

Remuneration Report 2022

Introduction

This remuneration report provides an outline of how VNV Global AB (publ)'s (the "**Company**") guidelines for executive remuneration (the "**Remuneration Guidelines**") have been implemented with respect to the financial year 2022. The Remuneration Guidelines were adopted by the annual general meeting of VNV Global Ltd. in 2020 and subsequently ratified by an extraordinary general meeting of the Company held on 23 June 2020 following the re-domestication of the group from Bermuda to Sweden. The report also provides details on the remuneration of the Company's CEO. In addition, the report contains a summary of the Company's outstanding share and share-price related incentive programs. The report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551), the Swedish Corporate Governance Code and the Rules on Remuneration of the Board and Executive Management and on Incentive Programs issued by the Swedish Corporate Governance Board.

Numbers presented in this report relate to all compensation paid out in or otherwise related to the financial year 2022, irrespective of accrual for accounting purposes. For this reason, numbers may vary from those presented in the Company's Annual Report for 2022 (the "**Annual Report 2022**"). Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is presented in note 19 on pp. 42-44 in the Annual Report 2022.

Information on the work of the remuneration committee in 2022 is set out in the Company's Corporate Governance Report, which is available on the Company's website <https://vny.global/investor-relations/corporate-governance/>.

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 19 on p. 43 of the Annual Report 2022. However, in addition to the Board fees as resolved by the 2022 AGM, two Directors (Josh Blachman and Keith Richman) have during 2022 received remuneration for consultancy services outside the scope of their duties as Directors in the Company under separate contract. The gross annual cost per contract is USD 102 thousand. See note 20 on p. 45 of the Annual Report 2022.

Key Developments 2022

The CEO summarizes the company's overall performance in his statement on pages 3-4 in the Annual Report 2022.

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 the Company's ability to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. The Company's Remuneration Guidelines enable the Company to offer executives a competitive total remuneration. Under the Remuneration Guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on share or share price-related remuneration as well as other forms of remuneration without limitation.

The variable cash remuneration shall be linked to financial or non- financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the Company’s business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive’s long-term development. The Remuneration Guidelines can be found on the Company’s website <https://vnnv.global/investor-relations/general-meetings/>.

During 2022, the Company has complied with the Remuneration Guidelines. No deviations from the Remuneration Guidelines have been decided and no derogations from the procedure for implementation of the Remuneration Guidelines have been made. No remuneration has been reclaimed. The auditor’s report regarding the Company’s compliance with the Remuneration Guidelines is available on <https://vnnv.global/investor-relations/general-meetings/>.

In addition to remuneration covered by the Remuneration Guidelines, the Company has implemented a number of long-term share-related incentive plans, as resolved on by successive annual general meetings of VNV Global Ltd. and, following the re-domestication of the group from Bermuda to Sweden, general meetings of the Company.

Table 1.1 – Total remuneration of the CEO in 2022 (USD thousands)

Name of Director/CEO (Position)	Fixed remuneration		Variable remuneration		Pension Expense****	Total Remuneration	Proportion of fixed and variable remuneration*****
	Base Salary*	Other Benefits	One-year variable**	Multi-year variable***			
Per Brilioth (CEO)	502	15	512	10	101	1,140	46/54
Total	502	15	512	10	101	1,140	46/54

* Includes statutory holiday pay.

** Variable remuneration for 2022 of USD 512 thousand was allocated and paid out in March 2023. In addition, the variable remuneration for 2021 of USD 320 thousand was paid out in 2022.

*** The full amount is attributable to the subsidized subscription price payable by the incentive program participants for the incentive shares under LTIP 2022 (USD 10 thousand).

**** The managing director has a defined contribution pension plan, according to the Group’s pension policy. The Group has no further obligations once the contributions have been paid. The contributions are recognized as employee benefit pension expense in profit or loss when they are due. The pension is not tied to the managing director’s employment and is based on the managing director’s base salary.

***** Pension expense, which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Table 1.2 – Total remuneration of the CEO in 2021 (USD thousands)

Name of Director/CEO (Position)	Fixed remuneration		Variable remuneration		Pension Expense****	Total Remuneration	Proportion of fixed and variable remuneration*****
	Base Salary*	Other Benefits	One-year variable**	Multi-year variable***			
Per Brilioth (CEO)	476	11	320	4,988	104	5,899	9/91
Total	476	11	320	4,988	104	5,899	9/91

* Includes statutory holiday pay.

** Variable remuneration for 2021 of USD 320 thousand was allocated and paid out in March 2022. In addition, the variable remuneration for 2020 of USD 471 thousand was paid out in 2021.

*** The full amount is attributable to the subsidized subscription price payable by the incentive program participants for the incentive shares under LTIP 2021 (USD 271 thousand) and in-kind taxable income for the Performance Shares issued under LTIP 2018 (USD 4,717 USD thousand).

**** The managing director has a defined contribution pension plan, according to the Group’s pension policy which is based on Swedish ITP-standards. The Group has no further obligations once the contributions have been paid. The contributions are recognized as employee benefit pension expense in profit or loss when they are due. The pension is not tied to the managing director’s employment and is based on the managing director’s base salary.

***** Pension expense, which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Share-based remuneration

During 2022, there were a total of four incentive programs outstanding in the Company. The main features and status of these programs during 2022 are set out below. For further details, see Note 19 of the Company's Annual Report 2022.

- **LTIP 2019** and **LTIP 2020** were adopted at a Special General Meeting in VNV Global Ltd. held on August 22, 2019 and at the 2020 AGM in VNV Global Ltd. held on May 12, 2020, respectively. **LTIP 2021** and **LTIP 2022** were adopted at the Annual General Meetings in the Company held on May 4, 2021 and on May 12, 2022, respectively. Participants in LTIP 2019, LTIP 2020, LTIP 2021 and LTIP 2022 are invited to purchase a number of common shares in the Company, designated as Savings Shares. For each purchased Savings Share, participants are entitled to subscribe for thirty-five shares of a new class of redeemable common shares in the Company (incentive shares of Series C 2019, C 2020, C 2021 and C 2022, respectively). Depending on the performance of both the Company's NAV per share and of the VNV share price (no relative weighting, conditional upon each other) over the five-year measurement period (commencing January 1 of the year of issue and ending December 31 of the fifth year following the year of issue of the incentive shares under each respective program), the incentive shares will be either redeemed by the Company for a nominal amount or reclassified as ordinary common shares. While the measurement period for all four programs is five years, LTIP 2022 is subject to linear vesting over the first three years of the measurement period, after which they are fully vested. To facilitate participation in LTIP 2019 and LTIP 2020 (but not LTIP 2021 or LTIP 2022) the Company subsidized the subscription price payable by participants for the incentive shares. LTIP 2019 matures in 2024, LTIP 2020 matures in 2025, LTIP 2021 matures in 2026, and LTIP 2022 matures in 2027.

Table 2 – Share award plans (CEO)

The main conditions of the share award plans					Information regarding the reported financial year					
Name of Plan	Per- formance Period	Award Date	Vesting Date		Opening balance	During the year			Closing balance	
					Share awards (potential max out-come) held at beginning of year	Awarded (potential max outcome)	Vested (outcome of perfor- mance conditions)	Lapsed/ forfeited	Share awards subject to performance condition	Awarded and unvested at year- end
Per Brilioth (CEO)	LTIP 2019	Jan 2019- Dec 2023	23 Aug 2019	Date of Release of Q1 '24	940,940	-	-	-	940,940	940,940
	LTIP 2020	Jan 2020- Dec 2024	10 Jun 2020	Date of Release of Q1 '25	235,235	-	-	-	235,235	235,235
	LTIP 2021	Jan 2021- Dec 2025	4 May 2021	Date of Release of Q1 '26	262,500	-	-	-	262,500	262,500
	LTIP 2022	Jan 2022- Dec 2026	12 May 2022	Date of Release of Q1 '27	-	262,500*	-	-	262,500	262,500
								TOTAL	1,701,175	1,701,175

* Market value at date of grant: SEK 0.49 per share for a total value of SEK 129 thousand.

The value of shares of Series C 2019, C 2020, C 2021 and C 2022 issued under LTIP 2019, LTIP 2020, LTIP 2021 and LTIP 2022, respectively, is calculated on the basis of the market price of the Company's common shares and prevailing market conditions on the grant date by using a Monte Carlo valuation method.

Application of performance criteria

The performance criteria applied to the Company's long-term share-based incentive programs are related to the increase in NAV per share over the life of the respective program, adjusted for market conditions, which correlates to the value created over the same period.

Specific performance targets set by the Board for the Company's variable cash-based compensation for the financial year 2022 included ensuring that the portfolio companies have necessary funding to develop their business in an increasingly difficult external funding environment. These objectives were met during the year, motivating a variable remuneration of 100 percent of one year's fixed annual cash salary (USD 512 thousand) to the CEO which was allocated and paid in March 2023.

Comparative information on the change of remuneration and Company performance

*Table 3 – Change of remuneration and Company performance over the last reported financial years (RFY)**

	2022	2021	2020
CEO Remuneration	1,068	2,596	1,263
CEO Remuneration, change	-59%	106%	-93%
Share price development	-75.2%	-10.5%	92.8%
NAV per share development	-55.9%	6.3%	22.2%
Net result development	-1227%	-69.2%	26.4%
Average group-wide employee remuneration**	325	578	365
Average group-wide employee remuneration, change	-44%	58%	-47%

* Numbers presented in this Table 3 correspond to the Company's annual report for the respective year and percentages represent year-on-year changes.

** Excluding CEO, on a full-time equivalent basis

April 2023

The Board of Directors of VNV Global AB (publ)