



Remuneration report 2022



Remuneration report

Introduction

This report provides a description of how the Group's guidelines for senior executives, adopted by the 2022 Annual General Meeting, have been implemented during the year. Detailed information is also presented about the remuneration of the Group's CEO Mats Brandt, and the Group's former CEO¹ Maria Hedengren (whose employment ended on 31 January 2022), as well as former Board member Alexandra Whelan² as she receives share-based remuneration. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Further information about the remuneration of senior executives can be found in Note 7 (Employee remuneration, etc.) on pages 87–90 of the 2022 Annual Report. Information on the work of the Remuneration Committee in 2022 is set out in the corporate governance report on page 57 of the 2022 Annual Report.

The Board's remuneration is not covered by this report beyond what is referred to above. Such remuneration is decided on yearly by the Annual General Meeting and is described in Note 7 (Employee remuneration, etc.) on page 88 of the 2022 Annual Report.

Developments during the year

The CEO summarises the Company's overall performance in his message on page 10 of the 2022 Annual Report.

Group remuneration guidelines: scope, purpose and deviations

In order for Readly to successfully be able to execute the Group's business strategy and meet its long-term interests, including sustainability, conditions are required to retain and recruit competent and engaged senior executives. The remuneration guidelines, which were adopted by the AGM on 10 May 2022,

aim to stimulate greater interest in the business and earnings performance in its entirety, and to elevate motivation among the senior executives and increase cohesion within the Group. Moreover, the guidelines aim to achieve a greater alignment of interests between senior executives and the shareholders of the parent company. Further, the guidelines shall contribute to good ethics and company culture.

Achieving the Group's business strategy requires that the combined, annual remuneration is in line with the going rate in the market and competitive in the job market in which the executive is located and takes into account the individual's qualifications and experience, and that outstanding performance is reflected in the individual's total remuneration.

According to the guidelines, remuneration of senior executives shall consist of the following components: Fixed base salary, possibly variable cash remuneration, other customary benefits and pension. The combined yearly cash remuneration, including pension benefits, shall be in line with the going rate in the market and competitive in the job market in which the executive is located, and take into account the individual's responsibility, competence, qualifications and experience, and shall reflect outstanding performance. Both fixed and variable remuneration shall be related to the executive's responsibility and authority. Fixed remuneration shall be revised yearly.

Variable remuneration shall be based on the outcome in relation to concrete, set targets with a starting point in the Group's business strategy and the long-term business plan that has been approved by the Board of Directors. Targets may include share price related or financial targets – at the Group or unit levels – operational targets, and targets for sustainability and social responsibility, employee engagement or customer satisfaction. The Company has set financial targets and KPIs based on strategic and business-critical initiatives and projects that ensure performance in accordance with the business plan

1) Maria Hedengren, CEO and President, resigned on 31 January 2022, and was replaced by CEO Mats Brandt.

2) Alexandra Whelan resigned from the Board at the 2022 AGM, and therefore sat on the Board until 10 May 2022.

and business strategy for sustainable, continued operation. Variable remuneration shall also be designed with a view to achieving a greater alignment of interests between the senior executive and the shareholders of the parent company, contributing to the Group's long-term interests. No deviations or exceptions from the guidelines were decided on during 2022. Nor was any remuneration repaid during the year. The auditor's statement on the Company's compliance with the guidelines is available on <https://corporate.readly.com>.

The employee options programme is designed to provide long-term incentives to key personnel in the Group (including Company management) to deliver long-term shareholder value. Through the plan, the participants are granted options with partial vesting over time. Granted not yet vested options may only be vested if the participants remain employed during the entire term. The options are granted free of charge and do not carry entitlement to dividends or voting rights. Any options issued before September 2020 carry entitlement to subscribe for five shares per option, which is due to the 1:5 share split

carried out just before the IPO. The fair value on the grant date is calculated using the Black Scholes pricing model.

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been chosen to realise the Company's strategy and to encourage ownership that is in the Company's long-term interest. In setting the performance criteria, the strategic objectives as well as short- and long-term business priorities for 2022 were taken into account. Further, the nonfinancial performance criteria contribute to an adaptation to sustainability and the Company's values. For the financial year 2022, the CEO's performance criteria were divided between revenue (25 per cent), the LTV/CAC ratio (25 per cent fully-paid subscriptions (FPSs)) and adjusted EBITDA (25 per cent). For the financial year 2022, the expensed variable remuneration for the CEO amounted to SEK 0.8 million, for which a provision has been made.

Remuneration in 2022

SEK thousand	Fixed remuneration	Other benefits	Variable remuneration (0-1 year)	Variable remuneration (more than 1 year)	Pension cost ¹	Total remuneration	Proportion of fixed/variable remuneration, %
Mats Brandt ² (CEO and President)	4,099	–	834	–	352	5,285	84.2 (fixed)/15.8 (variable)
Maria Hedengren ³ (CEO and President)	2,244	72	–	–	590	2,906	100 (fixed)
Alexandra Whelan ⁴ (director)	115	–	–	–	–	115	100 (fixed)

1) Vested pension for the CEO is considered in its entirety to consist of fixed remuneration.

2) Variable remuneration for CEO Mats Brandt consists of an expensed bonus for the financial year 2022, for which a provision has been made.

3) Other benefits consist in their entirety of rent for a parking spot.

4) Fixed remuneration for former director Alexandra Whelan consists of an ordinary director's fee of SEK 104 thousand, plus a committee fee of SEK 11 thousand for the period until the 2022 AGM, on 10 May 2022. All directors' fees were approved by the Annual General Meeting on 11 May 2021.

Share-related remuneration

SEK thousand	Grant date	Vesting period	Final exercise date	Exercise period	Exercise price	Options granted at start of year	Options vested at start of year	Granted options	Vested options	Options granted but not vested
Mats Brandt ² (CEO and President)	13/06/2022	13/06/2022– 30/06/2025	15/12/2025	01/07/2025– 15/12/2025	14.95	150,000	–	–	25,000	125,000
Maria Hedengren (CEO and President)	07/06/2021	07/06/2021– 30/06/2024	15/12/2024	01/07/2024– 15/12/2024	53.49	55,000	9,167	–	18,333	27,500
Alexandra Whelan ^{1,3} (director)	02/05/2019	31/12/2019– 31/12/2020	30/04/2023	30/04/2022– 30/04/2023	32.80	–	45,000	–	–	–

1) After the 1:5 share split completed during 2020, all granted options carry entitlement to subscribe for five shares per option.

2) Options granted to the CEO pertain to vested options during the period.

3) Options granted to the Board member are included in the employee options programme as below.

Yearly change

SEK thousand	FY-4 vs FY-5	FY-3 vs FY-4	FY-2 vs FY-3 ¹	FY-1 vs FY-2	FY-0 vs FY-1	FY 2022
CEO	72	2,790	-1,078	-159	2,379	5,285
Change (%)	3.9 ³	145.3 ²	-22.9	-4.4	81.9 ⁵	
Board member Alexandra Whelan	–	2,149 ⁴	-1,374	-500	-160	115
Change (%)	–	–	-63.9	-64.5	-58.3	
Group's EBITDA	-37,249	-33,866	-45,251	-17,504	109,028	-88,345
Change (%)	58.7	33.6	33.6	9.7	-55.2	
Average remuneration on a full-year basis for employees	-11	21	70	-18	-15	768
Change (%)	-1.6	3.0	9.7	-2.3	-2.0	

1) Readly was listed on Nasdaq Stockholm on 17 September 2020, and thus comparison with the preceding year, during which the Company was not listed, is somewhat misleading.

2) The increase in the remuneration for the CEO in 2019 is mainly due to the severance pay for the previous CEO. Maria Hedengren succeeded Jörgen Gullbrandsson as CEO in April 2019.

3) Jörgen Gullbrandsson succeeded Per Hellberg as CEO in March 2018.

4) Remuneration paid to Board member Alexandra Whelan in 2019 also pertains to invoiced fees for her industry expertise in her capacity as consultant.

5) The increase in the remuneration for the CEO in 2022 is due to the severance pay paid to former CEO Maria Hedengren, and the consultancy fees paid to current CEO Mats Brandt before he became the permanent CEO on 20 May 2022.