



THE BOARD OF DIRECTOR'S REMUNERATION REPORT FOR 2022

INTRODUCTION

This remuneration report provides an outline of CTT Systems AB (publ)'s ("CTT") guidelines for remuneration to senior executives (the "**remuneration guidelines**"), adopted by the Annual General Meeting 2022 and which have been implemented during 2022. The report also provides details on the remuneration to CTT's CEO for 2022. Since no remuneration in addition to ordinary board fees has been paid to the members of the board of directors, no such information is presented in the report.

CTT has no outstanding share and share price related incentive programs.

OVERVIEW OF THE APPLICATION OF THE REMUNERATION GUIDELINES IN 2022

For a summary and description of CTT's business and financial performance during 2022, which form the basis for the outcome of the remuneration presented in this report, please refer to the CEO statement in CTT's annual report for 2022.

The remuneration committee, which in CTT consists of the entire board of directors, monitors and evaluates programs for variable remuneration to the CEO, both ongoing and those that have been completed during the year, and the actual and expected outcome of such have been reported to the board of directors and discussed at meetings with the board of directors.

Based on the remuneration committee's evaluation of the CEO's remuneration, the board of directors has determined that the current remuneration structure and remuneration level is appropriate, reflects market practice and is competitive and suitable for achieving CTT's targets. Both the remuneration committee and the auditor have, after evaluation, concluded that CTT has complied with current remuneration guidelines and no deviations or derogations from the remuneration guidelines or from the decision-making process, that according to the remuneration guidelines must be applied to determine remuneration, have been made during 2022.

According to CTT's remuneration guidelines, remuneration to senior executives shall be adapted to market conditions and consist of a fixed cash salary, variable remuneration, pension and in some cases other benefits.

Total remuneration to the CEO

The table below sets out the total remuneration (TSEK) paid to CTT's CEO during 2022.

Name, position (during the start/end of the period)	(TSEK)	1 Fixed remuneration		2	3	4	5	6
	Financial year	Fixed cash salary	Other benefits	Variable cash remuneration - One-year	Allocation to profit-sharing foundation	Pension expenses	Total remuneration	Proportion of fixed remuneration ³⁾
Henrik Höjer (CEO)¹⁾	2022	1,676	65	500	62	649	2,950	76 %
Torbjörn Johansson (former CEO)²⁾	2022	1,088 ⁴⁾	30	167	21	112	1,417	86 %

- 1) Appointed as CEO on 1 April 2022.
- 2) Resigned as CEO on 1 April 2022.
- 3) Excluding pensions.
- 4) Including final salary, mainly vacation.

Application of performance criteria

The basic element of CTT's business strategy is to consolidate the position of the aircraft manufacturers as the leading supplier. To maintain this position requires that product quality, delivery and reliability meet the high standards of the aircraft manufacturers. The fact that airlines perceive the products to have high utility, high performance and good operational reliability also contributes to consolidate this position. A successful implementation of the company's business strategy and the preservation of the company's long-term interests, including its sustainability, requires that the company is able to offer a total remuneration that is in line with the market and competitive and that is able to attract, motivate and retain qualified expertise for CTT.

The outcome for variable remuneration to senior executives shall be linked to measurable targets (qualitative, quantitative, general and/or individual). The targets shall be designed to promote the company's business strategy, long-term interests, including its sustainability. The targets set by the board of directors for 2022 were focused on performance within OEM, strategic sales, innovation and organisational development. Payment of the variable remuneration intended for senior executives and the CEO is conditional on it being invested in CTT shares which must be held for an agreed period, but at least three years.

Actual performance criteria

Name, position	1 Description of the criteria linked to the remuneration component	2 Relative weighting of the performance criteria	3	
			a) Achieved performance	b) Actual outcome of compensation (TSEK)
Henrik Höjer (CEO) ¹⁾	OEM	40 %	35 %	292
	Strategic sales	30 %	0 %	0
	Innovation	10 %	5 %	42
	Organisational development	20 %	20 %	167
Torbjörn Johansson (former CEO) ²⁾	OEM	40 %	35 %	97
	Strategic sales	30 %	0 %	0
	Innovation	10 %	5 %	14
	Organisational development	20 %	20 %	56

1) Appointed as CEO on 1 April 2022.

2) Resigned as CEO on 1 April 2022.

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND CTT'S PERFORMANCE

Change of remuneration and performance over the last three financial years (RFY) (TSEK)

Annual change	2020 vs 2019	2021 vs 2020	2022 vs 2021	Outcome 2022 (2021) ²⁾
<i>Remuneration</i>				
CEO	-407 (-12 %)	+77 (+2 %)	+1,185 (+37 %)	4,367 (3,182)
<i>The company's performance</i>				
Profit before tax	-78,409 (-66 %)	-21 706 (-55 %)	+65,971 (+369 %)	83,846 (17,875)
<i>Average remuneration on a full time equivalent bases for employees¹⁾</i>				
Average number of employees in the company	-15	-17	-4 (-5 %)	72 (76)
Average remuneration per employee	-18 (-3 %)	+51 (+10 %)	+103 (+18 %)	673 (570)

1) Total remuneration (including base salary, variable remuneration, benefits, pensions and allocation to profit-sharing foundation) to all employees other than the CEO divided by the average number of employees, excluding the CEO.

2) Includes remuneration to the CEO Henrik Höjer and to the former CEO Torbjörn Johansson (including final salary paid).

ADDITIONAL INFORMATION IS AVAILABLE IN THE 2022 ANNUAL REPORT OR AT CTT'S WEBSITE

CTT's remuneration guidelines, which were adopted at the Annual General Meeting 2022, are available on CTT's website, www.ctt.se. At the company's website there is also a statement by the auditor on whether the company has complied with the adopted guidelines.

Further information on CTT's remuneration during 2022 that is not covered by this report is available in the annual report for 2022. The information can be found at:

Page 73	The remuneration committee's work during 2022.
Note 5 on page 85 - 87	Such information required by Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act (1995:1554), including detailed information regarding remuneration to other senior executives covered by the remuneration guidelines adopted at the Annual General Meeting 2022.
Note 5 on page 85 - 87	Remuneration to the board of directors.

Stockholm in March 2023
CTT Systems AB (publ)
The Board of Directors