

Remuneration Report 2020

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 2020. 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 redomestication 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 2020, irrespective of accrual for accounting purposes. For this reason, numbers may vary from those presented in the Company's Annual Report 2020. Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 18 on pp. 37-39 in the Company's annual report for 2020 (the "**Annual Report 2020**").

Information on the work of the remuneration committee in 2020 is set out in the Company's Corporate Governance Report, which is available on pp. 58-62 in the Annual Report 2020.

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 18 on p. 38 of the Annual Report 2020. However, in addition to the Board fees as resolved by the 2020 AGM, three Directors (Josh Blachman, Keith Richman and Victoria Grace) have during 2020 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 19 on p. 40 of the Annual Report 2020.

Key Developments 2020

The CEO summarizes the company's overall performance in his statement on page 10 in the Annual Report 2020.

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 2020, 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 annual general meetings of VNV Global Ltd. have resolved to implement a number of long-term share-related incentive plans, which have subsequently been implemented in the Company following the redomestication of the group from Bermuda to Sweden.

Table 1 – Total remuneration of the CEO in 2020 (USD thousands)

Name of Director/CEO (Position)	Fixed remuneration		Variable remuneration		Extraordinary Items	Pension Expense****	Total Remuneration	Proportion of fixed and variable remuneration*****
	Base Salary*	Other Benefits	One-year variable**	Multi-year variable***				
Per Brilioth (CEO)	444	-	444	1,248	-	111	2,247	20/80
Total	444	-	444	1,248	-	111	2,247	20/80

* Includes statutory holiday pay.

** Variable remuneration was allocated and paid out in March 2021.

*** The full amount is attributable to the subsidized subscription price payable by the incentive program participants for the incentive shares under LTIP 2020 (USD 204 thousand) and in-kind taxable income for the Performance Shares issued under LTIP 2017 (USD 1,044 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 2020, there were a total of four incentive programs outstanding in the Company (implemented in the Company following resolutions by VNV Global Ltd. and due to the redomestication of the group from Bermuda to Sweden). The main features and status of these programs during 2020 are set out below. For further details, see Note 18 of the Company’s Annual Report 2020.

- **LTIP 2017** and **LTIP 2018**, adopted at the Annual General Meetings in VNV Global Ltd. held on May 16, 2017 and May 16, 2018, respectively, invite participants to purchase a certain number of shares in the Company, designated as Savings Shares, and to hold them for the duration of the programs, which run for three years. Subject to certain performance criteria determined by the Board of Directors, average NAV per share development over the term of the program, adjusted for market conditions, the participant is then issued up to 10 SDRs, called Performance Shares, for each Savings Share still held at maturity of the respective program. During 2020, a total of 316,050 Performance Shares were issued to participants in LTIP 2017, of which 183,750 to the CEO, following adjustment for the distribution of proceeds from the sale of Avito by way of a share split and redemption program in March 2019. LTIP 2018 matures in 2021.
- **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. As in LTIP 2017 and 2018, participants in LTIP 2019 and LTIP 2020 are invited to purchase a number of shares in the Company, designated as Savings Shares. For each purchased Savings Share, participants are entitled to subscribe for one share of a new class of redeemable common shares (incentive shares of Series C 2019 and C 2020, respectively) in the Company. 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 (January 1, 2019 through December 31, 2023 and January 1, 2020 through December 31, 2024, respectively), the incentive shares will be either redeemed by the Company for a nominal amount or reclassified as ordinary common shares. To facilitate participation in LTIP 2019 and LTIP 2020 the Company subsidized the subscription price payable by participants for the incentive shares. LTIP 2019 matures in 2024 and LTIP 2020 matures in 2025.

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 Brillioth (CEO)	LTIP 2017	Jan 2017- Dec 2019	16 May 2017	Date of Release of Q1 '20	367,500	-	183,750*	183,750	-	-
	LTIP 2018	Jan 2018- Dec 2020	16 May 2018	Date of Release of Q1 '21	379,995	-	-	-	379,995	379,995
	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
TOTAL								1,556,170	1,556,170	

* Market value at receipt: SEK 56.00 per share for a total value of SEK 10,3 million (USD 1.04 million).

** Market value at date of grant: SEK 2.44 per share for a total value of SEK 574 thousand.

The value of share awards under LTIP 2017 and 2018 is calculated on the basis of the market price of the Company's share on the grant date and prevailing market conditions. The value of performance shares distributed under LTIP 2017 and 2018 (if any) is deemed to be the closing price immediately preceding distribution to participants.

The value of shares of Series C 2019 and C 2020 issued under LTIP 2019 and LTIP 2020, respectively, is calculated on the basis of the market price of the Company's share on the grant date and prevailing market conditions 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. Over the term of LTIP 2017, the average annual NAV per share development was approximately 16 per cent and the average annual share price development was 17 per cent, corresponding to the target level determined by the Board of Directors and rendering an outcome of five Performance Shares for every Savings Share, which for the CEO yielded 183,750 Performance Shares.

Specific performance targets set by the Board for the Company's variable cash-based compensation for the financial year 2020 included (i) redomestication of the group from Bermuda to Sweden; (ii) securing the group's future capital needs; (iii) expanding the group's access to deal flow by implementing a scout program; and (iv) implementing new forms of attracting third party financing for portfolio companies; with each element contributing evenly towards the outcome. All of these objectives were met during the year, motivating a maximum variable remuneration of one (1) year's fixed annual cash salary (USD 444 thousand) to the CEO which was allocated and paid in March 2021.

Comparative information on the change of remuneration and Company performance

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

	2020
CEO Remuneration	1,263
Share price development	92,8%
NAV per share development	22.2%
Net result development	26.4%
Average group-wide employee remuneration**	365

* 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

March 2021

The Board of Directors of VNV Global AB (publ)