

## CONCENTRIC AB – REMUNERATION REPORT 2020

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### Introduction

This report describes how the guidelines for executive remuneration of Concentric AB, adopted by the general meeting 2020, were implemented in 2020. The report also provides information on remuneration to the CEO and a summary of the company's incentive plans outstanding and concluded incentive plans during the year.

The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.<sup>1</sup>

Further information on executive remuneration is available in note 8 on pages 87-88 in the annual report 2020. Information on the work of the remuneration committee in 2020 is set out in the corporate governance report available on page 58 in the annual report 2020.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed on page 87 in the annual report 2020.

### Key developments 2020

The CEO summarizes the financial year 2020 and the company's overall performance in his statement on page 10-13 in the annual report 2020. The summary provides information regarding the key element which had an impact on the remuneration during the financial year.

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

In order to execute strategic plans and deliver effective operational results to support the company's business strategy and long-term interests, including its sustainability, it is of fundamental importance to attract and retain senior executives and other employees with excellent competence. To obtain this it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and compensation levels. The remuneration guidelines enable the company, regardless of geographical market, to offer the senior executives a competitive total compensation. Under the remuneration guidelines, executive remuneration shall be on market terms and consist of a balanced combination of fixed- and variable remuneration as well as pension and other benefits. The variable remuneration shall be in relation to financial targets for the company as a whole as well as clearly stipulated individual non-financial targets in relation to certain duties of the respective executive. The latter is used to ensure focus on non-financial targets of special interest. The financial- and non-financial targets shall be designed to contribute to the company's business strategy as well as facilitate its long-term interests, including its sustainability. The most recently resolved remuneration guidelines are found on pages 69-72 in the annual report for 2020. During 2020, the company has

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<sup>1</sup> The Remuneration Rules issued by the Swedish Corporate Governance Board in force as of 1 January 2021.

complied with the applicable remuneration guidelines adopted by the general meeting 2020. There have been no deviations from the guidelines, nor from the procedure for the implementation of the guidelines, in the financial year of 2020. The auditor's report regarding the company's compliance with the guidelines will be provided on the company's website along with other relevant documents before the annual shareholders' meeting 2021.

No remuneration has been reclaimed during the financial year.

In addition to remuneration covered by the remuneration guidelines, previous annual general meetings of the company have resolved to implement long-term share-related incentive plans.

**Table 1 – Total remuneration of Directors in 2020 (kSEK)\***

Name of director (position)	1. Fixed remuneration			2. Variable remuneration		3. Extraordinary items	4. Pension expense	5. Total remuneration	6. Proportion of fixed and variable remuneration
	Base salary	Fees	Fringe benefits**	One-year variable	Multi-year variable				
<b>David Woolley (CEO) 2020</b>	4,955		893	1,715	2,480			10,043	
<b>David Woolley (CEO) 2019</b>	4,947		839	2,414	4,541			12,741	

\* Except for Multi-year variable remuneration, the table reports remuneration earned in 2020. Multi-year variable remuneration is reported if vested in 2020, as set out in Table 2 and table 3 below (as applicable). Disbursement of any payments may or may not have been made the same year.

\*\*Fringe benefits include car lease, medical insurance and a cash payment in lieu of pension contribution. Cash in lieu of pension amount is fixed.

## Share based remuneration – Outstanding incentive plans

**Table 2 – Share options awarded or due to the Directors for the reported financial year**

Name of director (position)	The main conditions of share option plans							Information regarding the reported financial year					
	1. Name of plan	2. Performance period	3. Award date	4. Vesting date	5. End of retention period	6. Exercise period	7. Strike price (SEK)	Opening balance	During the year		Closing balance		
								8. Share options held at beginning of year	9. Share options awarded	10. Share options vested	11. Share options subject to performance condition	12. Share options awarded and unvested	13. Share options subject to retention period
<b>David Woolley (CEO)</b>	<b>LTI 2017</b>	2017 - 2019	20 July 2017	7 May 2020	7 May 2020	7 May 2020 – 6 August 2020	17,200 @ 147.50 51,600 @ 98.5	68,800	0	68,800	0	0	0
	<b>LTI 2018</b>	2018 - 2020	29 October 2018	6 May 2021	6 May 2021	6 May 2021 – 5 August 2021	15,370 @ 175.10 46,110 @ 116.70	61,480	0	0	30,740	61,480	0
	<b>LTI 2019</b>	2019 - 2021	23 July 2019	One day after publication of the interim report Q1 2022	One day after publication of the interim report Q1 2022	Three months one day after publication of the interim report Q1 2022	17,690 @ 171.00 53,070 @ 114.00	70,760	0	0	35,380	70,760	0
	<b>LTI 2020</b>	2020 - 2022	22 July 2020	One day after publication of the interim report Q1 2023	One day after publication of the interim report Q1 2023	Three months one day after publication of the interim report Q1 2023	16,710 @ 189.40 50,130 @ 126.20	0	66,840	0	33,420	66,840	0

Name of director (position)	The main conditions of share option plans							Information regarding the reported financial year					
								Opening balance	During the year			Closing balance	
	1. Name of plan	2. Performance period	3. Award date	4. Vesting date	5. End of retention period	6. Exercise period	7. Strike price (SEK)	8. Share options held at beginning of year	9. Share options awarded	10. Share options vested	11. Share options subject to performance condition	12. Share options awarded and unvested	13. Share options subject to retention period
							201,040	66,840	68,800	99,540	199,080	0	

**Table 3 – Share awarded or due to the Directors for the reported financial year**

Concentric AB does not issue any shares to any director or employee of the Company.

Name of director (position)	The main conditions of share award plans					Information regarding the reported financial year					
						Opening balance	During the year		Closing balance		
	1. Name of plan	2. Performance period	3. Award date	4. Vesting date	5. End of retention period	8. Share award held at beginning of year	9. Shares awarded	10. Shares vested	11. Shares subject to performance condition	12. Shares awarded and unvested	13. Shares subject to retention period
<b>David Woolley (CEO)</b>	<b>N/A</b>										
					<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>

## Application of performance criteria - variable remuneration

**Table 4 – Performance of Directors in the reported financial year**

Name of director (position)	1. Description of the performance criteria and type of applicable remuneration	2. Relative weighting of the performance criteria	3. Information on Performance Targets		4. a) Measured performance and b) actual award outcome
			a) Minimum target/threshold performance and b) corresponding award	a) Maximum/target performance and b) corresponding award	
David Woolley (CEO)	Group Financial Target Attainment - Bonus	60 %	a) 73%	a) 100%	a) 47 %
			b) £0	b) £201,600	b) £94,954
	New Business/Sales Growth Target Attainment- Bonus	10 %	a) 73%	a) 100%	a) 0 %
			b) £0	b) £33,600	b) £0
	Individual target attainment with growth focused goals - Bonus	30 %	a) 0	a) 100%	a) 15%
			b) £0	b) £100,800	b) £50,400

## Remuneration – Comparison

**Table 5 - Comparative table over the remuneration and company performance over the last five reported financial year**

Annual change	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	Information regarding the RFY
Director's remuneration						
<b>David Woolley (CEO)</b>	(6,136)	4,907	(2,753)	1,603	(2,403)	
Company performance						
<b>Group operating profit</b>	(39,843)	62,921	125,205	(56,815)	(198,461)	
Average remuneration on a full-time equivalent basis of employees						
<b>Employees of the parent company</b>						

\* RFY – Reported Financial Year