report.

The Company's remuneration guidelines: scope, purpose and deviations

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 competent and qualified personnel. To this end, the Company must offer competitive, market-based remuneration in every market where it operates. Individual remuneration levels are based on experience, expertise, responsibility and performance.

Under the Company's remuneration guidelines, executive remuneration is on market terms and consists of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration is linked to predetermined and measurable criteria which can be financial or non-financial. Financial criteria could, for example, be based on the Fortnox Group's operating profit (EBIT). The aim of these guidelines is to promote the Company's business strategy and long-term interests, including its sustainability. By linking executive remuneration to the Company's earnings, the criteria promote the implementation of the Company's business strategy and safeguarding of the Company's long-term interests, including its sustainability.

The guidelines for remuneration, adopted by the extraordinary general meeting on December 27, 2021, are found in Note 5 of the 2022 Annual Report. During 2022, the Company complied with the applicable guidelines. No deviations were made from the guidelines and no deviations were made from the decision-making process that, according to the guidelines, is to be applied when determining remuneration. The auditor's report regarding the Company's compliance with the guidelines is available on the Company's website: www.fortnox.se. No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, the Company's Annual General Meeting has resolved to implement long-term share-based incentive programs.

Total remuneration to the CEO and Deputy CEO

(SEK thousand)	Year	Fixed remuneration			Variable remuneration	Share		Total remuneration
		Base salary ¹⁾	Other benefits ²⁾	Pension expense ³⁾		Fixed	Variable	
Tommy Eklund, CEO	2022	3,242	91	973	4,467	49%	51%	8,773
Roger Hartelius, Deputy CEO	2022	1,624	5	350	1,788	53%	47%	3,767

1) Remuneration vested in 2022. Payment of remuneration does not need to have taken place in the same year. Including vacation pay of SEK 75 thousand

2) Taxable car and healthcare insurance benefit

3) Pension expense, which in its entirety relates to fixed remuneration, is defined-contribution, has been reported entirely as fixed remuneration

The Board of Directors is of the opinion that the total remuneration to the CEO and Deputy CEO complies with and is well in line with the guidelines adopted by the general meeting of shareholders and the overall principles pertaining to the design of executive remuneration under the Remuneration Rules.

Performance of the CEO and Deputy CEO in the reported financial year with respect to variable cash remuneration

(SEK thousand)	2022	2021
Criteria attributable to the remuneration component and performance		
Operating profit (EBIT)	464,243	314,663
Actual award as a % of EBIT		
Tommy Eklund, CEO	0.96%	0.97%
Roger Hartelius, Deputy CEO	0.39%	0.39%
Remuneration outcome for variable cash remuneration		
Tommy Eklund, CEO	4,467	3,055
Roger Hartelius, Deputy CEO	1,788	1,222

Share-based incentive programs outstanding

The Annual General Meeting on March 30, 2022 resolved on the issue of warrants under Incentive Program 2022/2025. Since no award or subscription in Incentive Program 2022/2025 has taken place, these warrants have been cancelled.

The Annual General Meeting on March 25, 2021 resolved on the issue of warrants under Incentive Program 2021/2024. The warrants were transferred on market terms at a price determined based on a market value calculated for the warrants using the Black & Scholes warrant valuation model.

The total number of warrants subscribed for amounted to 24,000 and the price per warrant was SEK 72.50. The subscription price was SEK 552.82 per share. The 10:1 share split, meaning that each share is split into ten (10) shares, resolved on by Fortnox's extraordinary general meeting on December 27, 2021 entailed a customary recalculation of the subscription price and the number of shares that the warrants entitle the holder to subscribe for in accordance with the conditions for the warrants. Following this recalculation, each warrant entitles the holder to subscribe for ten (10) shares in the Company at a recalculated subscription price of SEK 55.28.

Employee stock purchase plan

The extraordinary general meeting on October 21 resolved to introduce an employee stock purchase plan (ESSP 2022) for all Group employees to enable the Group to recruit and retain

employees and to encourage greater employee interest and involvement in Fortnox's operations and development.

ESSP 2022 gives Group employees the opportunity to invest in shares in Fortnox ("saving shares") through monthly savings and encompasses a period of eight months. Provided the employee remains at the Company and retains their investment in saving shares, Fortnox matches the number of shares ("matching shares") free of charge after a three-year period.

ESSP 2022 is classified as a share-based payment transaction under IFRS 2, where the costs of the program will be continuously expensed between November 2022 and June 2026. The program is not linked to any performance targets, but rather requires that the employee remains at the Company and retains their investment in saving shares in Fortnox during the term of the program.

The maximum monthly investment in saving shares is SEK 50,000 for the CEO and SEK 30,000 for the Deputy CEO. A prerequisite for receiving matching shares is, with certain specific exceptions, that the participants are employed by the Fortnox Group throughout the entire holding period and that they keep their saving shares acquired within the framework of ESSP 2022 during the holding period.

	Main conditions				Opening balance	During the year		Total remuneration	
	Program	Award month	Vesting month	End of holding period	Share awards	Awarded	Vested	Awarded and unvested	Shares subject to holding period
Tommy Eklund, CEO	ESSP 2022	Nov 2022	Aug 2026	Aug 2026	0	8,458	0	8,458	0
Roger Hartelius, Deputy CEO	ESSP 2022	Nov 2022	Aug 2026	Aug 2026	0	5,075	0	5,075	0

1) Value: 640,000 calculated as the market price as of December 31, 2022 (47.29) multiplied by the number of matching share awards (13,533)

Comparable information for development of remuneration and the Company's earnings

(SEK thousand)	Annual change		2020
	2022	2021	
Remuneration to the CEO and Deputy CEO			
Tommy Eklund, CEO	1,545 21%	1,026 17%	6,202
Roger Hartelius, Deputy CEO	649 21%	356 13%	2,762
The Company's financial result			
Consolidated net sales	343,749 37%	238,257 34%	693,723
Consolidated operating profit	149,581 48%	49,247 19%	265,416
Average remuneration to full-time employees ¹⁾			
Average increase	58 11%	34 7%	495

1) Excluding members of the Executive Management Team, with a minor adjustment made to the number of full-time employees in 2020 and 2021

February 2023
The Board of Directors of Fortnox AB (publ)

Fortnox AB (publ)
556469-6291