

## Remuneration report 2020

This report describes how Qliro AB's guidelines on remuneration to the senior executives, adopted by the annual general meeting on 12 March 2020, were applied in 2020.

### Background

Pursuant to Chapter 8 section 51–53 §§ of the Swedish Companies Act (*Sw. Aktiebolagslagen*) (the “Companies Act”), the board of directors of Qliro (“Qliro” or the “Company”) shall establish guidelines for salary and other remuneration to the board members, the chief executive officer (“CEO”) and the deputy CEO (the “Guidelines”). Pursuant to the Swedish Corporate Governance Board's rules on remuneration of the board and executive management and on incentive programmes, shall also other senior executives be covered by the Guidelines. In Qliro, senior executives refer to as the group management. The Guidelines shall cover all remuneration, regardless of form, which is paid to such senior executives, except for board fees and other remuneration decided upon by the annual general meeting in accordance with Chapter 8 section 23 a of the Companies Act or such issues and transfers that are covered by Chapter 16 of the Companies Act.

Pursuant to Chapter 8 section 53 a of the Companies Act, the board of directors shall for each financial year execute a report on paid and outstanding remuneration covered by the Guidelines for the board members, CEO and deputy CEO (the “Remuneration Report”). Board fees that have been decided annually by the annual general meeting are not covered by this report. Instead, such board fees are reported in note 9 on page 65 in the annual report for 2020. Given that Qliro has no deputy CEO and that the board members do not receive any other remuneration other than the remuneration decided by the general meeting, this Remuneration Report over paid and outstanding remuneration to senior executives only covers Qliro's CEO.

Further information on remuneration to senior executives can be found in note 9 on pages 64–65 in the annual report for 2020. Information on the remuneration committee's work during 2020 can be found in the corporate governance report on pages 36 in the annual report for 2020.

### Qliro's development during the financial year 2020

The CEO summarizes the Company's overall performance and development in her statement on pages 6–7 in the annual report 2020.

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

A prerequisite for Qliro to be able to implement its business strategy and safeguard its long-term interests, including its sustainability, is that the Company are able to attract, motivate and retain senior executives in competition with comparable Nordic companies, primarily Nordic credit market companies and banks specializing in e-commerce payments, digital consumer financing, private loans, and savings accounts. To this end, the Company must offer competitive remuneration. The Guidelines enable the Company to offer senior executives a competitive total remuneration compared to equivalent companies while at the same time being consistent with and promote a sound and effective risk management as well as counteract excessive risk-taking. The fixed remuneration shall be well balanced. According to the Guidelines, remuneration to senior executives may consist of the following components: fixed salary, possible variable cash remuneration, pension, opportunity to participate in long-term share-related incentive programs and other customary benefits.

The variable cash remuneration for senior executives is linked to both financial and non-financial criteria and is based on how well the established targets for their respective areas of responsibilities and for Qliro has been fulfilled. The outcome shall according to the existing guidelines be linked to measurable targets, which can both be directly or indirectly related to the achievement of Qliro's financial targets. The targets within each area of responsibility of the senior executives aim to promote Qliro's development both in the

short- and long term and thus promote Qliro's business strategy and long-term interests, including the Company's sustainability.

During 2020, the Company has complied with the applicable remuneration guidelines adopted by the annual general meeting on 12 March 2020. The existing guidelines are found on pages 27–28 in the annual report 2020. No deviations from the Guidelines have been made and no deviations have been made from the decision-making process that according to the Guidelines shall be applied to determine the remuneration. The auditor's statement regarding the Company's compliance with the Guidelines is available at <https://www.qliro.com/sv-se/investor-relations/bolagsstyrning>. No remuneration has been reclaimed.

**Table 1 – Total remuneration to the CEO during 2020 (TSEK)**

	1. Fixed remuneration	2. Variable remuneration	3. Pension benefits	4.	5.
Name of senior executive (position)	Base salary*/Other benefits	One-year**	Pension costs	Total remuneration	Proportion of fixed and variable remuneration
Carolina Brandtman (CEO)	3,105/5	175***	799	4,084	3,909/175

\* Including holiday premium of a total of TSEK 10.

\*\* Including holiday compensation.

\*\*\* The decided upon variable remuneration for 2019 is TSEK 438, of which TSEK 175 was paid in 2020 and the remaining amount has been deferred.

### Remuneration from other companies in the Qliro group

During the previous financial year, the CEO has not received remuneration from any other company within the Qliro group.

### Share-based compensation

The Company has implemented a warrant program (2020/2023) for the executive management and key personnel in Qliro. In accordance with the resolution by the general meeting, a total of 23 employees subscribed for 834,920 warrants, which corresponds to 4.65% of the shares in the Company after dilution. Of these warrants, the CEO subscribed for 150,000, which corresponds to approximately 0.8% of the shares in the Company after dilution. The subscription price when subscribing for shares in Qliro using the warrants was set to SEK 43.27 and the value limit per warrant to SEK 80.13. Full terms and conditions for the warrant program can be found at <https://www.qliro.com/en/investor-relations/remuneration>.

**Table 2 – Warrant program (CEO)**

Name of senior executive (position)	Main terms and conditions for the warrant program					Information for the reported financial year		
	1.	2.	3.	4.	5.	6.	7.	8.
	Name of the program	Subscription of shares	Date of allocation	Exercise period	Exercise price (SEK)	Warrants at the beginning of the year	Allocated warrants	Warrants at the end of the year
Carolina Brandtman (CEO)	2020/2023	0	4 December 2020	16 October 2023 – 28 February 2024	43.27	0	150,000*	150,000

\* The aggregated market value of the underlying shares at the time of allotment was TSEK 4,763 calculated based on the closing price of Qliro's share on 3 December 2020. The aggregated redemption price is TSEK 6,491.

### Application of performance criteria

When determining the variable cash remuneration to the CEO, the board and the remuneration committee takes its outset from those targets and criteria established internally for 2020 as well as the overall criteria mentioned in the Guidelines. The financial criteria were partially met, while the non-financial criteria were fully met but no more detailed split has been made of the compensation

outcome. See the table below.

### Table 3 – CEO's performance during the reported financial year: variable cash remuneration

<u>Name of senior executive (position)</u>	<u>1. Description of criteria attributable to the compensation component</u>	<u>3. Compensation outcome*</u>
<u>Carolina Brandtman (CEO)</u>	<u>Financial criteria and non-financial criteria</u>	<u>TSEK 175</u>

\* Including holiday compensation.

### Comparative information on the change of remuneration and company performance

#### Table 4 – Change of remuneration and company performance over the last reported financial years (TSEK)

<u>Annual change</u>	<u>2020 vs. 2019</u>	<u>2020</u>
<u>Remuneration to Carolina Brandtman (CEO)</u>	263 (6,9%)	4,084
<u>Group operating profit</u>	-51,052 (-170%)	-81,079
<u>Average remuneration on a full time equivalent basis of employees* of the Company</u>	23 (4,0%)	601

\* Excluding members of the group executive management.