



MOMENTUM GROUP'S REMUNERATION REPORT FOR 2020

Introduction

This report describes how the guidelines for remuneration for senior management of Momentum Group AB (publ), adopted by the Annual General Meeting in August 2020, were implemented in the 2020 financial year (9 months). The report also provides information on remuneration to the President & CEO and Executive Vice President and a summary of the Company's outstanding share-based incentive programmes. The report has been prepared in accordance with the Swedish Companies Act and the *Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* (the "Remuneration Rules") issued by the Swedish Corporate Governance Board.

Further information on remuneration to senior management is available in Note 5 on pages 51-54 of Momentum Group's Annual Report for the 2020 financial year. Information on the work of the Compensation Committee in 2020 is set out in Momentum Group's Corporate Governance Report available on pages 29-35 of the Annual Report 2020.

Remuneration to the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in Note 5 and in the Corporate Governance Report in Momentum Group's Annual Report 2020.

Significant events 2020

The President & CEO summarizes the Company's significant events and overall performance on pages 1-3 of the Annual Report 2020.

Guidelines for remuneration to Momentum Group's senior management

Momentum Group has a clear strategy to achieve profitable growth and create shareholder value. A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration in relation to the standards prevailing in the country or region of employment of each member of Group management. The Company's remuneration guidelines enable the Company to offer senior management competitive total remuneration. For further information about the Company's strategy, refer to the Company's website.

The terms of remuneration are to emphasize "performance-based rewards" and vary depending on individual performance and the Group's results. The total remuneration package for Group management is to reflect market conditions and may comprise the following components: fixed salary, variable salary, pension benefits and other benefits.

The current guidelines for remuneration to senior executives, adopted by the Annual General Meeting in August 2020, are presented on pages 53-54 of Momentum Group's Annual Report 2020. During 2020, the Company complied with the applicable remuneration guidelines adopted by the General Meeting of Shareholders. There have been no deviations from the guidelines and no derogations from the decision-making process that, according to the guidelines, is to be applied when determining remuneration. The auditor's report regarding the Company's compliance with the guidelines is available on the Company's website, www.momentum.group. No remuneration was reclaimed during the year.

In addition to remuneration covered by the remuneration guidelines, General Meetings held in 2017 and 2018 resolved to implement long-term share-based incentive programmes (see below).

Total remuneration to President & CEO Ulf Lilius and Executive Vice President & CFO Niklas Enmark in the 2020 financial year (9 months):

SEK thousand GROUP MANAGEMENT	FIXED SALARY		VARIABLE SALARY ¹	EXTRA- ORDINARY ITEMS	PENSION COST ²	TOTAL REMU- NERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION
	Basic salary ³	Other benefits ⁴					
Ulf Lilius, President & CEO	3,788	59	1,500	0	1,075	6,422	Fixed: 77% Variable: 23%
Niklas Enmark, EVP & CFO	2,253	71	750	0	575	3,649	Fixed: 79% Variable: 21%

Total remuneration to President & CEO Ulf Lilius and Executive Vice President & CFO Niklas Enmark in the 2019/20 financial year (12 months):

SEK thousand GROUP MANAGEMENT	FIXED SALARY		VARIABLE SALARY ⁵	EXTRA- ORDINARY ITEMS	PENSION COST ²	TOTAL REMU- NERATION	PROPORTION OF FIXED AND VARIABLE REMUNERATION
	Basic salary ³	Other benefits ⁴					
Ulf Lilius, President & CEO	4,688	80	604	0	1,381	6,753	Fixed: 91% Variable: 9%
Niklas Enmark, EVP & CFO	2,729	96	746	0	767	4,338	Fixed: 83% Variable: 17%

Share-based incentive programmes

Outstanding share-based incentive programmes

Momentum Group has two long-term share-based incentive programmes offered to senior management. The aim of the programmes is to offer benefits in the form of long-term incentives linked to the Company's share price in order to attract, motivate and retain senior management. The programmes are designed so as to align the incentives to the participants with the shareholders' interests.

In 2020, the Company had two ongoing share-based incentive programmes (2017/21 and 2018/22).

- **Call option programme 2018/22.**

In August 2018, the Annual General Meeting of Momentum Group AB resolved to offer 50 key individuals in senior positions the opportunity to acquire a maximum of 250,000 call options on repurchased Class B shares on market terms. The programme was fully subscribed. The call options were conveyed at a price of SEK 10.20 per call option, equivalent to the market value of the options according to a valuation performed by Nordea Bank. The redemption price for the call options is SEK 137.30 per share and the redemption periods were set at 14-28 February and 16-30 May 2022, respectively. The programme was secured in its entirety by share repurchases. The offering was linked to a subsidy corresponding to the option premium paid, which meant that an amount of SEK 10.20 per acquired call option was paid to the holder by the holder's employer in September 2020 on the condition that all originally acquired call options in this programme remained and that the individual was still an employee of the Group.

- **Call option programme 2017/21.**

In November 2017, an Extraordinary General Meeting of Shareholders in Momentum Group AB resolved to offer 40 key individuals in senior positions the opportunity to acquire a maximum of 250,000 call options on repurchased Class B shares on market terms. The programme was fully subscribed. The call options were conveyed at a price of SEK 9.60 per call option, equivalent to the market value of the options according to a valuation performed by Nordea Bank. The original redemption price per call option of SEK 121.60 has been recalculated by Nordea Bank in accordance with the terms of the incentive programme due to paid and

¹ Variable salary earned in the 2020 financial year and paid in the 2021 financial year.

² Defined-contribution pension, with a premium corresponding to 30 percent of monthly salary including holiday bonus. The pension cost is considered fixed remuneration.

³ Includes holiday pay.

⁴ Includes other benefits, such as company car benefits, travel concessions, extra healthcare and medical insurance, and occupational health services.

⁵ Variable salary earned in the 2019/20 financial year and paid in the 2020 financial year.

adopted dividends between 2018 and 2021, and thus amounts to SEK 119.30. Each call option in this programme entitled the holder to acquire one repurchased Class B share during the redemption periods of 18-25 February and 12-25 May 2021, respectively. The programme was secured in its entirety by share repurchases. The offering was linked to a subsidy corresponding to the option premium paid, which meant that an amount of SEK 9.60 per acquired call option was paid to the holder by the holder's employer in December 2019 on the condition that all originally acquired call options in this programme remained and that the individual was still an employee of the Group.

After the end of the financial year, during the redemption period of 18-25 February 2021, 14,000 call options 2017/21 were redeemed to acquire a corresponding number of repurchased shares and 155,500 call options 2017/21 were repurchased by Momentum Group at an established market price. As of 24 March 2021, there were thus 64,500 call options 2017/21 outstanding.

Further information on outstanding long-term incentive programmes is available in Note 5 of Momentum Group's Annual Report 2020.

Information regarding the reported financial year 2020

No new share-based incentive programmes were introduced and no changes were made to Momentum Group's outstanding long-term share-based incentive programmes in the 2020 financial year.

Summary of share-based incentive programmes for President & CEO Ulf Lilius and Executive Vice President & CFO Niklas Enmark as of 31 December 2020:

	NAME OF PRO-GRAMME	ALLOTMENT DATE	REDEMPTION PERIODS	REDEMP-TION PRICE, SEK	INFORMATION REGARDING THE REPORTED FINANCIAL YEAR		
					OPENING BALANCE ⁶ , NO.	CHANGE	CLOSING BALANCE ⁷ , NO.
Ulf Lilius, President & CEO	Call option programme 2018/22	Sep 2018	14-28 Feb 2022 16-30 May 2022	137.30	35,000	–	35,000
	Call option programme 2017/21	Dec 2017	18-25 Feb 2021 12-25 May 2021	119.30	15,000	–	15,000 ⁸
Niklas Enmark, EVP & CFO	Call option programme 2018/22	Sep 2018	14-28 Feb 2022 16-30 May 2022	137.30	30,000	–	30,000
	Call option programme 2017/21	Dec 2017	18-25 Feb 2021 12-25 May 2021	119.30	15,000	–	15 000 ⁸

Application of performance criteria

The performance criteria for the President & CEO and Executive Vice President's variable remuneration have been selected to deliver on the Company's strategy and profitability performance and to encourage behaviour that is in the long-term interests of the Company. The non-financial performance criteria also contribute to sustainability adaptations and the Company's values.

In the selection of performance criteria for variable remuneration to the President & CEO and Executive Vice President, both the strategic and long-term objectives and the short-term business priorities for the 2020 financial year have been taken into account. The performance criteria for variable remuneration to these individuals are thus based, as previously, on the earnings and profitability performance* of the Group as a whole and of the business area Components & Services and – specifically for the 2020 financial year – on the extraordinary contributions required in connection with the Group's acquisition and integration of Swedol AB. For the 2020 financial year, the outcome of the performance criteria granted 100 percent entitlement to variable remuneration to the President & CEO and Executive Vice President.

* Based on the outcome for EBITA and the internal profitability ratio EBITA/WC.

⁶ Pertains to options allotted per person in the respective call option programmes as of 1 April 2020.

⁷ Pertains to outstanding options per person in the respective call option programmes as of 31 December 2020.

⁸ After the end of the financial year, during the redemption period of 18-25 February 2021, Momentum Group repurchased 15,000 call options 2017/21 from Ulf Lilius and 11,000 call options from Niklas Enmark at an established market price. Niklas Enmark also redeemed 2,000 call options 2017/21 to acquire a corresponding number of repurchased shares. As of 24 March 2021, there were thus 0 call options 2017/21 outstanding for Ulf Lilius and 2,000 call options outstanding for Niklas Enmark.

Comparative information on changes in remuneration and the Company's performance

Remuneration to President & CEO Ulf Lilius and Executive Vice President & CFO Niklas Enmark and the Group's results for the 2020 financial year (9 months):

	OUTCOME FOR 2020 (9 MONTHS) COMPARED WITH 2019/20 (12 MONTHS)	OUTCOME FOR 2020
Total remuneration to Ulf Lilius, President & CEO	SEK –331 thousand [–4.9%]	SEK 6,422 thousand
Total remuneration to Niklas Enmark, EVP & CFO	SEK –689 thousand [–15.9%]	SEK 3,649 thousand
Group EBITA	MEK +146 [+43.2%] ⁹	MSEK 484
Group EBITA margin	+1.6 percentage points ⁹	7.1%
Average remuneration based on the number of full-time equivalent employees in Momentum Group AB ¹⁰	SEK –421 thousand [–36.2%]	SEK 742 thousand

Stockholm, March 2021

Momentum Group AB (publ)
Board of Directors

⁹ The change compared with the preceding year is primarily attributable to the shortened 2020 financial year (9 months) and the acquisition of Swedol. Compared with EBITA and the EBITA margin for the corresponding period in 2019/20 (9 months) and including Swedol, EBITA declined by –12 and the EBITA margin by –0.3 percentage points.

¹⁰ Excluding Group management (President & CEO and Executive Vice President).