

Remuneration report 2022

This report describes how Qliro AB's guidelines on remuneration to the senior executives, adopted by the annual general meeting on 2021-05-19, were applied in 2022.

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, other senior executives shall also be covered by the Guidelines. In Qliro, senior executives are referred 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 63 in the annual report for 2022. Given that the board members do not receive any 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 and deputy CEO.

Further information on remuneration to senior executives can be found in note 9 on page 63 in the annual report for 2022. Information on the remuneration committee's work during 2022 can be found in the corporate governance report on pages 34 in the annual report for 2022.

Qliro's development during the financial year 2022

The CEO summarizes the Company's overall performance and development in her statement on pages 6 and 7 in the annual report 2022.

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 is 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 remain consistent with and promote a sound and effective risk management as well as counteract excessive risk-taking. Furthermore, 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 2022, the Company has complied with the applicable remuneration guidelines adopted by the annual general meeting on 2021-05-19. The existing guidelines are found on pages 27 and 28 in the annual report 2022. In 2022, a deviation from the Guidelines was made, when Qliro resolved on retention bonuses for certain key employees. The reasons for the deviation were: (i) to ensure that a new strategy could be implemented; (ii) to create stability during the implementation period, especially in light of Qliro having made a change of CEO and several other senior executives having quit; (iii) the implementation period continued throughout 2022; and (iv) that the employees covered were identified as key in achieving the purposes outlined above. 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 and deputy CEO during 2022 (SEK thousand)

	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
Christoffer Rutgersson (CEO) ***	758/0	0	541	1 300	758/541
Jonas Arlebäck (interim CEO) ****	4 237/0	0	0	4 237	4 237/0
Carolina Brandtman (CEO) *****	0	0	0	0	0/0
Martina Skande (deputy CEO)	1 365/1	60	266	1 691	1 631/60

* Including holiday premium.

** Including holiday compensation.

*** Assumed the position as CEO on 1 October 2022.

**** Interim CEO during the period 1 February – 30 September 2022. The amount constitutes the consulting fee paid.

***** CEO until 31 January 2022. The costs for salary, severance pay and pension were included as reserves for the financial year 2021 and amounted to SEK 3 531 thousand.

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 correspond to 4.65 % of the shares in the Company after dilution. The 150,000 and 70,070 warrants that former CEO Carolina Brandtman and former deputy CEO Martina Skande held at year-end have been repurchased by Qliro at market value. Full terms and conditions for the warrant program can be found at <https://www.qliro.com/en/investor-relations/remuneration>.

The Company has issued 748,874 warrants to CEO Christoffer Rutgersson. The warrants were issued at market value and each warrant entitles the holder to subscribe for one Qliro share for a subscription price of SEK 35 during the period 2025-08-01 – 2026-07-31. The issue corresponds to a dilution of 4.00 per cent and does not entail any costs for the company beyond costs for the production of issue documentation and registration of the issue.

Table 2 – Warrant program (CEO and deputy CEO)

Name of senior executive (position)	Main terms and conditions for the warrant program					Information for the reported financial year		
	1. Name of the program	2. Subscription of shares	3. Date of allocation	4. Exercise period	5. Exercise price (SEK)	6. Opening balance Warrants at the beginning of the year	7. During the year Allocated warrants	8. Closing balance Warrants at the end of the year
Christoffer Rutgersson (CEO)	Warrants 2022	0	2022-11-08	2025-08-01 - 2026-07-01	35.00	0	748.874	748.874
Carolina Brandtman (CEO)	2020/2023	0	2020-12-04	2023-10-16 – 2024-02-28	43.27	150,000	0	
Martina Skande (deputy CEO)	2020/2023	0	2020-12-04	2023-10-16 – 2024-02-28	43.27	70,070	0	

Application of performance criteria

When determining the variable cash remuneration to the CEO and the deputy CEO, the board and the remuneration committee takes its outset from those targets and criteria established internally 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 – The CEO's and deputy CEO's performance during the reported financial year: variable cash remuneration

Name of senior executive (position)	1. Description of criteria attributable to the compensation component	3. Compensation outcome*
Christoffer Rutgersson (CEO)	Financial criteria and non-financial criteria	SEK 0 thousand
Carolina Brandtman (CEO)	Financial criteria and non-financial criteria	SEK 0 thousand
Martina Skande (deputy CEO)	Financial criteria and non-financial criteria	SEK 0 thousand

* 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 (SEK thousand)

Annual change	2022	2022 vs. 2021	2021	2021 vs. 2020	2020	2020 vs. 2019
Remuneration to Christoffer Rutgersson (CEO)	1 300	Not applicable, Christoffer Rutgersson assumed the position as CEO on 1 October 2022				
Remuneration to Jonas Arlebäck (interim CEO) ***	4 237	Not applicable, Jonas Arlebäck was interim CEO during the period 1 February – 30 September 2022				
Remuneration to Carolina Brandtman (CEO)	0	-8,659** (-100 %)	8,659**	+4,575** (+112 %)	4,084	+263 (6,9 %)
Remuneration to Martina Skande (deputy CEO)	1 691	-973 (-36 %)	2,664	Not applicable, no deputy CEO existed during 2020 or 2019		
Group operating profit	-115,480	-67,206 (-139 %)	-48,274	+32,779 (+40 %)	-81,079	-51,052 (-170 %)
Average remuneration on a full time equivalent basis of employees* of the Company	543	+71 (+15 %)	472	-129 (-21 %)	601	+23 (+4,0 %)

* Excluding members of the group executive management.

** Of which 3,531 constitutes a reserve for salaries, severance pay and pension.

*** The amount constitutes the consulting fee paid.