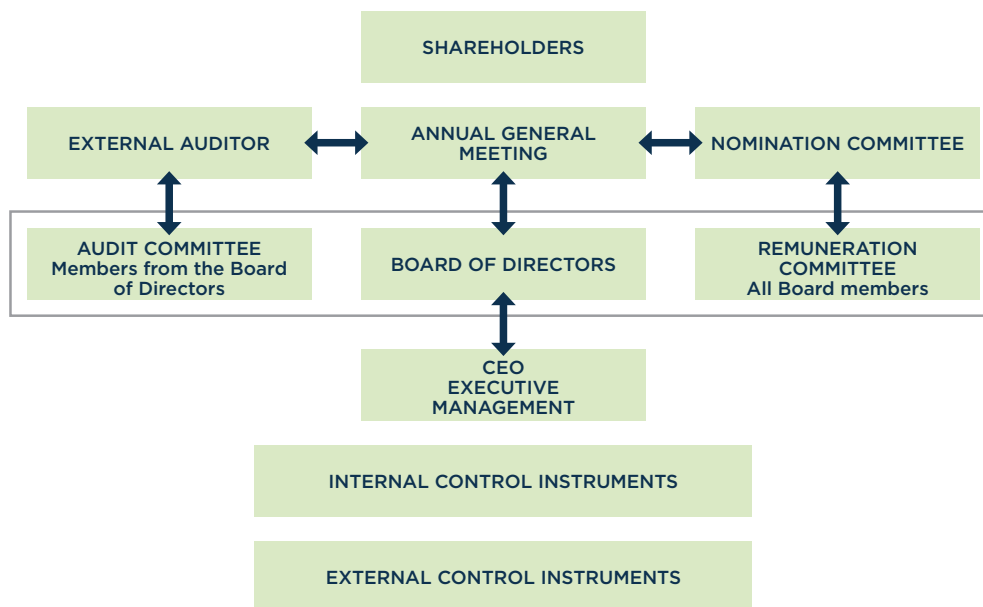


# Corporate Governance Report

Pricer’s governance



Pricer AB (publ) is a Swedish public company domiciled in Stockholm. The company’s Class B share is listed on Nasdaq Stockholm. In 2020, the share was listed in the Small Cap segment and changed in 2021 to the Mid Cap segment.

This corporate governance report has been prepared in accordance with the Annual Accounts Act and the rules in the Swedish Corporate Governance Code, “the Code” (more information about the Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se)).

This report has been submitted by the Board of Directors of Pricer AB but is not part of the formal financial statements. According to the Board of Directors, Pricer has followed the Code in all respects during 2020. The report has been read by the company’s auditor, who has issued a separate opinion that the statutory information in the corporate governance report is consistent with that in the annual report and the consolidated financial statements.

## Share structure and ownership

Pricer has two classes of shares: Class A and Class B. Class A shares carry five votes per share and Class B shares carry one vote per share. On the balance sheet date, there were 225,523 Class A shares and 110,746,258 Class B shares, all with a quota value of SEK (1) each.

The number of shareholders at December 31, 2020, was 19,470. The ten largest shareholders held 41 percent of the number of shares and 41 percent of the number of votes. For more information about the shareholders, see pages 12-13.

## Annual General Meeting

Pricer’s highest governing body is the AGM, where all shareholders have the right to attend, have matters

addressed and vote for all their shares. The AGM is held once per year (if applicable an Extraordinary General Meeting may also be held). The AGM appoints the Board members and the Chair of the Board, elects the auditors, and decides on amendments to the Articles of Association. In addition, the AGM adopts the income statements and balance sheets and approves the appropriation of the company’s profit or loss. The AGM also decides on discharge from liability for the Board members and the CEO, decides on fees for the Board and auditors and establishes the principles for remuneration to the CEO and senior executives. The AGM of Pricer is normally held in April or May in Stockholm. The date and location of the AGM is announced as soon as the Board has made its decision, normally in connection with the Q3 report. Information about the date and location of the AGM can be found on the company’s website [www.pricer.com](http://www.pricer.com).

Notice of the AGM is published by announcement in the Swedish official journal Post- och Inrikes Tidningar, in the newspaper Svenska Dagbladet and on the company’s website. Shareholders who are registered in their own name in the share register maintained by Euroclear Sweden AB on the record date and have notified the company by the specified date are entitled to attend the AGM and vote for their shares. Shareholders who are unable to attend may be represented by proxy.

All information about the company’s general meetings is available on the company’s website.

The company’s Articles of Association contain no restrictions on the number of votes each shareholder may cast at a general meeting, nor is the issue of amending the Articles of Association regulated.

### Nomination Committee

The Nomination Committee represent Pricer's shareholders. The tasks of the Nomination Committee are to evaluate the composition and performance of the Board and prepare proposals for approval by the AGM regarding the election of the Chair of the AGM, the Chair of the Board, Board members and auditors. The Nomination Committee should also prepare proposals for the AGM regarding fees to the Board and auditors. Finally, the Nomination Committee proposes principles for the appointment of a new Nomination Committee. Shareholders may submit proposals to the Nomination Committee in accordance with the instructions on the company's website.

According to the Code, the Nomination Committee should consist of at least three members, one of whom should be appointed the Chair. The general meeting of shareholders should appoint the members of the Nomination Committee or specify how they should be appointed.

No remuneration is paid to the Nomination Committee.

### Board of Directors

#### *Size and composition*

Board members are appointed by the shareholders at the AGM for the period until the end of the next AGM. In accordance with the Code, the Chair of the Board is also appointed by the AGM.

In accordance with the Articles of Association, the Board of Pricer should consist of a minimum of three and a maximum of seven members, and the AGM should decide on the exact number of Board members. The Articles of Association contain no specific provisions regarding the appointment or dismissal of Board members.

For a presentation of the Board members, see page 25.

#### *Role*

The Chair of the Board is responsible for organizing and overseeing the work of the Board and ensuring that it is performed in accordance with the applicable rules. The Chair of the Board continuously monitors operations through a dialogue with the CEO and ensures that the Board is provided with the information and documentation necessary for it to discharge its duties. The Chair of the Board is responsible for ensuring that the work of the Board is well-organized and carried out efficiently and that the Board discharges its obligations. He is responsible for ensuring that the other Board members receive the information and documentation necessary for a high quality in the discussion and decisions and checks that the Board's decisions are carried out.

The Board is responsible for the company's strategy and organization as well as the management of the company's affairs. The Board ensures that the company's organization is designed to ensure that accounting, cash management and other financial matters are controlled in a satisfactory manner. The Board continuously monitors the financial situation of the company and the Group, which is reported monthly, to ensure that the Board can meet its assessment obligation as required by law and the listing rules. The work of the Board is governed by specially formulated working procedures. Generally, the Board handles matters of material significance to the Group, such as strategic plans, budgets and forecasts, product planning, working capital, financing and the acquisition of operations, businesses or significant investments.

#### *Committees*

The Board has appointed an Audit Committee. Within the framework of the Board's duties, the Audit Committee should, in part, monitor the company's financial reporting and prepare issues regarding the company's financial reporting and audit in accordance with Chapter 8, section 49b of the Swedish Companies Act and fulfill the duties imposed by EU Regulation No 537/2014. The Audit Committee has also regularly supported the CEO in major financing and structural issues and in preparation of these matters for the Board.

The Board of Directors decided not to establish a Remuneration Committee. The Board considers it to be more suitable for its members to discharge the tasks applied to the Remuneration Committee in accordance with the Code. The Board of Directors deals with issues related to remuneration and terms of employment for senior executives and the preparation of draft guidelines for remuneration to the CEO and senior executives, which the Board submits for resolution by the AGM.

#### *Evaluation of the Board*

The Chair of the Board is responsible for the evaluation of the Board of Directors' performance, including the contributions of individual members. This is done through a structured yearly self-assessment that is followed by discussions within the Board and the Nomination Committee, where the compiled results of the survey, including any comments made, are presented by reviewing the individual answers as well as the average and standard deviation for each question.

### CEO and Executive Management

The CEO is appointed and dismissed by the Board and his/her performance is evaluated regularly by the Board, which occurs without the presence of company's management. The company's CEO supervises the ongoing operational activities. Written instructions define the division of responsibilities between the Board of Directors and the CEO. The CEO reports to the Board and presents a special CEO report at each Board meeting, which among other things contains information about how the business is performing based on the decisions taken by the Board.

The CEO prepares the agenda in consultation with the Chair ahead of each meeting and determines the required supporting data and documentation necessary to deal with the matters at hand. Other members may request that certain matters be added to the agenda. Prior to each scheduled meeting, the CEO provides the Board with a status report containing at least the following points: market, sales, production, research and development, finance, staff issues and, where appropriate, legal disputes.

Pricer's Executive Management consists of six members in addition to the CEO. Each of the members has operating responsibility for part of the organization. In January 2020, the organization was restructured and the Head of Quality & Sustainability was moved under VP Supply Chain & Procurement, VP R&D was moved under Chief Product Officer, and the Head of France was moved under VP Sales.

Pricer's CFO left the company in January 2021 for similar role at another company.

For a presentation of the members of Executive Management, see page 26.

### External Auditor

The Auditor is appointed by the AGM following a proposal by the Nomination Committee. The auditing firm of Ernst & Young AB was elected auditor by the 2020 AGM until the 2021 AGM, with Authorized Public Accountant Rickard Andersson as auditor-in-charge.

### Control instruments

Corporate governance within Pricer takes place through external rules such as the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers, the Swedish Corporate Governance Code ("the Code") and other relevant laws, ordinances and rules.

The internal regulatory framework that regulates the governance of Pricer consists mainly of the Articles of Association, the rules of procedure for the Board, instructions for the CEO, and other policy documents adopted by the Board for various areas, e.g. approval and authorization rules, finance, and communication.

### 2020 Annual General Meeting

The AGM was held on May 6, 2020, and was attended by 26 shareholders representing 9 percent of the votes and 9 percent of the number of shares in the company. Due to effects from the spread of the coronavirus, Pricer decided to take certain precautions, and participation from Pricer's management was decreased.

The AGM adopted the following resolutions:

- The income statement, balance sheet and consolidated income statement and consolidated balance sheet were adopted.
- The proposed dividend was SEK 0.80 per share was adopted, split between two payment occasions of SEK 0.40 per share each.
- The Board of Directors and the CEO were discharged from liability for the 2019 financial year.
- Re-election of Board members Knut Faremo, Hans Granberg, Jenni Virnes, Jonas Guldstrand and Thomas Krishan. Knut Faremo was elected the new Chair of the Board. Bernt Ingman declined re-election.
- Board fees for the next term of office were set at a total of SEK 1,650 T, fees for the Audit Committee were set at a total of SEK 100 T, and it was resolved that fees to the auditors would be paid in accordance with the company's approved account.

- Re-election of Ernst & Young AB as the company's auditor for the period until the end of the next AGM in accordance with the proposal of the Nomination Committee and the recommendation of the Audit Committee.
- The Nomination Committee's proposal regarding principles for appointment of the Nomination Committee for the 2021 AGM were adopted.
- The principles for remuneration to senior executives were adopted.
- Long-term incentive program according to the Board of Director's proposal.
- Authorization for the Board of Directors to decide on the issue of new Class B shares as proposed by the Board.
- Authorization for the Board of Directors to decide on the repurchase and transfer of the company's treasury shares as proposed to the AGM.
- Amendment to the Articles of Association, which entailed in part a clarified operational target, removal of the possibility to issue Class C shares, and changed limits for the number of Board members and auditors.

The AGM's decision in its entirety is set out in the full minutes of the AGM (in Swedish), which together with other information about the AGM is available on the company's website, [www.pricer.com](http://www.pricer.com).

### Work performed by the Board of Directors

The Board held 15 meetings during the 2020 financial year. The attendance of the Board members at these meetings is shown in the below table.

The CEO and CFO attend all Board meetings, except in cases where issues involve obstacles due to conflicts of interest, such as when remuneration for the CEO is determined or when the performance of the CEO is evaluated. The company's auditors attended one Board meeting in 2020. The meetings have mainly been held at the company's headquarters in Stockholm or digitally.

The Board's work in 2020 followed an annual action plan that is set for each new fiscal year. In addition to the regular action plan, the Board prepared a proposal prior to the 2020 AGM for a new long-term incentive program for Executive Management executives, which was then adopted at the AGM in 2020.

### Board members' attendance 2020

BOARD AND COMMITTEES				Attendance at meetings <sup>1)</sup>		
Board members	Year of election	Remuneration, TSEK	Independent in relation to the company and its management	Independent in relation to the company's larger shareholders	Board of Directors (15)	Audit Committee (5)
Bernt Ingman <sup>2)</sup>	2014	182	Yes	Yes	5/5	3/3
Knut Faremo, Chair	2019	482	Yes	Yes	15/15	2/2
Hans Granberg	2014	315	Yes	Yes	15/15	5/5
Jenni Virnes	2016	265	Yes	Yes	15/15	
Jonas Guldstrand	2017	265	Yes	Yes	15/15	
Thomas Krishan	2018	265	Yes	Yes	15/15	
<b>Total remuneration:</b>		<b>1,773</b>				

1) Refers to the period January 1-December 31, 2020.

2) Bernt Ingman declined re-election at the AGM held on May 6, 2020.

The Board serves as the Remuneration Committee and has prepared issues related to remuneration and terms of employment for Executive Management.

The Audit Committee consisted of the Board members Hans Granberg, Bernt Ingman until May 6, and Knut Faremo as of May 6, 2020. The Committee held five meetings, of which the company's auditor participated in two. The Committee's work during the year focused primarily on ongoing improvement of the reporting and analysis of the company's economic performance.

For 2020, the work of the Board of Directors has been evaluated by the Board through an online evaluation conducted by an external supplier, in which the members of the Board individually and anonymously consider statements regarding the Board as a whole, the Chair of the Board, the CEO's work in the Board and their own work. The evaluation focuses, for example, on improving the efficiency and focus areas of the Board as well as the need of specific skills and working methods. The evaluation was then presented to the Nomination Committee and has provided the basis for proposals for Board members and remuneration levels.

With regard to the company's business, stage of development and other circumstances, it is the Board's opinion that the Board has an appropriate composition characterized by diversity and breadth regarding the members' skills, experience and background.

## Remuneration

### *Board of Directors*

The 2020 AGM resolved, in accordance with the proposal from the Nomination Committee, total remuneration to the Board of SEK 1,650 T, of which SEK 550 T to be paid to the Chair of the Board and SEK 275 T to each of the other five members.

The Chair of the Board and the Board members elected to the Audit Committee would receive remuneration of SEK 50 T each.

Other than the remuneration mentioned above, no other remuneration or financial instruments were paid or made available other than pure reimbursement for outlays.

### *External auditors*

The 2020 AGM resolved to approve the Nomination Committee's proposal that fees to the auditors be paid in accordance with the company's approved account.

### *CEO and senior executives*

The 2020 AGM resolved to approve the Board's proposal for guidelines regarding remuneration to Executive Management. Remuneration to the CEO and senior executives is adopted by the Board.

### *Compliance with the Swedish stock exchange rules in 2020*

During the 2020 financial year, Pricer has not been subject to any decision by Nasdaq Stockholm's disciplinary committee or the Swedish Securities Council regarding violations of Nasdaq Stockholm's regulatory framework or good practices in the stock market. In 2020, the Council for Swedish Financial Reporting Supervision reviewed the financial information in the 2019 Annual Report, and no deviation was considered to have resulted in a major impact on the financial statements for 2019.

## Nomination Committee 2021

The Nomination Committee for the 2021 AGM was announced on October 28, 2020, through a press release and on the company's website. The Nomination Committee consists of Jari Ekblad, Ulf Palm and Wilhelm Gruvberg. Ulf Palm was elected Chair of the Nomination Committee. Pricer's Nomination Committee held five meetings prior to the AGM. No special remuneration was paid to the Nomination Committee members.

The members of the committee are independent in relation to the company and its management. The Nomination Committee's members are independent in relation to the company's major shareholders, with the exception of Jari Ekblad, who was nominated by Göran Sundholm and owns 11,500,000 shares in Pricer AB.

The Nomination Committee's proposal for the Board of Directors was presented on January 29 in a separate press release. Other proposals will be included in the notice of the AGM and be available at [www.pricer.com](http://www.pricer.com). The Nomination Committee proposes that the Board of Directors consist of five members. The Nomination Committee proposes, for the period until the end of the next AGM, the re-election of Board members Knut Faremo, Hans Granberg, Jonas Guldstrand and Jenni Virnes and new-election of Göran Sundholm. Thomas Krishan has declined re-election. Knut Faremo is proposed to continue as the Chair of the Board.

## Diversity policy

The Nomination Committee of Pricer AB has applied Rule 4.1 of the Swedish Code of Corporate Governance as a diversity policy in the preparation of proposals for the Board. Accordingly, Pricer's Board of Directors should consist of a well-balanced mix of skills that are essential for managing Pricer's strategic work in a responsible and successful manner. In order to achieve this, knowledge is sought in areas such as retail, digital commerce, corporate governance, compliance with rules and regulations, finance and financial analysis and remuneration issues.

Previous board experience is another important qualification. Furthermore, it is important that the Board members do not have too many executive or non-executive assignments to allow them to spend the time required for their board work for Pricer AB.

The Nomination Committee believes that breadth and diversity in areas such as age, nationality, educational background, gender, experience and expertise are represented among the proposed members of the Board.

The Nomination Committee further believes that the diversity issue is important and that it is important for future nomination committees to continue working actively to achieve a well-balanced gender distribution on the Board.

The 2020 AGM resolved in accordance with the Nomination Committee's proposal, which meant that five members were elected, one woman and four men, with a composition otherwise based on the criteria addressed by the diversity policy.

In the Nomination Committee's work prior to the 2021 AGM, the diversity policy has been applied as described above. This resulted in the Nomination Committee's proposal to the AGM of a total of five members, one woman and four men according to the notice of the AGM.

## Internal control over financial reporting

The Board is responsible for internal control, pursuant to the Swedish Companies Act and the Code.

The Swedish Annual Accounts Act requires the company to prepare an annual description of the company's internal control and risk management system regarding the financial reporting. The Board has overall responsibility for the financial reporting. The Audit Committee has an important task in preparing the Board's work on quality assurance of the financial reporting. This preparation includes issues regarding internal control and compliance, control of carrying amounts, estimates, assessments and other factors that may affect the quality of the financial reports. The Committee has commissioned the company's auditor to examine in particular how well the rules for internal control, both comprehensive and detailed, are complied with in the company.

Pricer's internal control process should provide reasonable assurance regarding the quality and reliability of its financial reporting. It should also ensure that reports are prepared in accordance with the applicable laws and regulations and the requirements that apply to publicly listed companies in Sweden.

### Control environment

Pricer's internal control over financial reporting is based on the organizational and system structures, decision-making paths and separation of duties that are documented and communicated in control documents, policies and manuals. The Board has adopted rules of procedure that regulate the Board's responsibilities and work on the Board's committees. To uphold an effective control environment and good internal control, the Board has delegated practical responsibility to the CEO and drafted instructions for the CEO. To safeguard the quality of the financial reporting, the company has a number of internal control instruments, such as a finance policy, approval and authorization routines, and a standard model for ongoing monthly reporting that has been designed together with the Board. Pricer uses an integrated ERP system, which handles all financial flows.

The company has set up a whistleblowing function that can be used anonymously.

### Risk assessment

Regarding the financial reporting, the risks are assessed to lie primarily in the possibility that material errors may arise in the accounting for the company's financial position and results. The Board is responsible for ensuring that significant financial risks and risks of misstatement in the financial statements are identified and dealt with.

### Control activities and monitoring

The company also has a number of control activities aimed at ensuring the accuracy and completeness of the financial statements. Routines and actions have been designed to manage significant risks related to the financial statements, which have been identified in the risk assessment. Control activities are available at both a general and detailed level in the Group. For example, complete monthly financial statements are prepared and monitored by the responsible unit and function managers and controllers.

Executive Management meets at least once a month for a review of the business situation. In addition, persons from the finance function maintain regular contact with the heads

of Group companies to discuss current issues, review performance and financial position, and verify that processes are being followed and developed. The Board monitors the activities through monthly reports in which the CEO comments on business performance, results and financial position. Measures and activities aimed at strengthening and optimizing internal controls are implemented on a regular basis.

Internal control is monitored continuously. This is done primarily in the form of deviation reporting against budget/forecast and the previous year's outcome.

The Board reviews each interim report and discusses the content with the CFO and, when appropriate, with the company's auditor. The company monitors the areas for improvement in internal control that are reported by the external auditor.

Furthermore, the CEO and the CFO hold regular meetings with the Board's Audit Committee to discuss financial matters on an ongoing basis. The finance staff employed in the subsidiaries have explicit responsibility for reporting deviations to the central finance and controller organization.

In accordance with the rules in the Swedish Corporate Governance Code, the Board has assessed the need for a special internal audit function. Against this background, the Board of Directors is of the opinion that there is no need in the company at present.

### Work performed during the year

The work to improve the company's internal control has continued through development of the integrated ERP system used by most of the company's subsidiaries, together with reporting tools to improve reporting quality and the analysis of the company's economic development.

#### Auditor's report on the corporate governance statement

*To the general meeting of the shareholders of Pricer AB (publ), corporate identity number 556427-7993*

#### Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2020 on pages 20–24 and that it has been prepared in accordance with the Annual Accounts Act.

#### The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

#### Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm March 25, 2021

Ernst & Young AB

*Rickard Andersson*

Authorized Public Accountant