REMUNERATION REPORT 2023

Introduction

This remuneration report describes how JM AB's guidelines adopted by the 2023 Annual General Meeting for remuneration to senior executives were applied in 2023. The report also contains specific information about remuneration to JM AB's president and a summary of outstanding convertible programs. The report was prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's rules on remuneration of senior executives.

The report does not include remuneration to the Board of Directors, which is determined by the Annual General Meeting. This remuneration is reported in Note 3 of the 2023 annual report.

Additional information about remuneration to senior executives is disclosed in Note 3 (Employees and personnel costs) in the 2023 annual report. Information about the work of the Compensation Committee in 2023 is disclosed in the corporate governance report in the 2023 annual report.

Development in 2023

The CEO summarizes the Company's overall performance in the comments from the CEO in the 2023 annual report.

Guidelines for remuneration

A successful implementation of the Company's business strategy and the protection of the Company's long-term interests, including its sustainability, require that the Company can recruit and retain qualified employees. This in turn requires that the Company offer competitive remuneration. JM's guidelines make it possible to offer senior executives competitive total remuneration.

According to the remuneration guidelines, remuneration to senior executives should be competitive and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits, and other benefits. The variable cash remuneration must be linked to financial or non-financial criteria. The financial criteria are defined using JM's segment reporting. They may consist of individually adapted quantitative or qualitative goals. The criteria must be designed in such a manner as to promote the Company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the long-term development of the senior executive.

The basis for remuneration to senior executives is the fulfillment of financial targets, customer satisfaction, sustainability and individual performance. A prerequisite for the payment of remuneration is compliance with policies, guidelines and JM's Code of Conduct. Remuneration covered by these guidelines should aim to promote the Company's business strategy and long-term interests, including its sustainability.

The guidelines can be found in the 2023 annual report (Administration Report).

In addition to the remuneration that is covered by the remuneration guidelines, the Company has offered the possibility for all employees in Sweden, including executive management, to subscribe to convertible debentures. The General Meeting resolves on the programs, and they are thus not covered by the guidelines for senior executives at JM. Since 2020, the Company has not offered any subscription to convertibles. The Board of Directors has decided to not offer a new program in the next few years.

In 2023, the Company has complied with the applicable remuneration guidelines adopted by the General Meeting. No deviations were made from the guidelines, and no deviations were made from the decision-making process that according to the guidelines must be applied to determine remuneration. The auditor's statement on the Company's compliance with the guidelines is available at www.jm.se under the Corporate Governance tab. The Board of Directors has neither reduced nor reclaimed paid remuneration during the year.

Total remuneration to the president

The table below shows the total remuneration to JM AB's president in 2023.

Table 1 – Total remuneration to the president

		Basic salary [5]	One-year variable cash remuneration [1) 6)]	Multiyear variable cash remuneration [2) 6)]	Share-based remuneration	Benefits [3]	Occupational pension	Other remuneration	Total remuneration [4]
Johan Skoglund, President	SEK thousand	7,602	155	0	-	207	2,665	-	10,629
	Share of total remuneration	71.5	1.5	0	-	1.9	25.1	-	100%

1) The reported short-term remuneration refers to remuneration attributable to 2023 that will be paid in 2024. The reported outcome applies on the condition that the Company is ranked no lower than third in Prognoscentret's Most Satisfied Customers of the Year for 2023. A ranking below third place will result in 80 percent of the reported outcome.
2) The reported long-term remuneration refers to remuneration attributable to 2021–2023 that will be paid in 2024. Amounts attributable to 2023 are in addition to the above programs for 2022–2024 with payment in 2025. Maximum outcome for the president's 2022–2024 program is SEK 3,024,000 and 2023–2025 program SEK 3,125,000.
3) Benefits consist of a company car, fuel, health insurance and lunch subsidies.
4) The fixed remuneration consists of basic salary, benefits and occupational pension. Ratio of fixed/variable remuneration = 98.5 % / 1.5 %.
5) The amounts presented in the table do not include the change in the vacation pay liability. At the end of the year, the vacation pay liability amounted to SEK 1,298,000.
6) In the 2023 annual report and Note 3 Remuneration (table), the short-term and long-term remuneration to the president refers to variable remuneration for 2022 (paid 2023) and multiyear variable cash remuneration for the 2020–2022 program (paid 2023). The remuneration note in the annual report disclosed information about one-year and multiyear remuneration to the president and even for 2023 (to be paid in 2024) under the section Remuneration for the president and executive management.

One-year – variable cash remuneration

Performance criteria for the president's variable remuneration were chosen to realize the Company's strategy and to encourage behavior that aligns with the Company's long-term interests. When choosing performance criteria, the strategic goals and the short- and long-term business priorities for 2023 were considered. In addition, the non-financial performance criteria contribute to greater customer satisfaction, which is the basis for business that is long term sustainable and profitable.

The president's one-year variable salary program is based on earnings targets before tax, earnings per share and the customer satisfaction index. These criteria comprise 60, 30 and 10 percent, respectively, of the maximum possible remuneration. Target levels are set on an annual basis by the Compensation Committee. The outcome for the 2023 financial year amounted to 5 percent of the maximum possible outcome.

Multiyear – variable cash remuneration

Performance criteria for the president's program for multiyear variable remuneration are based on the fulfillment of a goal for pre-tax earnings. Even this goal has been chosen to realize the Company's strategy and to encourage behavior that aligns with the Company's long-term interests.

The president's variable salary program extends over three years. At the start of Year 1, the target is set for pre-tax earnings that must be reached in Year 3 to give maximum outcome. An initial level is also set and gives an outcome of 20 percent. The outcome between the initial level and the maximum possible level can be calculated linearly. Maximum possible outcome is 42 percent of the fixed annual salary. The guidelines for the multiyear program are prepared by the Board of Directors and adopted by the Annual General Meeting. The outcome for the 2023 financial year amounted to 0 percent of the maximum possible outcome.

As part of the maximum possible long-term variable cash remuneration according to the guidelines for senior executives, all employees in the Group, including the president, were offered participation in a performance share program. In brief, participants in the program receive a cash subsidy that together with an own investment are to be invested in JM shares. The program runs over a three-year period. One-third of the cash subsidy is paid per year during the duration of the program, and the maximum amount of the cash subsidy is SEK 10,000 for the full program period. The first subsidy for the program that started in 2022 was paid in 2023. The president did not participate in the program that was started in 2023.

Comparable information on the change in remuneration and the Company's performance

Table 2 – Change in remuneration and the Company's performance during the past five reported financial years

Annual change	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023
Annual change in the president's total remuneration [1]	-0.9%	21%	12.3%	1.5%	-29.1%	TSEK 10,422
Consolidated profit/loss before tax (segment reporting)	6.1%	1.4%	10.4%	-7.6%	-68.3%	MSEK 633
Average remuneration for other employees [2] (FTEs)	1.4%	-2.3%	5.4%	1.7	2.8%	TSEK 719

1) Total remuneration refers to the total of all remuneration components that are reported in Table 1, excluding benefits.
2) Applies to Group employees, excluding other members of executive management.

Outstanding convertible program

For a number of years, the Company has offered all employees in Sweden, including executive management, the possibility of subscribing to convertible debentures for personnel valued at market value. The aim of the convertible program is to elevate and strengthen the employee's interest in JM's operations and future performance through ownership engagement. Increased employee motivation and employee participation in JM's business are also in line with the interests of the Company, the employee and all shareholders.

Table 3 – Summary of outstanding convertible programs, including convertible programs closed during the year

Convertible program	Convertible subordinated loan nominally highest (SEK m)	Highest number of convertibles	Subordinated loan after closed subscription period (approx. SEK m)	Number of convertible loans after closed subscription period	Number of redeemed convertibles	Number of convertibles due	Total	Strike price	Highest possible dilution after shares and votes (around %)	Conversion period
2019	160	700,000	33	153,778 [1]	0	153,778	0	212	0.2	6/1/2022–5/18/2023
2020	230	645,000	34	157,067 [2]	-	-	157,067	217	0.2	6/1/2023–4/21/2024

Of which the president's holdings:
1) 11,132
2) 9,982