

# **G5 Entertainment Remuneration report 2021**

## **Introduction**

This report describes how the guidelines for executive remuneration of G5 Entertainment AB (publ), adopted by the annual general meeting 2021, were implemented in 2021. 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 plans. The report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the Remuneration Rules issued by the Swedish Corporate Governance Board. The Board of G5 Entertainment has, in connection with the signing of the annual report, also approved the remuneration report.

Further information on executive remuneration is available in note C7 (Employees and personnel costs) on pages 40-41 in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report available on pages 62-66 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 C7 on page 40-41 in the annual report 2021.

## **Key developments in 2021**

The CEO, Vlad Suglobov, presents and summarizes the company's performance in the CEO statement on pages 5-6 in the annual report 2021.

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

G5's vision entails that the Company shall be "one of few" in the mobile gaming space. To achieve this, G5 focuses on developing competitive mobile games for its target audience and through efficient marketing efforts promoting them to the same. As the company's most valuable resource is its employees, a strong employee focus is a foundation for achieving the vision of the group. Achieving the vision requires that G5 Entertainment can offer competitive compensation. The guidelines ensure that senior executives can be offered a competitive total compensation package.

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. The variable cash remuneration shall be linked to financial criteria consistent of a combination of Revenue growth and profitability. There may also be individualized, quantitative or qualitative objectives for short term cash incentive, for the year there has not been individualized targets but only financial objectives. The criteria have been designed to contribute to the company's business strategy and long-term interests.

The guidelines are found on pages 26-27 in the annual report 2021. The remuneration guidelines, adopted unanimously by the annual general meeting 2021, have been fully implemented. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on [www.g5e.com/corporate/governance](http://www.g5e.com/corporate/governance). No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

## Remuneration to key management

The performance measures for the 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. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2021 have been taken into account. The guidelines for variable remuneration adopted at the annual general meeting allow a mix of financial and discretionary targets. For the year 2021, only financial targets have been used. Financial targets are based on growth and operating margin for the group. A target range for each parameter is set and a sum of normalized results are defined for both parameters. The sum of the results defines the outcome.

Name of director (position)	Fixed remuneration		Variable remuneration	Extraordinary items	Pension expenses	Total remuneration	Proportion of fixed and
	Base salary	Other benefits					variable remuneration
Vlad Suglovov (CEO)	3 946	243	473	0	167	4 829	90/10
Stefan Wikstrand (deputy CEO)	1 526	12	137	0	153	1 828	93/7

## Share-based remuneration

The company has three performance share plans. The performance share plans were adopted on the annual general meetings 2019-2021. The programs were targeted at a larger group of individuals with a maximum 120-380 individuals depending on the program. Performance shares have been granted free of charge and are subject to three-year vesting period. Vesting of performance shares is subject to the satisfaction of one performance condition – total shareholder return during the performance period – and continued employment. The CEO has been granted 10,000 performance shares at two of the programs and 25,000 performance shares in the program launched 2021. In total, 45,000 performance shares have been granted, which corresponds to 0,5% of the shares in the company on a diluted basis. For the deputy CEO the corresponding numbers are 3,300 performance shares in two of the programs and 7,000 in the program launched in 2021, in total 13,600 corresponding to a dilution of 0.2% of the shares in the company on a diluted basis.

Name of director (position)	Name of plan	Performance period	Award date	Vesting date*	Weighted share price			Amount of performance shares
					at issuance	Min price for allocation	Price for full allocation	
Vlad Suglobov (CEO)	2019/2022	2019-2022	May 15, 2019	May 12, 2022	95,4	186	291	10 000
	2020/2023	2020-2023	June 15, 2020	May 12, 2023	211,2	411,8	644,2	10 000
	2021/2024	2021-2024	June 20, 2021	May 12, 2024	501	866,7	1232,5	25 000
Stefan Wikstrand (deputy CEO)	2019/2022	2019-2022	May 15, 2019	May 12, 2022	95,4	186	291	3 300
	2020/2023	2020-2023	June 15, 2020	May 12, 2023	211,2	411,8	644,2	3 300
	2021/2024	2021-2024	June 20, 2021	May 12, 2024	501	866,7	1232,5	7 000

\*Vesting occurs approx 6 days after the release of the Q1 report in the year of vesting.

The performance share program 2018/2020 had a target of 548 SEK per share to reach full allocation. The measurement period occurred 5 days after the release of the interim report for Jan-Mar 2020. The target price for full allocation was reached and the CEO and deputy CEO thereby received 10,000 and 3,300 shares respectively. Upon delivery of the shares the share price was 516.5, the value received was therefore 5,165,000 SEK for the CEO and 1,704,450 for the deputy CEO.

## Comparative information on the change of remuneration and company performance ‘

Name of director (position)	Fy4 vs FY5	Fy3 vs FY4	Fy2 vs FY3	Fy1 vs FY2	FY vs FY1	RFY 2021
Vlad Suglobov (CEO)	+1923/55%	+792/15%	-1595/-26%	+1338/29%	-1144/-19%	4829
Stefan Wikstrand (deputy CEO)	-42/-3%	+436/31%	-366/-20%	+386/26%	-39/-2%	1828
Group operating profit	+63 609	+41 461	-91 361	+137 726	+26 578	216 121
Average remuneration on a full time equivalent basis of employees of the parent company	+23/12%	-2/-1%	+32/15%	+11/5%	-9/-3%	254