

G5 Entertainment Remuneration report 2022

Introduction

This report describes how the guidelines for executive remuneration of G5 Entertainment AB (publ), adopted by the annual general meeting 2022, were implemented in 2022. 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 41-42 in the annual report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available on pages 63-67 in the annual report 2022.

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 41-42 in the annual report 2022.

Key developments in 2022

The CEO, Vlad Suglobov, presents and summarizes the company's performance in the CEO statement on pages 5-6 in the annual report 2022.

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 27-28 in the annual report 2022. The remuneration guidelines, adopted unanimously by the annual general meeting 2022, 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. 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 2022 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 2022, 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 variable remuneration
	Base salary	Other benefits					
Vlad Suglobov (CEO)	5 215	283	0	0	205	5 703	100/0
Stefan Wikstrand (deputy CEO)	1 620	2	0	0	178	1 800	100/0

Share-based remuneration

The company has four performance share plans, the plan named 2019-2022 was prolonged at an EGM during 2021. The performance share plans were adopted on the annual general meetings 2019-2022. 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 (except for the prolonged program 2019-2022 which after the decision has a four-year vesting). 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, 25,000 performance shares in the program launched 2021 and 23,600 performance shares in the program launched 2022. In total, 68,600 performance shares have been granted, which corresponds to 0,8% 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 and 7 000 shares in the program launched in 2022, in total 20,600 corresponding to a dilution of 0.3% 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	
					at issuance	Min price for allocation	Price for full allocation	performance shares	
Vlad Suglobov (CEO)	2019/2022	2019-2023	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 23, 2021	May 12, 2024	501	866.7	1232.5	25 000	
	2022/2025	2022-2025	July 1, 2022	May 12, 2025	240.7	416.4	592.1	23 600	
	2019/2022	2019-2023	May 15, 2019	May 12, 2022	95.4	186	291	3 300	
Stefan Wikstrand (deputy CEO)	2020/2023	2020-2023	June 15, 2020	May 12, 2023	211.2	411.8	644.2	3 300	
	2021/2024	2021-2024	June 23, 2021	May 12, 2024	501	866.7	1232.5	7 000	
	2022/2025	2022-2025	July 1, 2022	May 12, 2025	240.7	416.4	592.1	7 000	

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

Comparative information on the change of remuneration and company performance ' 2022

Name of director (position)	Fy4 vs FY5	Fy3 vs FY4	Fy2 vs FY3	Fy1 vs FY2	FY vs FY1	RFY 2022
Vlad Suglobov (CEO)	+792/15%	-1595/-26%	+1338/29%	-1144/-19%	+874/18%	5703
Stefan Wikstrand (deputy CEO)	+436/31%	-366/-20%	+386/26%	-39/-2%	-28/-2%	1800
Group operating profit	+41 461	-91 361	+137 726	26 578	-136 670	79 451
Average remuneration on a full time equivalent basis of employees of the group	-2/-1%	+32/15%	+11/5%	-9/-3%	+68/27%	321

There has not been any change in remuneration for the CEO between the years 2022 and 2021. As the remuneration is denominated in USD, and the USD as appreciated significantly during the year, the remuneration in SEK has increased.