

# Remuneration Report 2021

 **Readly**



# Remuneration Report

## Introduction

This report provides a description of how the group's guidelines for senior executives, adopted by the 2021 Annual General Meeting, have been implemented during the year. It also presents details on remuneration of CEO<sup>1</sup> Maria Hedengren and board member Alexandra Whelan, as she receives share-related remuneration. The report has been prepared in accordance with Ch. 8 §§ 53a and 53b of the Swedish Companies Act (Aktiebolagslagen (2005:551)) and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

The information required by Ch. 5 §§ 40-44 of the Swedish Annual Accounts Act (Årsredovisningslagen (1995:1554)) regarding remuneration of executive management is provided in Note 7 (Employee remuneration, etc.) on pages 101–104 of the 2021 Annual Report. Information on the work of the Remuneration Committee is set out in the corporate governance report on page 74 of the 2021 Annual Report.

In addition to what is referenced above, the Board's remuneration is not covered by this report. Such remuneration is decided on yearly by the Annual General Meeting and is described in Note 7 (Employee remuneration, etc.) on page 102 of the 2021 Annual Report.

## Important developments during the year

A summary of important events during the year is provided in the interim CEO's statement on pages 12–13 of the 2021 Annual Report.

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

In order for Ready to successfully be able to execute the group's business strategy and meet its long-term interests, including sustainability, conditions are required to retain and recruit competent and engaged senior executives. The remuneration

guidelines, which were adopted by an Extraordinary General Meeting on 11 May 2021, aim to stimulate greater interest in the business and earnings performance in its entirety, and to elevate motivation among the senior executives and increase cohesion within the Group. Moreover, the guidelines aim to achieve a greater alignment of interests between senior executives and the shareholders of the parent company. Further, the guidelines shall contribute to good ethics and company culture.

Achieving the group's business strategy requires that the combined, annual remuneration is in line with the going rate in the market and competitive in the job market in which the executive is located and takes into account the individual's qualifications and experience, and that outstanding performance is reflected in the individual's total remuneration.

According to the guidelines, remuneration of senior executives shall consist of the following components: Fixed base salary, possibly variable cash remuneration, other customary benefits and pension. The combined yearly cash remuneration, including pension benefits, shall be in line with the going rate in the market and competitive in the job market in which the executive is located, and take into account the individual's responsibility, competence qualifications and experience, and shall reflect outstanding performance. Both fixed and variable remuneration shall be related to the executive's responsibility and authority. Fixed remuneration shall be revised yearly.

Variable remuneration shall be based on the outcome in relation to concrete, set targets with a starting point in the group's business strategy and the long-term business plan that has been approved by the Board of Directors. Targets may include share price related or financial targets – at the group or unit levels – operational targets, and targets for sustainability and social responsibility, employee engagement or customer satisfaction. The company has set financial targets and KPIs based on strategic and business-critical initiatives and projects that

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1) Maria Hedengren, CEO, stepped down as CEO on 31 January 2022 and handed responsibility to interim CEO Mats Brandt.

ensure performance in accordance with the business plan and business strategy for sustainable, continued operation.

Variable remuneration shall also be designed with a view to achieve a greater alignment of interests between the senior executive and the shareholders of the parent company in contributing to the group's long-term interests. No deviations or exceptions from the guidelines were decided on during 2021. Nor was any remuneration repaid during the year. Auditor's statement on the company's compliance with guidelines is available on <https://corporate.readly.com>.

The employee option programme is designed to provide long-term incentives to key persons in the group (including Senior Management) to deliver long-term shareholder value. Through the plan, the participants are granted options with partial vesting over time. Granted not yet vested options may only be vested if the participants remain employed during the entire term. The options are granted free of charge and do not carry

entitlement to dividends or have any voting rights. All existing options carry entitlement to subscribe for five shares per option. The fair value on the grant date is calculated using the Black Scholes pricing model.

#### Application of performance criteria

The performance criteria for the CEO's variable remuneration have been chosen to realise the company's strategy and to encourage ownership that is in the company's long-term interest. In setting the performance criteria, the strategic objectives as well as short- and long-term business priorities for 2021 were taken into account. Further, the non-financial performance criteria contribute to an adaptation to sustainability and the company's values. For the 2021 financial year the CEO's performance criteria were split among revenue (40%), SAC (20%), Average reading time (15%), and individual (discretionary) targets (25%). For the 2021 financial year, an expensed provision of SEK 0.6 million was made for variable remuneration for the CEO.

## Remuneration 2021

| SEK K                      | Fixed remuneration | Other benefits  | Variable remuneration (0-1 years) | Variable remuneration (+1 years) | Pension          | Total remuneration 2021 | Proportion of fixed and variable remuneration, % |
|----------------------------|--------------------|-----------------|-----------------------------------|----------------------------------|------------------|-------------------------|--|
| Maria Hedengren, CEO       | 2,202              | 72 <sup>1</sup> | 631 <sup>2</sup>                  | –                                | 568 <sup>4</sup> | 3,473                   | 81,8 (fixed)/18,2 (variable)                     |
| Alexandra Whelan, Director | 275 <sup>3</sup>   | –               | –                                 | –                                | –                | 275                     | 100 (fixed)                                      |

1) Other benefits consist in their entirety of rent for a parking spot.

2) Variable remuneration for CEO Maria Hedengren consists of an expensed bonus for the 2021 financial year, for which a provision has been made. In addition to this year's expensed remunerations stated in the table above, SEK 0.9 million has also been paid to the CEO in regard to 2020 bonus.

3) Fixed remuneration for director Alexandra Whelan consists of an ordinary director's fee of SEK 250 thousand plus a committee fee of SEK 25 thousand. All directors' fees were approved by the Annual General Meeting on 11 May 2021.

4) Vested pension for the CEO is considered in its entirety to consist of fixed remuneration.

## Share-related remuneration

| SEK K                                       | Grant date | Vesting period        | Final exercise date | Exercise period       | Exercise price | Options granted at start of year <sup>1</sup> | Options vested at start of year | Granted options | Vested options | Options granted but not vested |
|---|------------|-----------------------|---------------------|-----------------------|----------------|---|---------------------------------|-----------------|----------------|--------------------------------|
| Maria Hedengren <sup>2</sup> ,<br>CEO       | 24/04/2019 | 24/04/19–<br>01/04/22 | 30/12/22            | 01/05/22–<br>30/12/22 | 55             | 150,000                                       | 87,000                          | –               | 49,800         | 13,200                         |
|   | 07/06/2021 | 07/06/21–<br>30/06/24 | 15/12/24            | 01/07/24–<br>15/12/24 | 53.5           | 55,000  | –                               | –               | 9,167          | 45,833                         |
| Alexandra Whelan <sup>3</sup> ,<br>Director | 02/05/2019 | 31/12/19–<br>31/12/20 | 30/04/23            | 30/04/22–<br>30/04/23 | 32.8           | –   | 45,000                          | –               | –              | –                              |

1) After completed 1:5 share split during 2020 all existing options carry entitlement to subscribe for five shares per option.

2) Options granted to the CEO pertain to vested options during the year.

3) Options granted to board member are included in the employee option programme as per below.

## Yearly change

| SEK K   | RFY-4 vs RFY-5 | RFY-3 vs RFY-4   | RFY-2 vs RFY-3     | RFY-1 vs RFY-2 <sup>1</sup> | RFY vs RFY-1 | RFY 2021 |
|---|----------------|------------------|--------------------|-----------------------------|--------------|----------|
| CEOs  | 94             | 72               | 2,790              | -1,078                      | -159         | 3,473    |
| Change (%)  | 5.4            | 3.9 <sup>3</sup> | 145.3 <sup>2</sup> | -22.9                       | -4.4         |          |
| Board member Alexandra Whelan                         | –              | –                | 2,149 <sup>4</sup> | -1,374                      | -500         | 275      |
| Change (%)  | –              | –                | –                  | -63.9                       | -64.5        |          |
| Group's EBITDA  | -9,284         | -37,249          | -33,866            | -45,251                     | -17,504      | -197,373 |
| Change (%)  | 17.1           | 58.7             | 33.6               | 33.6                        | 9.7          |          |
| Average remuneration on full-year basis for employees | 244            | -11              | 21                 | 70                          | -18          | 777      |
| Change (%)  | 51.9           | -1.6             | 3.0                | 9.7                         | -2.3         |          |

1) Readly was listed on Nasdaq Stockholm on 17 September 2020, and thus comparison with the preceding year, during which the company was not listed, is somewhat misleading.

2) The increase in base salary for the CEO is mainly explained by severance pay for the previous CEO. Maria Hedengren succeeded Jörgen Gullbrandsson as CEO in April 2019.

3) Jörgen Gullbrandsson succeeded Per Hellberg as CEO in March 2018.

4) Compared with 2021 and 2020, remuneration to board member Alexandra Whelan 2019 also includes invoiced fees for her industry expertise in her capacity as consultant.