

REMUNERATION REPORT 2022

Introduction

This report describes how the guidelines for remuneration to senior executives of Senzime AB (publ), adopted by the Annual General Meeting on May 18, 2022, were applied during the year 2022. The report also contains information about remuneration to the CEO and a summary of the company's outstanding share and share price related incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on remuneration to senior executives and on incentive programs.

Further information on remuneration to senior executives can be found in Note 9 (Remuneration to employees, etc.) on pages 59-61 of the Annual Report for 2022. Information about the remuneration committee's work in 2022 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 resolved annually by the Annual General Meeting and is reported in Note 9 (Remuneration to Employees, etc.) on pages 59-61 of the Annual Report.

Development in 2022

The CEO summarizes the company's overall results in his report on page 6-7 of the Annual Report for 2022.

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

A prerequisite for a successful implementation of the company's business strategy and the safeguarding of 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 compensation. The company's remuneration guidelines enable senior executives to be offered a competitive total remuneration. According to the remuneration guidelines, the remuneration to senior executives shall be in accordance with market conditions 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 or non-financial criteria. They can consist of personalized quantitative or qualitative goals. The criteria shall be designed to promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear link 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. During 2022, the Company has not followed the applicable remuneration guidelines adopted by the Annual General Meeting, specifically related to the bonus paid out the CEO. The bonus payout ended up being slightly outside of the compensation guidelines resolved at last year's AGM, which stated bonus could be max 50% of fixed salary.

The final bonus amount, as resolved by the Board of Directors, was determined and justified based on a number of factors including performance vs. personal and company specific goals, extraordinary work related to the integration of RMI, as well as enabling the CEO to subscribe to all her rights in the share's issue of 2023, which the CEO did.

The auditor's opinion on the company's compliance with the guidelines is available at www.senzime.com/sv/investor-relations/bolagsstyrning/ersattning/. No compensation has been recovered. In addition to the remuneration covered by the remuneration guidelines, the company's annual general meetings have decided to introduce long-term share-based incentive programs.

Table 1 - Total remuneration to the CEO in 2022 (kSEK)

The executive's name (position)	<u>Fixed compensation</u>		<u>Variable remuneration</u>		Extraordinary items*)	Pension costs	Total compensation	The share of fixed or variable remuneration
	Basic salary	Other benefits	Annual	Perennial				
Pia Renaudin (CEO)	1 596	79	1 082**	-	154	978	3 889	61% / 39%

* Refers to share-related compensation.

** The CEO's paid bonus for 2022 amounted to SEK 1,082k, the difference to the reserved bonus of 450k is due to the fact that the final bonus exceeded the reserve. See table 3.

Share-based remuneration

Outstanding share-based and share price-related incentive programs

Option programs

Below is a summary of option programs found/found in the Group during any of the periods covered by the Annual Report 2022.

Warrants

The CEO held 400,000 warrants. The subscription price was SEK 0.54 per option based on valuation prepared in accordance with Black & Scholes on the issue date. The warrants were acquired at market value. Each warrant entitled the holder to subscribe for one new share in Senzime AB against cash payment at a subscription price of SEK 12 per share. The option rights were not exercised in 2022 and the option rights expired.

Stock option program 2020/2023

The Extraordinary General Meeting on July 2, 2020, resolved on a program comprising 100,000 employee stock options. The program is aimed at a senior executive and was granted free of charge in July 2020. The allotted employee stock options are vested for three years as follows: 20% of allotted employee stock options are vested on July 1, 2021; 20% of allotted employee stock options are vested on July 1, 2022; and 60% of allotted employee stock options will vest on July 1, 2023. Provided earnings and continued employment in the company, each option may be exercised for subscription of shares during the period 1 July 2023 to 30 September 2023. The subscription price is set at SEK 24.70, 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 the date of the general meeting's resolution.

Stock option program 2020/2024

The Extraordinary General Meeting on 2 July 2020 also resolved on a program comprising 1,100,000 options. Employee stock options shall be offered and allotted to employees of the Company based on the participants' individual performance during an evaluation period that shall last until 31 December 2020 (the "Evaluation Period").

Allotted employee stock options are vested for three years as follows: 20% of allotted employee stock options are vested on February 1, 2022; 20% of allotted employee stock options are vested on February 1, 2023; and 60% of allotted employee stock options will vest on February 1, 2024. Participants may exercise allotted and vested employee stock options during the period 1 February 2024 to 30 April 2024.

The subscription price is set at SEK 24.70, 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 the date of the general meeting's resolution.

A total of 825,000 of these 1,100,000 options have been allotted in February 2021 and the distribution is as follows: CEO: 100,000 employee stock options; members of the Management Team in total: 500,000 employee stock options (maximum individual allotment 90,000); other employees: 225,000 (maximum individual allocation 30,000). The market value at the allotment was SEK 4.70 per option.

Stock option program 2021/2025

The Annual General Meeting on May 11, 2021, resolved on an additional employee stock option program comprising 456,050 options. These employee stock options shall be offered and allotted to employees – but 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 31 December 2021 (the "Evaluation Period").

However, allocation may be made earlier or later following a special decision by the Board of Directors. The maximum number of employee stock options that can be allotted to participants is 50,000 employee stock options per person.

Allotted employee stock options are vested for three years as follows: 20% of allotted employee stock options are vested on February 1, 2023; 20% of allotted employee stock options will vest on February 1, 2024; and 60% of allotted employee stock options will vest on February 1, 2025. Participants may exercise assigned and vested employee stock options during the period 1 February 2025 to 30 April 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 the date of the allotment.

A total of 435,000 of these 456,050 options were allotted in February 2022. All options have been allocated to other employees. The market value at the allotment was SEK 2.68 per option.

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

Below is a summary of CEO's outstanding subscription and employee stock options:

Table 2 - Stock 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
The name of the program	Performance period	Date of assignment	Date of vesting	End of lock-in period	Period of utilization	Exercise price (SEK)	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	Stock options subject to lock-in period
Employee stock options	2020-2024	2021-02-01	2024-02-01	2024-02-01	2024-02-01 – 2024-04-30	24,7	0	100 000	0	-	80 000	-
Employee stock options	2022-2026	2022-02-01	2026-02-01	2026-02-01	2026-02-01 – 2027-02-28	30,00	0	100 000	0	-	100 000	-

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been chosen to realize the company's strategy and to encourage actions that are in the company's long-term interest. When choosing performance criteria, the strategic objectives as well as short- and long-term business priorities for 2022 have been considered. The non-financial performance criteria further contribute to adaptation to sustainability and the company's values. The remuneration committee and the board have decided on an extra bonus payment* of SEK 775,000

Table 3 - CEO's performance in 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
Pia Renaudin (CEO)	Share price	25%	a) - b) -
	Sales target	45%	a) 18% b) SEK 115 200
	Qualitative goals	30%	a) 100% b) SEK 192 000
	BoD decision*		b) SEK 774 718

*See appendix 1 och 2

Comparative information regarding changes in remuneration and the company's earnings

Table 4 - Changes in remuneration and the company's earnings during the last five reported financial years (RR) (kSEK)

	RR-4 vs RR-5	RR-3 vs RR-4	RR-2 vs RR-3	RR-1 vs RR-2	RR vs RR-1	RR 2022
Remuneration to the CEO (kSEK)	1 740 (+45,4%)	2 530 (-5,2%)	2 399 (+14,8%)	2 754 (+10,2%)	3 035 (+28,1%)	3 889
Group operating profit (kSEK)	-13 025 (-88,4%)	-24 541 (-39,5%)	-34 229 (-42,8%)	-48 866 (-72,3%)	-84 199 (-59,0%)	- 133 905
Average remuneration based on the number of full-time equivalent employees* in the Parent Company (kSEK)	193 (+95,2%)	377 (+21,0)	456 (-17,6%)	376 (+9,9%)	413 (+5,4%)	435

* Excluding members of group management