

REPORT ON QLIRO'S REMUNERATION SYSTEM 2021

The following remuneration information is reported in accordance with article 450 of Regulation (EU) No 575/2013 (CRR), the regulations of the Swedish Financial Supervisory Authority on remuneration systems in credit institutions, securities companies and fund management companies licensed to conduct discretionary portfolio management (FFFS 2011:1), and the regulations and general guidelines of the Swedish Financial Supervisory Authority (FFFS 2014:12) regarding prudential requirements and capital buffers. The information is published on Qliro's website (www.qliro.com) and refers to figures as December 31, 2021 in thousands of Swedish kronor, unless otherwise indicated.

Qliro's internal guidelines on reporting and disclosure of information are included in the Economics Handbook, for which the Chief Financial Officer is responsible to implement and which is annually approved by the CEO. The guidelines contain among other things roles and delegated responsibilities as well as Qliro's framework for internal control over financial reporting.

GENERAL INFORMATION

Qliro AB ("Qliro") is a credit market company under the auspices of the Swedish Financial Supervisory Authority. The company operates in Sweden with cross-border operations in Norway, Finland and Denmark and its registered address and operating activities in Stockholm. Qliro's Board of Directors approved this document and its contents for publication at the ordinary Board meeting on April 7, 2022.

1. DECISION-MAKING PROCESS FOR REMUNERATION POLICY

The Board of Directors of Qliro has adopted a remuneration policy, which applies to all employees of Qliro. The remuneration policy is based on among other things FFFS 2011:1 and the EBA Guidelines on Sound Remuneration Policies (EBA/GL/2021/04 to the extent they are compatible with Swedish law). In line with FFFS 2011:1, the remuneration policy is formulated based on an analysis of risks related to the remuneration policy, remuneration system and risk profile. In its analysis, Qliro has made an assessment of the risks that the remuneration system could entail, taking into account authorizations, structure and the basis for determining remuneration. The analysis also identifies employees whose tasks have a significant impact on the risk profile. The analysis takes into account all risks that the company could be exposed to. The Board decides whether variable remuneration shall be paid out or, if that is the case, how much variable remuneration is paid out. According to the Board's proposal, the Annual General Meeting approves guidelines for salary and other remuneration to senior executives.

1.1 REMUNERATION COMMITTEE

The Board of Directors of Qliro has chosen to establish a Remuneration Committee to assist the Board in its work with remuneration. With the support of the control functions, the Remuneration Committee shall conduct an independent evaluation of the remuneration policy and its system to determine and pay remuneration and report the results to the Board. Moreover, the Remuneration Committee shall prepare issues (i) where the Board shall decide the remuneration to senior executives and employees who are responsible for any of the internal control functions,

and (ii) recommend the measures that will be applied to ensure compliance with the remuneration policy. At the end of 2021, Qliro's Remuneration Committee consisted of two members from the Board and in 2021 it met on 3 occasions.

2. STRATEGY, PRINCIPLES AND GOALS FOR REMUNERATION IN QLIRO AB

A well-functioning, market-based remuneration structure is an important component to achieve good results and sound risk taking. Remuneration within Qliro shall be designed so that it attracts employees with the talents needed to carry out operations and fall within the existing cost structure. The view of remuneration is that it shall, as far as possible, be individually designed and thereby encourage each employee to perform in line with targets, strategy, values and vision. A large part of Qliro's total expenses consists of salaries and other remuneration for employees. Consequently, it is vital to ensure that all remuneration is determined by clear principles and that Qliro regularly evaluates the risks that are associated with the remuneration system.

3. INTERNAL CONTROL

Internal Audit annually conducts an independent review of the application of the remuneration principles and remuneration system. Internal Audit reports its results to the Remuneration Committee and the Board of Directors in its entirety.

4. REMUNERATION SYSTEM

The basic remuneration model for employees consists of fixed remuneration. In certain cases, Qliro pays variable remuneration in accordance with guidelines determined by the Board of Directors. Salaries are based on the position's degree of difficulty and the individual's performance. Qliro therefore applies individual and differentiated salaries. The aim is to reward good performance, engagement and skills building in a way that benefits the company's overall results. This will also help the company to be competitive in the labor market and to recruit and retain talented employees.

- In addition to fixed and variable remuneration, Qliro pays a pension, benefits and, to a certain category of employees, availability pay. Gratuities are used on a small scale, and severance agreements may occur in a few cases but shall be proportionate to performance and risk taking. The company is restrictive with benefits beyond those offered to all employees.
- Guaranteed variable remuneration is used only when hiring new employees under special circumstances, e.g., in order to compensate the employee for the loss of variable remuneration when switching employers and is limited to the first year of employment.
- Fixed remuneration to the CEO, members of executive management and those responsible for control functions is determined by the Board of Directors. For other employees, the grandfather principle is applied, which means that the remuneration decision is made by the employee's manager and immediate supervisor. Fixed remuneration is reviewed annually in the salary audit and each year audits are conducted for employees.
- In cases where variable remuneration is paid, it shall be tied to role-specific targets, unit targets and company-wide targets, to incentivize risk taking and professionalism that benefits Qliro and not only the individual or department. The maximum amount that can be allotted to an employee (if the employee is identified as an employee whose professional activities have a significant impact on the company's risk profile)

corresponds to one fixed annual salary including benefits (such as a pension).

- Qliro does not apply deferred variable remuneration (in accordance with the exemption in FFFS 2011:1, chap. 1, section 2a).
- Commission-based salary, which is based on quantitative targets, may be paid to certain groups of employees. Commission-based salary which is not tied to future risk taking that could change the company's income statement or balance sheet is not counted as variable remuneration.
- Key employees can be offered to participate in Qliro's long-term incentive programs or share price-related incentive programs ("LTIP's"), provided that the Annual General Meeting of shareholders decides to implement such a program. LTIP's can be based on warrants or other financial instruments considered suitable for the purpose. These LTIP's shall be designed so that they ensure a commitment by participants tied to Qliro's appreciation in value and thereby align the interests of key employees and shareholders. The LTIP's shall generally extend for at least three years. As a rule, the participants themselves shall make a personal investment in the LTIP, e.g., in warrants. These investments shall generally be made at market value. Provided that the investments are made at market value and the participants themselves take a personal financial risk, and that a potential increase in the value of the LTIP is taxed as capital and not salary, the LTIP shall not be considered to fall within the framework of variable remuneration.

Variable remuneration is unilaterally determined remuneration which, after a proposal by the CEO, is decided by the Board of Directors. In its decision, the Board has taken into consideration the company's situation and thereby ensured that the total variable remuneration amount does not limit Qliro's ability to maintain sufficient funds. In cases where the financial situation is constrained, a decision can be made by the Board not to pay variable remuneration.

If the company pays a large share of fixed remuneration, it becomes more difficult to quickly adjust payroll expenses when needed, which is negative compared to a large share of variable remuneration. The remuneration system is positive from a risk perspective, however, since the compensation is not directly tied to sales volume or lending volumes and thus does not incentivize high risk taking. The procedure described above reduces the risk of erroneous remuneration levels and that bonus payments could jeopardize the company's own funds.

The criteria for variable remuneration for employees in control functions is designed to protect the privacy and independence of these employees. Variable remuneration for employees in control functions is therefore based on targets that are tied to those control functions independent of the performance of the business units they control. At present, no employees in control functions receive variable remuneration.

5. EMPLOYEES WHOSE PROFESSIONAL ACTIVITIES HAVE A SIGNIFICANT IMPACT ON THE COMPANY'S RISK PROFILE

Based on the criteria in FFFS 2011:1, Qliro in 2021 identified 27 employees as well as 6 Board members whose professional activities have a significant impact on the company's risk profile, of whom 7 have been eligible for variable remuneration.

6. REMUNERATION IN 2021

Following are the actual remuneration outcomes for 2021 for identified staff (employees whose professional activities have a significant impact on the company's risk profile).

Template EU REM1 – Remuneration during the financial year (SEK thousand)

Template EU REM1 - Remuneration awarded for the financial year

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1		Number of identified staff	6	1	10	16
2		Total fixed remuneration	2 557	4 535	18 738	14 993
3		Of which: cash-based	2 557	4 535	18 738	14 993
EU-4a	Fixed remuneration	Of which: shares or equivalent ownership interests	0	0	0	0
5		Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
EU-5a		Of which: other instruments	0	0	0	0
7		Of which: other forms	0	0	0	0
9		Number of identified staff	6	1	10	16
10		Total variable remuneration	0	1 381	1 113	334
11		Of which: cash-based	0	0	0	0
12		Of which: deferred	0	0	0	0
EU-13a	Variable remuneration	Of which: shares or equivalent ownership interests	0	0	0	0
EU-14a		Of which: deferred	0	0	0	0
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
EU-14b		Of which: deferred	0	0	0	0
EU-14x		Of which: other instruments	0	0	0	0
EU-14y		Of which: other forms	0	0	0	0
15		Of which: other forms	0	0	0	0
16		Of which: deferred	0	0	0	0
17		Total remuneration (2 + 10)	2 557	5 917	19 851	15 327

Template EU REM2 – Special payments to staff whose professional activities have a significant impact on the company’s risk profile (identified personnel) (SEK thousand)

Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions’ risk profile (identified staff)

		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff				
2	Guaranteed variable remuneration awards - Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff		1	0	1
7	Severance payments awarded during the financial year - Total amount		1 680	0	372
8	Of which paid during the financial year		0	0	0
9	Of which deferred		1 680	0	372
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap		0	0	0
11	Of which highest payment that has been awarded to a single person		1 680	0	372

Template EU REM3 – Deferred remuneration (SEK thousand)

Template EU REM3 - Deferred remuneration

	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	MB Management function							592,8	
8	Cash-based							592,8	
9	Shares or equivalent ownership interests								
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments								
12	Other forms								
13	Other senior management								
14	Cash-based								
15	Shares or equivalent ownership interests								
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments								
18	Other forms								
19	Other identified staff								
20	Cash-based								
21	Shares or equivalent ownership interests								
22	Share-linked instruments or equivalent non-cash instruments								
23	Other instruments								
24	Other forms								
25	Total amount							592,8	

Template EU REM4 – Remuneration of 1 million euro or more per year

Qliro had no remuneration of 1 million euro or more in 2021.

7. THE BOARD'S ASSURANCE

The Board of Directors and the CEO certify that Qliro AB has fulfilled the disclosure requirements in the European Parliament's and the Council's Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, part eight, in accordance with the company's formal guidelines and internal processes, systems and controls.

Stockholm, April 7, 2022

Lennart Jacobsen
Chairman of the Board

Alexander Antas
Board member

Robert Burén
Board member

Monica Caneman
Board member

Lennart Francke
Board member

Helena Nelson
Board member

Jonas Arlebäck
Acting CEO