

Remuneration Report 2024

Introduction

This remuneration report provides an outline of how VEF AB (publ)'s ("VEF" or the "Company") guidelines for executive remuneration (the "**Remuneration Guidelines**"), adopted by the annual general meeting 2023, have been applied with respect to the financial year 2024. The report also provides details on the remuneration of VEF'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 (now managed by The Stock Market Self-Regulation Committee (ASK)).

Numbers presented in this report relate to all compensation paid out in or otherwise related to the financial year 2024, irrespective of accrual for accounting purposes. For this reason, numbers may vary from those presented in the Company's annual report for 2024. Information required by Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act (1995:1554) is available in Note 7 on pages 69-72 in the annual report for 2024.

Information on the work of the remuneration committee in 2024 is set out in the Corporate Governance Report starting on page 92 in the annual report for 2024.

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 7 on page 70 in the annual report for 2024.

Key Developments 2024

The CEO summarizes the Company's overall performance in his statement on pages 10-14 in the annual report for 2024.

The Company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of VEF's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. To this end, the Company must offer competitive remuneration. The Remuneration Guidelines enable VEF 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 predetermined and measurable criteria which can be financial or non-financial. The criteria 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 are found on page 95 in the annual report for 2024. During 2024, 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. The auditor's report regarding the Company's compliance with the Remuneration Guidelines is available on <https://vef.vc/governance/>. No remuneration has been reclaimed.

In addition to remuneration covered by the Remuneration Guidelines, the general meetings of VEF have resolved to implement long-term share-related incentive plans and on remuneration to the Board of Directors.

Table 1.1 – Total remuneration of the CEO in 2024 (USD thousands)

Name of director (position)	Fixed remuneration		Variable remuneration		Extraordinary items ⁵⁾	Pension expense ⁶⁾	Total remuneration	Proportion of fixed and variable remuneration
	Base salary ¹⁾	Other benefits ²⁾	One-year variable ³⁾	Multi-year variable ⁴⁾				
David Nangle (CEO)	528	8	106	226	194	116	1,178	55%/45%

1) Includes statutory holiday pay of USD 0 thousand.

2) Refers to health insurance and life insurance not included as remuneration in Note 7 of the Company's annual report.

3) The Board has approved variable remuneration for 2024 of USD 369.6 thousand which will be paid out in April 2025. The variable remuneration for 2023 of USD 106 thousand was paid in February 2024.

4) This column includes the value of the shares vested under the Company's LTIPs during the year.

5) Remuneration related to the cash subsidy for the subscription of the Incentive Shares in LTIP 2024 (see description below in section "Share-based remuneration"), is fully recognized as variable remuneration.

6) Pension expense, which in its entirety relates to base salary, has been counted entirely as fixed remuneration.

Table 1.2 – Total remuneration of the CEO in 2023 (USD thousands)

Name of director (position)	Fixed remuneration		Variable remuneration		Extraordinary items ⁵⁾	Pension expense ⁶⁾	Total remuneration	Proportion of fixed and variable remuneration
	Base salary ¹⁾	Other benefits ²⁾	One-year variable ³⁾	Multi-year variable ⁴⁾				
David Nangle (CEO)	546	8	290	134	117	117	1,212	55%/45%

1) Includes statutory holiday pay of USD 0 thousand.

2) Refers to health insurance and life insurance not included as remuneration in Note 7 of the Company's annual report.

3) The variable remuneration for 2023 of USD 106 thousand was determined and paid in February 2024. In addition, the variable remuneration for 2022 of USD 290 thousand was paid in February 2023.

4) This column includes the value of the shares vested under the Company's LTIPs during the year.

5) Remuneration related to the cash subsidy for the subscription of the Incentive Shares in LTIP 2023 (see description below in section "Share-based remuneration") is fully recognized as variable remuneration.

6) Pension expense, which in its entirety relates to base salary, has been counted entirely as fixed remuneration.

Share-based remuneration

A prerequisite for the successful and sustainable implementation of VEF's business strategy and safeguarding of its long-term interests is that VEF is able to attract, motivate and retain the best talent in Sweden and globally. To achieve this, it is necessary that VEF offers competitive remuneration that creates incentives to execute strategic plans and deliver excellent operating results, and to align these incentives with the interests of VEF's shareholders. Over the years, VEF has implemented several long-term share and share-price related incentive programs for the employees. The share incentive plans are resolved upon by the general meetings and prepared by VEF's Remuneration Committee in consultation with major shareholders and external advisors.

During 2024, there were a total of five outstanding long-term share-based incentive programs ("LTIP") in the Company, in which the CEO has participated, LTIP 2020, 2021, 2022, 2023 and 2024. The main features and status of the various LTIPs are set out below. For further details, see Note 7 of the annual report for 2024.

All the LTIPs are based on a structure where the participants purchase a certain number of Class C shares ("Incentive Shares") in the Company. However, participation in the LTIP also requires the participant to have their own holdings of ordinary shares in the Company ("Investment Shares") which the participants must set aside when they register their participation in the respective LTIP. Participants must retain the holding of Investment Shares during the vesting period under the respective LTIP. Depending on the

fulfillment of the performance condition, some or all of the Incentive Shares will be redeemed or reclassified as ordinary shares. If the performance conditions are not fulfilled, then the Incentive Shares will be redeemed at nominal value and cancelled. The performance condition for LTIP 2020-2023 is based on the Company's net asset value per share and share price development over the program period. The performance condition for LTIP 2024 is based on the Company's total shareholder return over the program period. The participants are compensated for dividends and other value transfers to the shareholders during the term of the programs, in accordance with the respective LTIP terms. The participants are also entitled to vote for the Incentive Shares during the measurement period. To facilitate participation in the LTIPs the Company has compensated the participants with a cash subsidy for the subscription of the Incentive Shares. The investment in Investment Shares is not subsidized by the Company, and costs related to the acquisition of Investment Shares are fully taken by the participant. The measurement period of all programs is five years. In LTIP 2020 and 2021, the vesting period is five years, and in LTIP 2022, 2023 and 2024 the shares vest with one third each starting after one year.

Table 2 – Share award plans (CEO)

Name of director (position)	The main conditions of share award plans				Information regarding the reported financial year ¹⁾				
					Opening balance	During the year		Closing balance	
	Name of plan	Performance period	Award date	Vesting date	Share awards held at beginning of year	Awarded	Vested	Subject to performance condition	Awarded and unvested at year end
David Nangle (CEO)	LTIP 2020	2020-2024	29 June 2020	Publication of the Q1 report 2025	13,300,000	-	-	13,300,000	13,300,000
	LTIP 2021	2021-2025	2 September 2021	Publication of the Q1 report 2026	3,325,000	-	-	3,325,000	3,325,000
	LTIP 2022	2022-2026	8 August 2022	One third per year. Upon publication of the Q1 report for 2023, 2024 and 2025 respectively	3,325,000	-	2,216,667	3,325,000	1,108,333
	LTIP 2023	2023-2027	29 January 2024	One third per year. Upon publication of the Q1 report for 2024, 2025 and 2026 respectively		3,517,500	1,172,500	3,517,500	2,345,000
	LTIP 2024	2024-2028	16 May 2024	One third per year. Upon publication of the Q1 report for 2025, 2026 and 2027 respectively		3,625,000	-	3,625,000	3,625,000

1) During the financial year 2024, 3,625,000 were granted to the CEO. Investment shares, in which the CEO has invested to become eligible to participate in the LTIP programs, are not included in the table.

The value of shares of Class C 2020, C 2021, C 2022, C 2023 and C 2024 (Incentive Shares) issued under LTIP 2020, LTIP 2021, LTIP 2022, LTIP 2023 and LTIP 2024, respectively, is calculated on the basis of the market price of the Company's ordinary 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 LTIPs are related to either the increase in net asset value per share, adjusted for market conditions, or the total shareholder return over the term of the respective programs, which correlates to the value created over the same period.

The performance measures for the CEO's variable remuneration have been selected to deliver the Company's strategy and to encourage behavior which is in the long-term interest of the Company. When establishing the performance measures, the strategic objectives and short-term and long-term business priorities for 2024 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the Company's values.

Specific performance targets set by the Board of Directors for the Company's variable cash-based compensation for the financial year 2024 included (i) securing the group's capital needs through well executed transactions on the public market or exits of portfolio companies, (ii) successfully securing the Company's investors and recruiting new investors, (iii) securing good management of major portfolio companies, (iv) increase the NAV/share IRR and (v) ensure a positive development in the VEF share price. Several of these objectives were met to some extent during the year but not all. In particular the securing of the group's capital needs through successful exits of portfolio companies has been of significance. This motivated a variable remuneration of 70 percent of one year's fixed annual cash salary (USD 369.6 thousand) to the CEO which will be paid in April 2025.

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)¹⁾
(USD thousands)**

	2020 vs 2021	2021 vs 2022	2022 vs 2023	2023 vs 2024	2024
CEO remuneration	3.9%	-10.5%	3.5%	-2.8%	1,178
Net result	246.8%	-237.0%	115.9%	-249.6%	-89,863
Average group-wide employee remuneration²⁾	9.6%	42.4%	5.4%	9.5%	234

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

2) Full-time employees in the group, excluding members of the executive management and members of subsidiaries Board of Directors.

April 2025

The Board of Directors of VEF AB (publ)