

Remuneration Report 2021

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 2021. 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 2021, irrespective of accrual for accounting purposes. For this reason, numbers may vary from those presented in the Company's Annual Report 2021. Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 19 on pp. 42-44 in the Company's annual report for 2021 (the "**Annual Report 2021**").

Information on the work of the remuneration committee in 2021 is set out in the Company's Corporate Governance Report, which is available on pp. 66-70 in the Annual Report 2021.

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 2021. However, in addition to the Board fees as resolved by the 2021 AGM, three Directors (Josh Blachman, Keith Richman and Victoria Grace) have during 2021 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 2021.

Key Developments 2021

The CEO summarizes the company's overall performance in his statement on pages 3-4 in the Annual Report 2021.

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 2021, 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 redomestication of the group from Bermuda to Sweden, general meetings of the Company.

Table 1.1 – 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	791	4,988	104	6,370	9/100
Total	476	11	791	4,988	104	6,370	9/100

* 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.

Table 1.2 – 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 2021, there were a total of three 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 2021 are set out below. For further details, see Note 19 of the Company's Annual Report 2021

- **LTIP 2018**, adopted at the Annual General Meeting in VNV Global Ltd. held on May 16, 2018, invited participants to purchase a certain number of shares in the Company, designated as Savings Shares, and to hold them for the duration of the program, which ran for three years. Subject to certain performance criteria determined by the Board of Directors, i.e., average NAV per share development over the term of the program adjusted for market conditions, the participant is then issued up to 10 common shares, called Performance Shares, for each Savings Share still held at maturity of the program. During 2021, a total of 749,700 Performance Shares were issued to participants in LTIP 2018, of which 367,500 to the CEO. The cash value of an additional 25,489 shares were distributed to participants by way of adjustment for the rights issue of July 2020, of which 12,495 to the CEO,
- **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** was adopted at the Annual General Meeting in the Company held on May 4, 2021. Participants in LTIP 2019, LTIP 2020 and LTIP 2021 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 one share of a new class of redeemable common shares (incentive shares of Series C 2019, C 2020 and C 2021, 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; January 1, 2020 through December 31, 2024; and January 1, 2021 through December 31, 2025, 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 (but not LTIP 2021) the Company subsidized the subscription price payable by participants for the incentive shares. LTIP 2019 matures in 2024, LTIP 2020 matures in 2025, and LTIP 2021 matures in 2026.

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
	LTIP 2018	Jan 2018- Dec 2020	16 May 2018	Date of Release of Q1 '21	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
Per Brillioth (CEO)	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
								TOTAL	1,438,675	1,438,675

* Market value at receipt: SEK 105.00 per share for a total value of SEK 39,9 million (USD 4.72 million).

** Market value at date of grant: SEK 7.27 per share for a total value of SEK 1,908 thousand.

The value of share awards under LTIP 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 2018 was deemed to be the closing price immediately preceding distribution to participants, or SEK 105.

The value of shares of Series C 2019, C 2020 and C 2021 issued under LTIP 2019, LTIP 2020 and LTIP 2021, respectively, is calculated on the basis of the market price of the Company's common shares 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 2018, the average annual NAV per share development was approximately 17 per cent and the average annual share price development was 41 per cent, corresponding to the stretch level determined by the Board of Directors and rendering an outcome of ten Performance Shares for every Savings Share, which for the CEO yielded 379,995 Performance Shares (of which 367,500 were paid in ordinary shares and the value of the remaining 12,495 was settled in cash).

Specific performance targets set by the Board for the Company's variable cash-based compensation for the financial year 2021 included (i) expansion of the scout network and well executed investments through the same, (ii) securing the group's capital needs by well executed public market transactions (two private placements and one bond placement), and (iii) successful expansion of the group and recruitment to meet the needs generated by the growing portfolio and increasingly complex operating environment; with each element contributing evenly towards the outcome. All of these objectives were largely met during the year, motivating a variable remuneration of 67 percent of one year's fixed annual cash salary (USD 476 thousand) to the CEO which was allocated and paid in February 2022.

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)**

	2021	2020
CEO Remuneration	2,596	1,263
Share price development	-10.5%	92.8%
NAV per share development	6.3%	22.2%
Net result development	-69.2%	26.4%
Average group-wide employee remuneration**	578	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

April 2022

The Board of Directors of VNV Global AB (publ)