

Remuneration report 2022

Introduction

This report describes how the guidelines for remuneration to senior executives of Vivesto AB (“**Vivesto**” or the “**company**”), adopted by the Annual General Meeting 2020, and which have remained unchanged during 2021 and 2022, were implemented during the financial year 2022. The report also provides information on remuneration to the CEO and a summary of the company’s outstanding share-related and share price-related incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Corporate Governance Board.

Further information on remuneration to senior executives is available in note 10 on pages 59 to 61 in the Annual Report 2022. Information on the work of the Remuneration Committee in 2022 is set out in the corporate governance report available on pages 36 to 40 in the Annual Report 2022. 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 10 on page 60 in the Annual Report 2022. The company has not paid any remuneration to the Board of Directors in addition to what was resolved by the Annual General Meeting.

Development in 2022

The Chief Executive Officer summarizes the company’s overall performance in his statement on pages 4 to 5 in the Annual Report 2022.

The company’s remuneration guidelines

A successful implementation of Vivesto’s business strategy and safeguarding of the company’s long-term interests, including its sustainability, require that the company can recruit and retain highly qualified employees. In order to do so, the company must offer competitive remuneration, which these remuneration guidelines enable.

Under the remuneration guidelines, the remuneration shall be in line with market conditions and competitive and may consist of fixed salary, variable remuneration, other customary benefits and pension. The variable remuneration shall be linked to predetermined and measurable criteria, which can be financial or non-financial and shall be designed in such a way that they promote the company’s business strategy, long-term interests and sustainability. In addition, the general meeting may, irrespective of the remuneration guidelines, resolve on, among other things, share-related and share price-related remuneration.

The remuneration guidelines, adopted by the Annual General Meeting 2020, are found on pages 32 to 33 in the Annual Report 2022.

During the financial year 2022, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been made and no derogations from the procedure that according to the guidelines is to be applied to determine the remuneration have been made. No remuneration has been reclaimed.

The auditor’s report regarding the company’s compliance with the guidelines is available on the company’s website, www.vivesto.com.

In addition to remuneration covered by the remuneration guidelines, the general meeting of the company has resolved to implement a long-term share-related incentive program.

Outstanding share-related and share price-related incentive programs

Option program 2022

The Annual General Meeting held on 25 May 2022 resolved to adopt a long-term incentive program based on employee stock options for senior executives in the company ("**Option Program 2022**"). The employee stock options entitle, after vesting in accordance with the terms and conditions, the participant to subscribe for shares during the period from and including 1 July 2025 until and including 30 September 2025. Each employee stock option entitles the participant to acquire one (1) share in the company at an exercise price of SEK 1.45 per share, corresponding to 140 percent of the volume-weighted average share price for the company's share on Nasdaq Stockholm during the ten (10) trading days immediately preceding 31 May 2022. Under the Option Program 2022, 450,000 employee stock options have been acquired by the company's CMO Daniel Tesfa. The options were allotted free of charge.

The company has issued 591,390 warrants to secure share delivery under the Option Program 2022 according to the terms and conditions of the program, and to hedge the company's exposure to social contribution costs that may arise as a result of the exercise of employee stock options. Each warrant entitles to subscription of one (1) share in the company.

Share-related and share price-related incentive programs ended during the year

Employee stock option program directed to the company's Chief Executive Officer

In connection with the negotiation of an employment agreement with the former Chief Executive Officer Francois Martelet, the Board allotted 896,739 employee stock options which, after recalculation due to the company's rights issue in 2022, could be exercised against the same number of shares at an exercise price of SEK 7.35 per share between 13 February 2023 and 13 February 2024. The exercise price corresponded to approximately 150 percent of the share price when the employment was agreed and announced on 14 February 2020. The allotment of the employee stock options was approved by the Extraordinary General Meeting on 14 May 2020. The options were granted free of charge and thus in addition to fixed base salary, short-term variable remuneration and other customary employment benefits and were intended to create a long-term incentive for the Chief Executive Officer in line with the shareholders' interest.

All options were forfeited in accordance with the terms and conditions of the program in connection with the termination of Francois Martelet's employment in 2022.

Option program 2021

An Extraordinary General Meeting on 20 October 2021 resolved to adopt a long-term incentive program based on employee stock options for senior executives in the company. The program consisted of no more than 4,500,000 options. Each employee stock option entitled the participant to subscribe for one share in the company at a price of SEK 3.11 during the period from and including 1 November 2024 until and including 31 January 2025. The company allotted a total of 2,250,000 employee stock options to the company's then Chief Executive Officer Francois Martelet, all of which were forfeited in accordance with the terms and conditions of the program in connection with the termination of Francois Martelet's employment in 2022.

Option program (Chief Executive Officer)

Information regarding the reported financial year

The main conditions of the option program

Opening
balance

During the year

Closing balance

Name and position	Program	Performance period	Award date	Vesting date	End of retention period	Exercise period	Strike price	Options held at beginning of year	Options awarded	Options vested	Options vested	Options awarded and unvested	Options subject to retention period
Francois Martelet, CEO ¹	Employee stock option program directed to the CEO	-	2020-02-14	2023-02-12	--	2023-02-13 to 2024-02-13	SEK 7.35	896,739	0	0	0	-	0
	Option program 2021	-	2021-12-16	2024-10-31	--	2024-11-01 to 2025-01-31	SEK 3.11	2,250,000	0	0	0	-	0
Total								3,146,739	0	0	0	-	0

¹ Francois Martelet's employment as CEO of the company ended on 21 July 2022, whereby all options held were forfeited in accordance with the terms and conditions of the respective programs.

Total remuneration to the Chief Executive Officer in 2022¹

The table below shows the total remuneration to the Chief Executive Officer in the 2022 financial year (KSEK).

Name and position	Financial year	Fixed remuneration		Variable remuneration			Pension	Total remuneration	Proportion of fixed and variable remuneration, %
		Base salary	Other benefits ²	One-year	Multi-year				
Francois Martelet, CEO ³	2022	4,624	360	0	0	655	5,279	100/0	
Christer Nordstedt, acting CEO ⁴	2022	1,671 ⁵	0	0	0	0	1,671	100/0	

¹ The table presents remuneration earned in 2022.

² Refers to car benefit, parking benefit and housing benefit.

³ Francois Martelet's employment as CEO of the company ended on 21 July 2022. In connection with the termination of Francois Martelet's employment (agreement as of 13 June 2022), the company and Francois agreed that Francois would receive compensation equivalent to nine months' salary and be at the company's disposal until 21 July 2022. Francois was not entitled to any additional compensation for notice period or other severance pay. Other benefits were also regulated in the termination agreement, e.g. the parties thereby agreed that Francois waived his right to variable remuneration for 2022.

⁴ Christer Nordstedt assumed the position as acting CEO of the company on 21 July 2022.

⁵ Remuneration refers to invoiced fees, not salary.

Changes in remuneration and the company's earnings during the last five reported financial years (KSEK)

In view of the fact that this document constitutes the third remuneration report prepared by Vivesto, the table below only provides information regarding the financial years 2020, 2021 and 2022.

	2020	2021	2022	2021 vs 2020	2022 vs 2021
Remuneration to the Chief Executive Officer	4,145	5,355	6,950 ¹	+1,210 (29 %)	+1,595 (30 %)
Group operating profits	-131,493	-128,647	-355,049	2,846 (2 %)	-226,402 (176 %)
Average remuneration per full time equivalent in the parent company ²	452	599	550	147 (33 %)	-49 (-8 %)

¹ Refers to total remuneration to the company's CEOs during the financial year 2022. Francois Martelet's employment as CEO of the company ended on 21 July 2022. Christer Nordstedt assumed the position as acting CEO of the company on 21 July 2022.

² Excluding members of the group executive management. The remuneration consists of base salary, other benefits, variable remuneration and pension expenses, which is the same as included in remuneration to the Chief Executive Officer. Total remuneration has been divided by the number of full-time employees in the parent company, excluding members of the group executive management, in order to receive an average remuneration.

Information on comments from shareholders

No opinions or comments were expressed by the shareholders when the Annual General Meeting addressed the remuneration report for 2021.

Stockholm in April 2023
Vivesto AB
The Board of Directors