

Report by the board of directors of Edgware AB (publ) on the remuneration committee's evaluation of remuneration to executive management

The Board of Directors of Edgware AB (publ) has established a Remuneration Committee, consisting of Kent Sander (Chairman), Michael Ruffolo and Arnd Benninghoff. Since the 2019 Annual General Meeting, the Remuneration Committee has held 3 meetings at which minutes were kept. There were also numerous informal contacts between committee members in between these formal meetings as deemed necessary.

The Remuneration Committee's main tasks include to monitor and evaluate programs for variable remuneration for executive management, the application of the guidelines for remuneration to executive management adopted by the Annual General Meeting, as well as current remuneration structures and remuneration levels in the company. In accordance with section 10.3 of the Swedish Corporate Governance Code, the Board hereby issues the following report on the remuneration committee's work. The report covers the period after the 2019 Annual General Meeting.

The Remuneration Committee has monitored and continuously evaluated the company's programs for variable remuneration to its executive management. The Remuneration Committee is of the opinion that the guidelines for remuneration to the executive management, adopted by the 2019 Annual General Meeting have been correctly applied and that the guidelines have met their objectives and functioned well. The variable remuneration structure was applied as designed in line with the performance metrics achieved by the business. As a consequence of the financial situation of the company, this has resulted in no variable remuneration having been paid out to executive management regarding the financial outcome of 2019. The chairman of the Board of Directors has received a consultant fee for work carried out in addition to Board assignments, which is also expected during 2020, see further page 68 in the annual report for the company for 2019.

Based on the current share price, equity incentive elements have not achieved their objectives to date. Given the current economic situation, the Remuneration Committee is not recommending any new long-term incentive programs but instead is basing variable compensation on a 2 year bonus plan tied to improving EBIT results and growth in recurring revenues.

The Remuneration Committee considers that the company's remuneration structures and remuneration levels are in line with market practice and well-balanced.

Stockholm, April 2020
Edgware AB (publ)
The Board of Directors