

Compensation report 2024

Introduction

This report describes how the guidelines for remuneration to senior executives for Senzime AB (publ), adopted by the annual general meeting on May 16, 2023, and annual general meeting on May 16, 2024, were applied during the year 2024. The report also contains information on remuneration to the CEO and a summary of the company's outstanding share and share price-related incentive program. The report has been drawn up in accordance with the Swedish Companies Act and the College of Swedish Corporate Governance's Rules on remuneration to senior executives and on incentive programs.

Additional information on remuneration to senior executives can be found in note 9 (Remuneration to employees, etc.) on pages 60-62 of the annual report for 2024. Information on the remuneration committee's work during 2024 can be found in the corporate governance report on pages 30-35 of the annual report.

Board fees are not covered by this report. Such remuneration is decided annually by the annual general meeting and is reported in note 9 (Remuneration to employees, etc.) on pages 60-62 of the Annual Report.

Development in 2024

The CEO summarizes the company's overall results in his report on pages 6-7 of the annual report for 2024.

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

A prerequisite for the successful implementation of the company's business strategy and safeguarding its long-term interests, including its sustainability, is that the company can recruit and retain qualified employees. This requires that the company can offer competitive remuneration. The company's remuneration guidelines enable senior executives to be offered a competitive total remuneration. According to the remuneration guidelines, remuneration to senior executives must be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash compensation must be linked to financial or non-financial criteria. They can consist of individually adapted quantitative or qualitative goals. The criteria must be designed so that they promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development.

The guidelines can be found on pages 33-34 of the annual report.

The company has followed the applicable remuneration guidelines adopted by the general meeting during 2024. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that, according to the guidelines, should be applied to determine the remuneration.

The auditor's opinion on the company's compliance with the guidelines is available at <https://www.senzime.com/en/shareholder-meetings>

In addition to the compensation covered by the compensation guidelines, the company's annual general meetings have decided to introduce long-term share-related incentive programs.

Table 1 – Total remuneration to the CEO in 2024 (kSEK)

	<u>Fixed compensation</u>		<u>Variable remuneration</u>					
The executive's name (position)	Basic salary	Other benefits	Annual	Perennial	Extraordinary items	Pension costs	Total compensation	The share of fixed or variable remuneration
Philip Siberg	3 203	108	583	-	64	722	4 680	85% / 15%

Share-based remuneration

Outstanding share-related and share-price-related incentive programs

Option program

Below is a summary of option programs that are/were found in the group during any of the periods covered by the 2024 annual report.

Employee stock option program 2021/2025

The annual general meeting on 11 May 2021 decided on an additional employee option program comprising 456,050 options. These employee options shall be offered and assigned to employees - however not the CEO or those who are part of the company's management team - based on the participants' individual performance during an evaluation period that shall last until December 31, 2021 ("Evaluation Period"). Allocation may, however, take place earlier or later following a special decision to this effect by the board. The maximum number of staff options that can be allocated to participants is 50,000 staff options per person.

Granted employee options vest over three years as follows: 20% of granted employee options vest on February 1, 2023; 20% of granted employee options vest on February 1, 2024; and 60% of granted employee options vest on February 1, 2025. Participants may exercise granted and vested employee options during the period from February 1, 2025 to April 30, 2025.

The subscription price is set at SEK 28.10, which corresponds to 125% of the volume-weighted average price paid for the Company's share on NASDAQ Stockholm's main market during a period of 20 trading days from and including the day of the allotment.

A total of 435,000 of these 456,050 options have been allocated in February 2022. All options have been allocated to other employees. 9,000 options have expired in Q1 2024 and 30,000 have expired in Q4 2024.

Employee stock option program 2022/2026

The annual general meeting on 18 May 2022 decided on an additional employee option program comprising 900,000 options. These employee stock options shall be offered and granted to employees based on the individual performance of the participants during an evaluation period that shall last through December 31, 2022 (the "Evaluation Period"). Allocation may, however, take place earlier or later following a special decision to this effect by the board. The maximum number of employee options that can be allocated to participants is 200,000 employee options per person.

Granted employee options vest over three years as follows: 20% of granted employee options vest on February 1, 2024; 20% of granted employee options vest on February 1, 2025 and 60% of granted employee options vest on February 1, 2026. Participants may exercise assigned and vested employee options during the period February 1, 2026 to February 28, 2027.

The subscription price is set at SEK 30.00. All of these 900,000 options have been awarded in February 2023. 205,000 options have expired in 2023 and 4,000 options have expired in Q2 2024.

Employee stock option program 2023/2027

The extraordinary general meeting on September 20, 2023 decided on an additional employee option program comprising 1,000,000 options. These employee options shall be offered and awarded to employees based on the participants' individual performance during an evaluation period that shall last until December 31, 2023 (the "Evaluation Period"). Allocation may, however, take place earlier or later following a special decision to this effect by the board. The maximum number of employee options that can be allocated to participants is 200,000 employee options per person.

Granted employee options vest over three years as follows: 20% of granted employee options vest on October 1, 2024; 20% of granted employee options vest on October 1, 2025 and 60% of granted employee options vest on October 1, 2026.

Participants can exercise allocated and earned employee options during the period 1 October 2026 to 1 October 2027. The subscription price is set at SEK 8.30. A total of 995,000 of these options have been awarded in October 2023 and the distribution is as follows: CEO: 75,000 employee options; members of the Management Group in total: 525,000 staff options (maximum individual allocation 75,000); other employees: 470,000 (maximum individual allocation 50,000). 75,000 options have expired in 2024.

Employee stock option program 2024/2028

The Annual General Meeting on 16 May 2024 resolved on an additional employee stock option program comprising 1,100,000 options. These employee stock options shall be offered and allocated to employees based on the participants' individual performance during an evaluation period that shall last until and including 31 December 2024 (the "Evaluation Period"). However, allocation may take place earlier or later following a special decision by the Board of Directors. The maximum number of employee stock options that may be allocated to participants is 95,000 employee stock options per person.

Allocated employee stock options shall vest over three years as follows: 20% of allocated employee stock options shall vest on 1 October 2024; 20% of the allocated employee stock options vest on October 1, 2026 and 60% of the allocated employee stock options vest on October 1, 2027. Participants can exercise allocated and vested employee stock options during the period October 1, 2027 to October 1, 2028. The subscription

price is set at SEK 8.70. A total of 1,005,000 of these options were allocated in October 2024 and 15,000 options were allocated in March 2025. There are 80,000 options remaining that have not been allocated. During Q4 2024, 20,000 options expired.

Below is a summary of the CEO's outstanding warrants and employee options:

Table 2 – Share option program for the CEO

	Main terms and conditions for the stock option programs								Opening balance	During the year			Outgoing balance		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Executive name (position)	The name of the program	Performance period	Date of assignment	Date of vesting	End of lock-in period	Period of utilization	Exercise price (SEK)	Allotted stock options	Share options at the beginning of the year	Allotted stock options	Vested stock options	Share options with performance conditions	Allotted stock options that have not been vested	Vested stock options	Stock options subject to lock-in period
Philip Siberg, CEO from 03 maj 2023	Employee stock options	2023-2027	2023-10-01	2024-10-01-2026-10-01	2026-10-01	2026-10-01–2027-10-01	8,30	75 000	0	0	15 000	-	60 000	15 000	-
Philip Siberg, CEO	Employee stock options	2024-2028	2024-10-01	2025-10-01-2027-10-01	2027-10-01	2027-10-01–2028-10-01	8,70	95 000	75 000	95 000	0	-	95 000	0	-

Application of performance criteria

The performance criteria for the CEO's variable compensation have been chosen to realize the company's strategy and to encourage actions that are in the company's long-term interest. When choosing the performance criteria, the strategic goals and short- and long-term business priorities for the year 2024 have been taken into account. The non-financial performance criteria further contribute to adaptation to sustainability and the company's values.

Table 3 – Executive Director's performance during the reported financial year: variable cash remuneration

The executive's name (position)	Beskrivning av kriterier hänförliga till ersättningskomponenten	Relative weighting of performance criteria	(a) measured performance and b) actual allocation/ compensation outcome
Philip Siberg (CEO)	Share price	30%	a) Target not achieved for 2024 b) SEK 0
	Sales target	40%	a) 68,5% b) SEK 291 500
	Qualitative goals	30%	a) 25% b) SEK 291 500

Comparative information regarding changes in compensation and the company's results

Table 4 – Changes in remuneration and the company's results during the last five reported financial years (RY) (kSEK)

	RY-4 vs RY-5	RY-3 vs RY-4	RY-2 vs RY-3	RY-1 vs RY-2	RY vs RY-1	RY 2024
Remuneration to the CEO (kSEK) *	2 399 (+14,8%)	2 754 (+10,2%)	3 035 (+28,1%)	3 889 (+10,0%)	4 280 (+9,4%)	4 680
Group operating profit (kSEK)	-34 229 (-42,8%)	-48 866 (-72,3%)	-84 191 (-59,0%)	-133 905 (-2,6%)	-137 360 (+9,7%)	- 124 054
Average remuneration based on the number of full-time equivalent employees** in the Parent Company (kSEK)	1 095 (-3,5%)	1 056 (-9,6%)	955 (+16,5%)	1 112 (+11,6%)	1 241 (-3,7%)	1 195

* Combined 12 months' remuneration for both former and new CEO during 2023

** Excluding members of group management