

# Remuneration Report 2023 – Avanza Bank Holding AB (publ)

Remuneration report for Avanza Bank Holding AB (publ), corporate identity number 556274-8458, (Avanza) according to Chapter 8, Section 53 a of the Swedish Companies Act (2005:551).

## 1. Introduction

This remuneration report provides an overview of how the guidelines for remuneration to senior executives of Avanza (Remuneration Guidelines), adopted by the annual general meeting 2023, to be valid until further notice, have been applied during 2023. For the period before the 2023 annual general meeting, the Remuneration Guidelines as adopted by the annual general meeting in 2020 were in force. The version adopted in 2023 included clarifications on the company's strategy and on salary during notice period as well as severance pay for senior executives other than the Chief Executive Officer (CEO). The remuneration report also contains detailed information about remuneration to Avanza's CEO, deputy CEO and the board of directors (in addition to the ordinary board remuneration as resolved by the annual general meeting). In addition, the report also contains a compilation of Avanza's outstanding share-based incentive programs. The report has been prepared in accordance with Chapter 8, Section 53 a of the Swedish Companies Act (2005:551), the Swedish Code of Corporate Governance and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Information according to Chapter 5, Sections 40–44 of the Annual Reports Act (1995:1554) are available in Note 8 on pages 95–96 in Avanza's Annual Report for 2023 (Annual Report 2023).

The board of directors has appointed a remuneration committee consisting of Catharina Eklöf, Sven Hagströmer, John Hedberg and Johan Roos. The members of the remuneration committee are independent in relation to Avanza and the company's management. Information regarding the remuneration committee's work in 2023 can be found in the corporate governance report, which can be found on pages 60–67 in the Annual Report for 2023.

Ordinary remuneration to the board of directors of Avanza is not covered by this report. Remuneration to the board of directors is resolved annually by the annual general meeting of Avanza and is reported in Note 8 on pages 95–96 in the Annual Report 2023. The board of directors receives no remuneration in addition to remuneration resolved by the annual general meeting, except for travel expenses in connection with board meetings. Three members of the board of directors also have assignments as members of the board in subsidiaries of Avanza. For these assignments, board remuneration are paid by the subsidiaries and resolved upon annually by the annual general meeting of each subsidiary. Board remuneration from the subsidiaries are included in the above-mentioned note in the Annual Report 2023.

The remuneration reported for the CEO and the deputy CEO in this report refers to total remuneration from all companies in the Avanza Group. The persons who held the position of CEO and Deputy CEO during 2023 were or are employees of both the parent company Avanza Bank Holding AB and the wholly owned subsidiary Avanza Bank AB. As the majority of the Avanza Group's employees are employees of the wholly owned subsidiaries Avanza Bank AB, Försäkringsaktiebolaget Avanza Pension and Avanza Fonder AB, comparisons with other employees are reported at group level in this report.

## 2. Significant events in 2023

### Avanza's development in 2023

Avanza's CEO summarizes the company's development in his statement on pages 6–8 in the Annual Report 2023.

## Overview of the application of the guidelines for remuneration to senior executives in 2023

A successful implementation of Avanza's business strategy and the safeguarding of its long-term interests, including its sustainability, require that Avanza can recruit and retain qualified employees. In order to do this, Avanza needs to be able to offer market-based remuneration. The Remuneration Guidelines enable senior executives to be offered market-based remuneration.

According to the Remuneration Guidelines, the remuneration to the company's management must be market-based and may consist of a fixed cash salary, pension benefits and other benefits. In addition, the annual general meeting may - and regardless of the Remuneration Guidelines - resolve on, for example, share and share price-related remuneration or incentive programs based on warrants, as well as remuneration to the board of directors. The Remuneration Guidelines adopted by the annual general meeting 2023 to be valid until further notice can be found on page 80 in the Annual Report 2023. The auditor's report on whether the Remuneration Guidelines applicable at any time during the financial year 2023 have been complied with is available on Avanza's website [www.avanza.se/ir](http://www.avanza.se/ir).

The remuneration committee has evaluated the performance of the CEO and deputy CEO in 2023 and prepared the board of director's resolution on remuneration for these persons as well as for other persons in the company's management. Furthermore, the remuneration committee has reviewed the Remuneration Guidelines. The remuneration committee has also reviewed Avanza's remuneration structures and remuneration levels, including the company's incentive programs. A long-term ownership interest in Avanza is encouraged through the possibility for the company's management to purchase warrants in the incentive programs that are directed to all employees.

In 2023, Avanza did not make any deviations from the decision-making process that, according to the Remuneration Guidelines applicable at any time during the financial year 2023, must be applied to determine the remuneration. Neither has Avanza deviated from the Remuneration Guidelines for special reasons.

### Table 1 – Total remuneration to the CEO and the deputy CEO

Table 1 below sets out the total remuneration to Avanza's CEO and deputy CEO in 2023 (SEK thousand).

The following persons have held the role as CEO of Avanza during 2023:

- Rikard Josefson (1 January – 5 November)
- Knut Frängsmyr (6 November – 13 November)
- Gunnar Olsson (13 November – 31 December)

Gunnar Olsson held the role as deputy CEO of Avanza during the period 1 January – 13 November 2023. Thereafter, Gunnar Olsson was appointed acting CEO. No new deputy CEO was appointed.

Name of director (position)	1 Fixed remuneration <sup>1</sup>		2 Variable remuneration <sup>3</sup>	3 Extraordinary remuneration	4 Pension benefits	5 Total remuneration	6 Portion of fixed and variable remuneration <sup>4</sup>
	Base salary	Other remuneration <sup>2</sup>					
Rikard Josefson <sup>5</sup>	6,803	774	0	0	3,015	10,593	100/0
Gunnar Olsson <sup>6</sup>	3,583	286	0	0	852	4,721	100/0
Knut Frängsmyr <sup>7</sup>	187	0	0	2,863 <sup>8</sup>	304	3,354	100/0

<sup>1</sup> Avanza's CEO and previous deputy CEO is employed 50% in Avanza Bank Holding AB and 50% in the wholly owned subsidiary Avanza Bank AB, and thus receive 50% of his total salary from each company. The same applied to persons who previously held the role of CEO in 2023.

<sup>2</sup> Refers to warrants financing (SEK 762,000 for the CEO and SEK 276,000 for the deputy CEO) and health insurance (SEK 12,000 for the CEO respectively SEK 9,000 for the deputy CEO). The warrants financing is an annual one-time payment of 10% of the

executive's base salary, only intended for financing the acquisition of warrants in Avanza's incentive program. The warrants financing is conditional on the amount being invested in Avanza's incentive program and may be subject to repayment if the repurchase of warrants is effected in accordance with the pre-emption agreement for the warrants.

<sup>3</sup> Avanza does not apply variable remuneration for the CEO, deputy CEO, or other senior executives. As variable remuneration does not exist, it has not been relevant to use any opportunity to reclaim variable remuneration in accordance with agreements.

<sup>4</sup> Pension benefits in column 4 are based on the base salary and are premium based, and have therefore been regarded as fixed remuneration in column 6. The pension benefit includes payroll tax.

<sup>5</sup> The remuneration to Rikard Josefson refers to the total remuneration for the period 1 January – 5 November.

<sup>6</sup> The remuneration to Gunnar Olsson refers to total remuneration for the period as deputy CEO 1 January – 13 November and as acting CEO 13 November – 31 December.

<sup>7</sup> The remuneration to Knut Frängsmyr refers to total remuneration for the period as CEO 6 November – 13 November as well as remuneration for a subsequent period with restrictions on competition and transitional tasks. Knut Frängsmyr's employment as CEO ended on November 13 with no remuneration other than salary including pension and vacation pay for the period of employment. No severance pay or other compensation without counter-performance was paid. The agreed restrictions on competition include that Knut Frängsmyr, for a period of three months after the termination of his employment, was prohibited from accepting employment or performing assignments for anyone other than Avanza or otherwise directly or indirectly conducting or engaging in activities that compete with the operations of Avanza. During this time, Knut Frängsmyr shall also be available for the board of directors and the company to share the insights and lessons learned during the months that have elapsed since Knut Frängsmyr was appointed CEO in September 2023 and thus began the preparations for his assignment. Furthermore, the competition restriction means that Knut Frängsmyr may not have any involvement whatsoever (including any employment or assignment) with certain specified companies until 12 months after the termination of his employment. For these competition restrictions and tasks, Knut Frängsmyr is compensated with a total of three months' salary including vacation pay and pension with a deduction for the remuneration he received during the time as actual CEO. Expressed in another way: For three months of quarantine and hand-over and another nine months of competition restrictions, Knut Frängsmyr is compensated with just under three months' salary. Pension benefit refers to a full month.

<sup>8</sup> Refers to salary, pension (payroll tax), vacation pay related to termination of employment.

### 3. Share-based remuneration

#### Outstanding share and share-related incentive programs

Avanza currently has three outstanding incentive programs where exercise of warrants can take place in the autumn of 2024, 2025 and 2026. The incentive programs are based on warrants issued to the wholly owned subsidiary Avanza Förvaltning AB for onward transfer to employees in the Avanza Group. Senior executives in Avanza, including the CEO and deputy CEO, have had the opportunity to acquire warrants in these incentive programs on market terms, like all other employees in the group. The incentive programs have been resolved by the annual general meeting of the company.

The warrants in the respective incentive programs have been acquired on market terms with the application of established calculation models (Black & Scholes). Each warrant gives a right to subscribe for one new share in Avanza at a subscription price corresponding to an amount of 120 percent of the weighted average price of the completed trades in Avanza's shares on 26 August 2021 (Incentive program Warrants 2021/2024), on 25 August 2022 (Incentive program Warrants 2022/2025) and on 24 August 2023 (Incentive program TO 2023/2026). Subscription of shares by exercise of the warrants can take place on predetermined dates that occur approximately three years after the acquisition of the warrants.

Avanza's group management, which includes the CEO and deputy CEO, receives, unlike other employees in the Avanza Group, warrants financing for the acquisition of warrants (see Table 1 above for more information on warrants financing). Since participation in the programs takes place on market terms and requires the investors' own investment, the incentive programs are not associated with any performance criteria.

One incentive program (Incentive program Warrants 2020/2023) has expired in 2023. The warrants were acquired on market terms with the application of established calculation models (Black & Scholes). After recalculation in accordance with the terms of the incentive program, each warrant carried a right to subscribe for one new share in Avanza at a subscription price of SEK 185.30. Subscription of shares by exercise of the warrants could take place on 31 August 2023, on 26 October 2023 or on 23 November 2023. A total of 617,922 shares were subscribed, resulting in a dilution of 0.39%.

**Table 2A – Incentive programs based on warrants, CEO**

Name of director, position	Principal terms and conditions of the warrant program				Information about the reported financial year			
					Balance B/F	During the year		Balance C/F
	1 Incentive program	2 Premium paid & allotment date <sup>1</sup>	3 Subscription period / subscription dates	4 Subscription price & subscription dates for shares <sup>2</sup>	5 Warrants at the beginning of the year	6 Warrants allotted	7 Warrants exercised	8 Warrants allotted & outstanding
Rikard Josefson, CEO <sup>4</sup>	Warrants 2020/2023	SEK 9.86 2020-08-27	2023-08-31 2023-10-26 2023-11-23	SEK 185.30 <sup>3</sup>	35,490 <sup>3</sup>	0	35,490 <sup>3</sup>	0
	Warrants 2021/2024	SEK 17.54 2021-08-26	2024-08-29 2024-10-31 2024-11-28	SEK 380.47 Subscription not yet possible	19,950	0	0	19,950
	Warrants 2022/2025	SEK 9.72 2022-08-26	2025-08-28 2025-10-30 2025-11-27	SEK 209.03 Subscription not yet possible	34,110	0	0	34,110
	Warrants 2023/2026	SEK 13.78 2023-08-24	2026-08-27 2026-10-29 2026-11-26	SEK 258.95 Subscription not yet possible	0	23,947	0	23,947
				<b>89,550</b>	<b>23,947</b>	<b>35,490</b>	<b>78,007</b>	

<sup>1</sup> Premium rounded to two decimal places.

<sup>2</sup> The subscription price may be subject to recalculation in accordance with the terms and conditions of the incentive programs.

<sup>3</sup> Recalculated because of cash dividends in accordance with the terms and conditions of the incentive program.

<sup>4</sup> Rikard Josefson was CEO during the period 1 January – 5 November 2023.

**Table 2B – Incentive programs based on warrants, acting CEO**

Name of director, position	Principal terms and conditions of the warrant program				Information about the reported financial year			
					Balance B/F	During the year		Balance C/F
	1 Incentive program	2 Premium paid & allotment date <sup>1</sup>	3 Subscription period / subscription dates	4 Subscription price & subscription dates for shares <sup>2</sup>	5 Warrants at the beginning of the year	6 Warrants allotted	7 Warrants exercised	8 Warrants allotted & outstanding
Gunnar Olsson, acting CEO <sup>4</sup>	Warrants 2020/2023	SEK 9.86 2020-08-27	2023-08-31 2023-10-26 2023-11-23	SEK 185.30 <sup>3</sup>	14,190 <sup>3</sup>	0	14,190 <sup>3</sup>	0
	Warrants 2021/2024	SEK 17.54 2021-08-26	2024-08-29 2024-10-31 2024-11-28	SEK 380.47 Subscription not yet possible	10,260	0	0	10,260
	Warrants 2022/2025	SEK 9.72 2022-08-26	2025-08-28 2025-10-30 2025-11-27	SEK 209.03 Subscription not yet possible	21,050	0	0	21,050
	Warrants 2023/2026	SEK 13.78 2023-08-24	2026-08-27 2026-10-29 2026-11-26	SEK 258.95 Subscription not yet possible	0	16,690	0	16,690
				<b>45,500</b>	<b>16,690</b>	<b>14,190</b>	<b>48,000</b>	

<sup>1</sup> Premium rounded to two decimal places.

<sup>2</sup> The subscription price may be subject to recalculation in accordance with the terms and conditions of the incentive programs.

<sup>3</sup> Recalculated because of cash dividends in accordance with the terms and conditions of the incentive program.

<sup>4</sup> Gunnar Olsson held the role as deputy CEO during the period 1 January – 13 November 2023 and thereafter became acting CEO. Subscription of warrants during the period was thus made in the capacity of acting CEO.

## 4. Compliance with the Remuneration Guidelines and application of performance criteria

Avanza's business model is built on strong customer growth through satisfied customers, combined with a scalable business model and high cost efficiency. This creates long-term growth in operating income and enables further development and creates shareholder value. The strategy is to develop the offering to be cheaper, better and simpler. Through constant innovation, and with a focus on what is best for the customer, better opportunities for savings are created, trust is built and growth is

generated. Sustainability has always been an important part of Avanza, and is a prerequisite to maintain low risks and competitiveness as well as to attract new customers and talented employees. The sustainability strategy is integrated in the overall strategy and is based on international frameworks and guidelines, and is focused on three main areas: Sustainable investments, Educate & Challenge, and Sustainable organization. The strive is to create the best tool for our customers to successfully manage their finances.

A successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, require the company to be able to recruit and retain qualified employees. In order to do this, the company needs to be able to offer market-based remuneration.

Avanza does not apply variable remuneration for the CEO, the deputy CEO and other senior executives. Therefore, there are no variable remuneration that is linked to certain performance criteria. Avanza's CEO and deputy CEO have individual goals that are related to the overall goals of the Avanza Group. These goals include areas such as customer satisfaction, shareholder interests and market reputation. The fulfillment of individual goals is evaluated annually by the remuneration committee and the board of directors, and forms, together with the board of directors' evaluation of the CEO's work, the basis for determining the remuneration to the CEO and deputy CEO for the coming year.

Since the CEO's and deputy CEO's individual goals are linked to the overall goals of the Avanza Group, these contribute to Avanza's business strategy and the safeguarding of Avanza's long-term interests.

The total remuneration to the CEO and deputy CEO in 2023 has been in accordance with Avanza's Remuneration Guidelines. In 2023, Avanza did not make any deviations from the decision-making process that, according to the guidelines, must be applied to determine the remuneration. Neither has Avanza deviated from the guidelines for specific reasons.

## 5. Comparison of the company's performance and changes in remuneration

**Table 3 – change in remuneration and the company's performance during the last five reported financial years (RFY) (SEK thousand)**

Annual change	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022	RFY 2023
CEO	+671 (+6.89)	+502 (5.16%)	+441 (+4.31%)	+695 (+6.51%)	+3,805 (+33.45%) <sup>1</sup>	15,181 <sup>1</sup>
Deputy CEO	- 6 (-0.18%)	+321 (+9.56%)	+175 (+4.76%) <sup>3</sup>	-87 (-2.26%) <sup>2</sup>	-293 (-7.78%) <sup>3</sup>	3,475
<b>Avanza's result</b>						
Consolidated operating profit	+102,000 (+24.4%)	+1,056,000 (+203.08%)	+861,000 (+54.63%)	-497,000 (-20.40%)	352,000 (18.14%)	2,292,000
Customer satisfaction, win the Swedish Quality Index for Sweden's most satisfied customers in the savings category	Won Swedish Quality Index	Won Swedish Quality Index	Won Swedish Quality Index	Won Swedish Quality Index	Won Swedish Quality Index	Won Swedish Quality Index
Average remuneration on a full-time equivalent basis for employees in the Avanza Group <sup>4</sup>						
Employees in the Avanza Group <sup>5</sup>	+38 (+6.32%)	+71 (+11.15%)	+4 (+0.57%)	+5 (+0.67%)	+42 (+5.92%)	646

<sup>1</sup> The amount refers to the total remuneration to the CEO in the relevant year but the position as CEO has been held by multiple persons during 2023. The position as CEO was held by Rikard Josefson (1 January – 5 November), Knut Frångsmyr (6 November – 13 November) and Gunnar Olsson (13 November – 31 December).

<sup>2</sup> The comparison in this box refers to total remuneration to the deputy CEO during the relevant year, but the position as deputy CEO was held by different persons during the year. The position as deputy CEO was held in 2021 by Birgitta Hagenfeldt (1 January – 31 January) and Gunnar Olsson (1 February – 31 December).

<sup>3</sup> The position of Deputy CEO was held by Gunnar Olsson during the period 1 January – 13 November 2023. No new Deputy CEO was appointed. The remuneration is therefore not fully comparable with the previous year.

<sup>4</sup> Figures for 2018 and 2019 refer to the number of employees and not full-time equivalent basis as historical data on full-time equivalent basis is not available. This means that the comparison between the RFYs in the table are not entirely accurate.

<sup>5</sup> As of 31 December 2023, only nine persons are employed in the parent company Avanza Bank Holding AB. These persons are the acting CEO (as well as COO), CFO, CRO, CCO and CLO, all of whom are 50% employed in the parent company and four internal auditors, who are 100% employed in the parent company. The remaining part of the Avanza Group's employees are employed in the wholly owned subsidiaries Avanza Bank AB, Försäkringsaktiebolaget Avanza Pension and Avanza Fonder AB. As it will not be expedient to make a comparison with other employees in the parent company, which is thus only eight persons excluding the CEO, the comparison with other employees is reported in this table only at group level. Group management has been excluded to provide a better comparison of the CEO's and deputy CEO's remuneration in relation to the average employee.