

## REMUNERATION REPORT 2021

### Introduction

The board of LeoVegas AB (publ) shall, in accordance with Ch. 8 Sec. 51–53 of the Swedish Companies Act (the "Companies Act") establish guidelines for salary and other remuneration to board members, the CEO and the deputy CEO. According to the Swedish Corporate Governance Code, other senior executives shall also be covered by the guidelines. In LeoVegas AB's (publ) guidelines, senior executives refer to the CEO and other members of the group management. The guidelines shall cover all remuneration, regardless of type, which is paid to such senior executives, except for board fees and other remuneration decided by the general meeting in accordance with Ch. 8. Sec. 23 a of the Companies Act or such issues and transfers that are covered by Ch. 16 of the Companies Act (the so-called LEO Act).

The board shall, in accordance with Ch. 8 Sec. 53 a of the Companies Act for each financial year prepare a report regarding paid and outstanding remuneration to board members, the CEO and the deputy CEO who are covered by the guidelines. As the company has no deputy CEO and the board members do not receive any remuneration other than that decided by the general meeting, the current report only covers the company's CEO. According to the Swedish Corporate Governance Board's rules on remuneration to senior executives and on incentive programs, the report must contain an overview of each of the outstanding and concluded incentive programs completed during the year.

The report has thus been prepared in accordance with the Companies Act, the Swedish Corporate Governance Code and the Swedish Corporate Governance Board's *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes*.

Further information on remuneration to senior executives can be found in Note 6 (Employees and personnel costs) on pages 88–89 in the annual report for 2021.

During the previous financial year, the guidelines applicable for remuneration to senior executives, were those adopted at the annual general meeting on 11 May 2021 and 8 May 2020. The guidelines can be found on pages 69–70 in the annual report for 2021.

The CEO summarizes the 2021 financial year in his report on pages 4–5 of the 2021 annual report.

The remuneration report shall be submitted to the annual general meeting for approval.

### **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 remuneration. The company's remuneration guidelines enable senior executives to be offered a competitive total remuneration package. 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. It can consist of individualized quantitative or qualitative goals. The criteria must be designed to 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.

### **Total remuneration to the CEO**

**Table 1 – Total remuneration to the CEO in 2021 (kEUR)**

Name of executive (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary	Other benefits	Annual	Perennial	Extraordinary posts	Pension cost	Total remuneration	The share of fixed and variable remuneration, respectively
Gustaf Hagman (CEO)	394	11	0	0	0	23	428	100/0

### Remuneration from other companies in the LeoVegas Group

During the previous financial year, the CEO did not receive remuneration from any other company within the LeoVegas Group.

### Total remuneration for the CEO in relation to the guidelines for remuneration to senior executives and application of performance criteria

The CEO's total remuneration consists mainly of fixed salary, the fixed annual salary constitutes 92 percent of the total remuneration in 2021.<sup>1</sup> The fixed salary is reviewed annually to ensure a level that reflects the position's responsibilities and nature, individual performance and is market competitive. The fixed remuneration also consists of benefits that make up 2.5 percent (maximum 10 percent) of the total compensation in 2021. These benefits are unchanged in 2021. The benefits include health insurance, healthcare contribution and car leasing. The CEO has a pension based on holiday-based income up to a maximum of the ceiling set annually by the Board. In total, the CEO's pension corresponds to 5 percent (maximum 45 percent) of the total remuneration in 2021.

The CEO has not received any variable remuneration during 2021.

**Table 2 – Warrant program (CEO)**

1 Name of program	2 Performance period	General terms for the warrants programs					7 Subscription price (SEK)	8 Opening balance Warrants at the beginning of the year	Information for the reported financial year			13 Warrants subject to lock-up period	
		3 Date of allocation	4 Date of earning	5 End of lock-in period	6 Period of utilization	9 During year			12 Closing balance				
								9 Allocated warrants	10 Earned warrants	11 Warrants subject to performance objectives	12 Allocated warrants that have not been earned		
Name of position holder (position) Gustaf Hagman (CEO)	2021/2024	2021-2024	2021-06-03 refers to 120 000 warrants and 2021-11-17 refers to 5 000 warrants.	2024-06-01	2024-06-01	2024-06-01 – 2024-06-30	53,09	0	125 000	0	0	125 000	125 000

## Share-based remuneration

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

<sup>1</sup> The guidelines states the maximum part of the respective remuneration component in relation to base salary and total remuneration. The information in each parenthesis states the maximum part in relation to the total remuneration in accordance with the guidelines.

The company has three ongoing long-term share-based incentive programs consisting of warrants. The CEO participates in program 2 and 3.

**1. Program 1:**

Subscription period: September 2022  
Subscription price: 50 SEK per share  
Number of outstanding warrants: 788 150  
Relation: 1 warrant = 1 share

**2. Program 2:**

Subscription period: June 2023  
Subscription price: 48.45 SEK per share  
Number of outstanding warrants: 931 900  
Relation: 1 warrant = 1 share

**3. Program 3:**

Subscription period: June 2024  
Subscription price: 53.09 SEK per share  
Number of outstanding warrants: 858 500  
Relation: 1 warrant = 1 share

**Recovery of variable remuneration**

No variable remuneration has been recovered in accordance with agreements during the previous financial year.

**Deviation from the decision-making process for determining compensation**

No deviations from the process set out in the 2021 guidelines for determining remuneration for the CEO have been made during the previous financial year.

**Deviation from the 2021 guidelines**

According to the guidelines for 2021, the board has the right to temporarily deviate from the guidelines 2021 in whole or in part, if in an individual case there are special reasons for it and a deviation is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. Such deviation must also be approved by the remuneration committee.

No deviations from the guidelines have been made during the previous financial year.

The auditor's statement regarding the company's compliance with the guidelines is available at [www.leovegasgroup.com/en/corporate-governance/](http://www.leovegasgroup.com/en/corporate-governance/).

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

Table 3 – Changes in remuneration and the company's earnings during the last five reported financial years (RR) (kEUR)

Annual change	RR-4 vs RR-5 <sup>2</sup>	RR-3 vs RR-4 <sup>3</sup>	RR-2 vs RR-3 <sup>4</sup>	RR-1 vs RR-2 <sup>5</sup>	RR vs RR-1 <sup>6</sup>	RR 2021 <sup>7</sup>
Remuneration to the CEO	178	212	358	321	391	429
The Group's operating profit	16 001	19 914	19 175	12 672	22 776	18 043
Average remuneration based on the number of full-time equivalents employed in the parent company	111	134	137.2	166.8	159.1	147

<sup>2</sup> In 2016, remuneration to the CEO refers to basic salary and pension. Remuneration to employees in the parent company refers to basic salary, pension and benefits.

<sup>3</sup> In 2017, remuneration to the CEO refers to basic salary. Remuneration to employees in the parent company refers to basic salary, pension and benefits.

<sup>4</sup> In 2018, remuneration to the CEO refers to basic salary and benefits. Remuneration to employees in the parent company refers to basic salary, pension and benefits.

<sup>5</sup> In 2019, remuneration to the CEO refers to basic salary and benefits. Remuneration to employees in the parent company refers to basic salary, pension and benefits.

<sup>6</sup> In 2020, remuneration to the CEO refers to basic salary, pension and benefits. Remuneration to employees in the parent company refers to basic salary, pension and benefits.

<sup>7</sup> In 2021, remuneration to the CEO refers to basic salary, pension and benefits. Remuneration to employees in the parent company refers to basic salary, pension and benefits.