



Remuneration Report 2022 Intrum AB (publ)

Introduction

This report describes how Intrum's guidelines for executive remuneration, approved by the annual general meeting 2022, have been applied during 2022. The report contains information about remuneration to the President & CEO during 2022 and a summary of Intrum's current long-term share-based incentive programs for the President & CEO and other employees.

This report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Board of Corporate Governance.

Further information about remuneration to executives is available in note 30 of Intrum's annual report 2022. Information about the remuneration committee and its work during 2022 can be found in the corporate governance report.

Remuneration to the Board of Directors is not covered by this report. Such remuneration is approved annually by the annual general meeting and paid remuneration can be found in note 30 of Intrum's annual report 2022.

Key Developments 2022

The CEO summarizes the company's overall performance in his statement on page 10-11 in the annual report 2022.

Guidelines for executive remuneration

In short, Intrum's business strategy is to continue to grow, both in existing and new markets, and to continue to build its position as the undisputed market leader within the credit management industry. For more information regarding the company's business strategy, visions and goals, please see www.intrum.com.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified employees. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer members of the GMT a competitive total remuneration.

Remuneration in the company should reflect job complexity, responsibility and performance, and it should be competitive in comparison with comparable companies within similar industries in the relevant geographies.

The complete guidelines for executive remuneration are available in note 30 of the annual report 2022. The auditor's report regarding the company's compliance with the guidelines is available on the company's website.

In addition to these guidelines, Intrum has implemented long-term share-related incentive programs ("LTIPs") in accordance with the decision of the annual general meeting. The

incentive plans are distinctly linked to the business strategy and thereby sustainability and to the company's long-term value creation through the defined performance measures.

President & CEO total remuneration (kSEK)

During 2022 Intrum had two CEO's:

Anders Engdahl (01.01.2022. – 21.08.2022)

Andres Rubio (21.08.2022. – 31.12.2022)

Table 1. Total remuneration to the President & CEO during 2022

Name	Fixed remuneration		Variable remuneration		One-time payments	Pension cost	Total remuneration	Proportion fixed/ variable
	Base salary	Benefits	STIP	LTIP				
Anders Engdahl	5 295	257	6 234*	0**	0	1 588	13 374	46/54
Andres Rubio	3 388	54	2 254	n.a.	5 899***	0	11 595	60/40

Note

* Actual payout in 2023, not the accrued amount as of 31 Dec 2022.

**Value determined by multiplying vested shares with the closing share price as of 31 Dec 2022.

***Interim CEO bonus, which was paid out after Interim CEO was appointed as permanent CEO, refers to the actual payout in 2023, not the accrued amount as of 31 Dec 2022.

Base salary includes holiday pay. Benefits include car and housing benefit, health and life insurance. Variable cash remuneration refers to earned remuneration attributable to the financial year and performance 2022 (to be paid out March 2023). Share-based remuneration refers to accounted cost according to IFRS2 for all ongoing programs. Any paid share-based remuneration is presented in the table 2 below. Variable cash remuneration and share-based remuneration (variable remuneration) amounted to 118% of base salary for the former President and CEO and 67% for the acting President and CEO.

Variable cash remuneration

Performance conditions that have been used for the President & CEO are selected based on the company's business strategy. The Board has deemed that the chosen performance conditions are suitable measurements of the company's performance, represent a fair indicator of the long- and short-term success of the company and are in the best interest of the company. The outcome for the annual variable cash remuneration can be maximum 100% of base salary for the President & CEO. For 2022, outcome amounts to kSEK 6 234 and equals 78.5% of maximum outcome for the former President & CEO (according to his separation terms, the former President & CEO was eligible to participate for the entire 2022). For the acting President & CEO, the outcome amounted to kSEK 2 254.

Table 2. Performance of the former President & CEO (Anders Engdahl); annual variable cash remuneration

Name	Description performance condition	Target weight	Measured outcome	Paid out remuneration
Anders Engdahl, President & CEO*	Group Cash EBIT	70%	100.9%	5 608 kSEK
	Scale milestones	20%	0%	0 kSEK
	Sales target (ACV)	10%	78.7%	625 kSEK

Note.

* Variable cash remuneration for the former President & CEO has been calculated for the period 1 Jan 2022 – 31 Dec 2022.

Table 3. Performance of the interim President & CEO (Andrés Rubio); annual variable cash remuneration

Name	Description performance condition	Target weight	Measured outcome	Paid out remuneration
Andrés Rubio, President & CEO *	Group Cash EBIT	70%	100.9%	2 028 kSEK
	Scale milestones	20%	0%	0 kSEK
	Sales target (ACV)	10%	78.7%	226 kSEK

Note.

* Variable cash remuneration for the acting President & CEO has been calculated for the period 21 August 2022 – 31 December 2022

Share-based remuneration

Outstanding share and share-price related incentive programs

Intrum has implemented long-term share-related incentive programs for 2020, 2021 and 2022. The duration of each of the incentive programmes is three years. The purpose of the programs is to align the interests and perspectives of the senior executives with those of the shareholders and create a close commitment to Intrum.

LTIP 2020

The program was offered to 68 participants, including group management and other key employees. The terms and conditions are the same for all plan participants, with the difference that group management receive shares while key employees receive cash. The shares have been awarded to group management without cost for the participant and are transferred to participants after a three year performance period, subject to reaching the predefined EPS targets. Intrum group earnings per share (EPS), has been used as the performance condition as the Board believe this to be a good indicator of the company's long-term success.

Other key employees were at time of grant offered to choose between receiving a cash award indexed by Intrum's total shareholder return (TSR) during the three-year performance period, or a cash award that is not indexed, in addition to the EPS targets mentioned above.

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LTIP 2021

The program was offered to 75 key employees, which are awarded an equal number of Performance Shares and Restricted Share Units, based on a pre-determined maximum value for each participant. The value ranges from 20% to 200% of base salary at the start of the program (200% for the CEO). Allocation of Performance Shares and Restricted Share Units is dependent on continued employment until 1 January 2024.

Outcome for the Performance Shares is dependent on Total Shareholder Return (TSR) during the performance period. TSR has been used as the performance condition as the Board believes this to be a good indicator of the company's long-term success.

LTIP 2022

The program was offered to 76 key employees, which are awarded an equal number of Performance Shares Series 1 and Performance Shares Series 2. Outcome of Performance Shares Series 1 is dependent on the TSR performance over time. Outcome of Performance Shares Series 2 is dependent on the Cash EPS target performance over time. The value ranges from 20% to 200% of base salary at the start of the program (200% for the CEO). Allocation of the incentive is dependent on continued employment until 1 January 2025.

More information on the company's outstanding long-term incentive programs is found in note 36 in the annual report, or on the company website.

Table 4. Long-term share-related remuneration President & CEO

Main conditions of the plan						Opening balance	During 2022		Closing balance
Name	Plan	Performance period	Grant date	Vesting date	End of retention period	Shares at beginning of year	Shares awarded	Shares vested	Outstanding shares
Anders Engdahl, CEO	LTIP 2018	2018-2020	March 2018	13 Dec 2020	1 Jan 2021	36 002	0	36 002	0
	LTIP 2019	2019-2021	April 2019	1 Jan 2022	1 Jan 2022	36 561	0	36 561	0
	LTIP 2020	2020-2022	Nov 2020	1 Jan 2023	1 Jan 2023	65 774	0	0*	0*
	LTIP 2021	2021-2023	April 2021	1 Jan 2024	1 Jan 2024	73 172	0	0	63 286**
	LTIP 2022	2022-2024	May 2022	1 Jan 2025	1 Jan 2025	66 218	0	0	32 396**

Note.

*The EPS target of SEK 30 has not been reached so there is no pay-out in LTIP 2020.

**All ongoing LTIP plan calculation are pro-rated to 21 August 2023 for the former CEO.

***Acting President & CEO is not eligible for LTIP plans up to 2022.

Comparative information on the change of remuneration and company performance

Table 5. President & CEO remuneration and financial performance

	2020 vs 2021	2021 vs 2022	2022
President & CEO total remuneration	-4%	6%*	24 969 kSEK
EBIT excluding items affecting comparability	22%	-5%	6 664 MSEK
Average total remuneration for employees of the parent company excluding Group Management Team members.	9%	1%**	1 536 kSEK

Note

* President & CEO Andrés Rubio was appointed on 21 August 2022. The total compensation of both the former and the acting President & CEO is used for comparison purposes.

**Remuneration is the average of 89 employees (71 FTE) compared to 65 (55 FTE) in 2021.

Reclaimed remuneration

No paid remuneration has been reclaimed.

Implementation of the guidelines

No deviations from the guidelines were made during the year. The Board and the Remuneration Committee have handled the remuneration in accordance with the process and the principles set out in the guidelines.