

PROPOSAL FOR RESOLUTION ON LONG TERM INCENTIVE PROGRAM 2026 (LTIP 2026)

The board proposes that the general meeting **(a)** resolves on the following long-term incentive program for employees and board members of Flat Capital AB (publ) (the “**Company**”), for the period from the annual general meeting 2026 until the vesting and settlement dates as set out below (“**LTIP 2026**”). In parallel with the board’s proposal for LTIP 2026 for employees, the majority shareholder and chairman of the board Sebastian Siemiatkowski proposes that the general meeting **(b)** resolves that all board members of the Company, except for himself, shall be entitled to participate in LTIP 2026 in relation to the time-based RSU component, but not the performance-based PSU component, on the terms set out below. The proposal regarding **(a)** LTIP 2026 and **(b)** the board’s participation therein will be addressed as separate items for resolution.

PURPOSE OF LTIP 2026

A successful implementation of the Company’s business strategy and realisation of the Company’s long-term interests requires that the Company can attract, motivate and retain the most qualified employees. To this end, it is important that the Company offers competitive compensation to its employees.

LTIP 2026 consists of two components for the management participants:

- (i) App. 30 percent time-based restricted share units (“**RSU**”), and
- (ii) App. 70 percent performance-based share units (“**PSU**”).

The board views the RSU component as part of the participants’ fixed compensation package. Since the participants in LTIP 2026 receive compensation in the form of shares in the Company, the overall cash impact of the Company’s compensation package is reduced, which is preferred. The board believes that the PSU component will be beneficial for the Company’s ability to reach its business targets and will contribute to the Company’s ability to retain and recruit employees. Further, LTIP 2026 aims to align the participants’ interests in the Company with the shareholders’ interests and to maximise the employees’ long-term engagement in the Company.

If the board utilizes the proposed authorization to enter into a swap agreement to hedge the social security costs associated with LTIP 2026, the program will be cash flow neutral, and the Company’s liquidity would only be affected by administrative costs in connection with LTIP 2026.

PART I – RESTRICTED SHARE UNITS

Allocation

Within LTIP 2026, each participant may be allotted up to the following number of RSUs:

Proposal	Group	Category	No. of participants	Maximum RSUs per participant	Total RSUs per group
(a)	Group 1	Chief Executive Officer	1	425,000	425,000
	Group 2	Chief Financial Officer	1	255,000	255,000
(b)	Group 3	Working board member (Amaury de Poret)	1	114,000	114,000
	Group 4	Other board members (except Sebastian Siemiatkowski)	3	57,000	171,000

Purpose and Design

RSUs are equity units that convert into shares of series B over time. RSUs require no upfront payment from participants and are liquidity-neutral for the Company, considering the proposed hedging measures are implemented. Additional benefits of RSUs include always having value, being simple to administer and easy to communicate, and having a strong retention effect with predictable, low-risk value. The

purpose of the RSU component is long-term retention and alignment of interests. The maximum amount of RSUs that can be allotted under LTIP 2026 amounts to 965,000.

Vesting

RSUs shall vest straight-line over 3 years, with annual vesting.

PART II – PERFORMANCE SHARE UNITS (PSU COMPONENT)

Allocation

Within LTIP 2026, each participant may be allotted up to the following number of PSUs:

<i>Proposal</i>	<i>Group</i>	<i>Category</i>	<i>No. of participants</i>	<i>Maximum PSUs per participant</i>	<i>Total PSUs per group</i>
(a)	Group 1	Chief Executive Officer	1	1,350,000	1,350,000
	Group 2	Chief Financial Officer	1	810,000	810,000

Purpose and Design

The PSU component is designed to reward participants for achieving specific performance targets over a three-year performance period, thereby aligning participant compensation with shareholder value creation and the Company's strategic objectives.

Allocation and Performance Period

The PSU component has a base value with a payout range of 0-100 percent, with equity units being earned only if performance targets are met. The performance period begins on the date of the Company's annual general meeting 2026, and expires on the date following the publication of the Company's quarterly report for the fourth quarter 2028, however not earlier than 19 March 2029 and not later than 30 June 2029. Award under the PSU component consists of shares of series B. The maximum total amount of PSUs that can be allotted amounts to 2,160,000.

Performance Metrics

PSU performance shall be based on:

- (i) 50 percent – Total 3-year NAV growth per share incl. Klarna
- (ii) 50 percent – Total 3-year NAV growth per share excl. Klarna

The number of shares that may be awarded under the PSU component shall be determined based on the achievement of the performance targets according to the following scale:

<i>Annual NAV growth per share</i>	<i>Total 3-year NAV growth per share</i>	<i>Award level</i>
Below 10 percent	-	0 percent
10 percent	~ 33 percent	Entry 33 percent
20 percent	~ 73 percent	Mid 67 percent
30 percent	~ 120 percent	Max 100 percent
Above 30 percent	-	100 percent

Linear award shall apply between Entry, Mid and Max levels set out above.

The achievement of the performance targets will be calculated as (i) the total 3-year increase in net asset value per share during the performance period including Klarna, and (ii) the total 3-year increase in net asset value per share during the performance period excluding Klarna. The starting value shall be the net asset value per share as of the date of the annual general meeting 2026, calculated as the latest reported net asset value as of 31 December 2025, adjusted for Klarna's share price as of the date of the annual general meeting 2026. Per the date of the notice, the net asset value per share amounts to SEK 8.77 including Klarna, and SEK 0.74 excluding Klarna, calculated as set out above.

Vesting

PSUs shall vest in full after 3 years, with no annual vesting.

PART III – JOINT PROVISIONS

Eligibility for participation

The employees and board members set out in the tables under Part I and Part II above are eligible for participation in LTIP 2026.

Conditions for Participation and Allotment

Allocation is conditional upon the participant's employment with the Company not having been terminated. For the RSU component, the participant must maintain their employment or assignment with the Company up until each respective vesting date. For the PSU component, the participant must be an employee of the Company up until the announcement of the Company's interim report for the first quarter of 2029, or if no such report is published, 1 June 2029.

The board shall establish a suitable date for allotment of equity under the RSUs and PSUs in connection with each vesting date, taking into account practical considerations relating to applicable securities laws and the time required to implement necessary hedging measures.

Implementation and Delivery Mechanism

The board proposes that the program shall be secured through an issue of warrants that each entitle to subscription of one share of series B in the Company at a subscription price corresponding to the share's par value, i.e., SEK 0.05, (hereinafter "**Par Value Warrants**") which may partly be transferred to the participants in LTIP 2026, and partly be transferred to a third party in an arrangement that hedges certain costs that LTIP 2026 results in for the Company.

Form of Allocation

Shares shall be allocated to the participants by the transferring of Par Value Warrants. The allocation shall be made without consideration, but the participants are obligated to pay the respective share's par value (SEK 0.05) upon exercise of allocated Par Value Warrants for subscription of shares of series B. For the RSU component, subscription of shares of series B based on the Par Value Warrants shall take place at each annual vesting date. For the PSU component, subscription of shares of series B shall take place following the determination of the performance outcome after the end of the three-year performance period.

Cost Hedging

To secure the costs for social security contributions that the Company shall pay after allocation of shares to the participants in LTIP 2026, the board shall have the right to enter into a so-called equity/cash swap agreement with a third party, for example a financial institution, on customary terms. If the board exercises this right, the swap agreement would be financed by the board having the right to transfer up to 981,875 Par Value Warrants to the counterparty in the swap agreement.

Maximum Size and Dilution

The maximum number of shares of series B that can be newly issued within the framework of LTIP 2026, including the proposed hedging measures, amounts to 4,106,875, corresponding to a maximum dilution of approximately 0.82 percent of outstanding shares, whereof 0.57 percent is attributable to LTIP 2026 and 0.06 percent is attributable to the board members' participation. The remaining 0.19 percent is attributable to the cost-hedging measures. In total, the proposal corresponds to a dilution of 0.23 percent of the outstanding votes in the Company.

According to the specific conditions adopted by the board, the number of shares covered by LTIP 2026 may be subject to recalculation due to bonus issue, reverse share split or share split, rights issue, or similar measures carried out by the Company, taking into consideration customary practice for corresponding incentive programs. Recalculation may also be made so that extraordinary payments of dividends are taken into consideration.

Costs for LTIP 2026

If the board utilizes the proposed authorization to enter into a swap agreement to hedge the social security costs associated with LTIP 2026, the program will be cash flow neutral, and the Company's liquidity would only be affected by administrative costs in connection with LTIP 2026.

LTIP 2026 is estimated to comprise a maximum of 2,840,000 shares, excluding those issued for cost hedging purposes, corresponding to a maximum dilution of approximately 0.57 percent of outstanding shares and 0.16 percent of outstanding votes in the Company.

For accounting purposes, the value of the allocation to the participants is expensed as personnel costs in the income statement in accordance with IFRS 2 - Share-based payment. These costs will be determined on the grant date and are estimated to annually amount to MSEK 4.9 following an average annual net asset value increase during the performance period of 10 percent ("Scenario 1"), to MSEK 7.5 following an average annual net asset value increase during the performance period of 20 percent ("Scenario 2") and to MSEK 10.0 following an average annual net asset value increase during the performance period of 30 percent ("Scenario 3"). These estimates are based on a price per share of SEK 10.56, corresponding the closing share price as of the date before the publication of the notice for the general meeting.

The cost for social security fee is 31.42 percent of the paid remuneration based on the actual value of the shares at all given times. The board is authorized to hedge the costs for social security contributions by entering into a swap agreement with a third party.

Social security contributions will be booked on the income statement according to UFR 7 during the vesting period. The amounts of these costs will be calculated based on the share price performance and the outcome of the qualifying terms and conditions during the vesting period. Under the same conditions set out above, and a share price increase following the net asset value increase, the annual social security contributions are estimated to amount to MSEK 2.0 under Scenario 1, to MSEK 3.8 under Scenario 2 and to MSEK 6.5 under Scenario 3.

The board assesses that the positive effects achieved through LTIP 2026 more than offset the costs for LTIP 2026.

Costs for board members' participation in LTIP 2026

The board members' participation in LTIP 2026 is estimated to comprise a maximum of 285,000 additional shares, excluding those issued for cost hedging purposes, corresponding to a maximum dilution of approximately 0.06 percent of outstanding shares and 0.02 percent of outstanding votes in the Company.

The costs for board members' participation in LTIP 2026 shall be accounted for in the same manner as set out above. The annual personnel costs for board members' participation are estimated to amount to MSEK 1.0 under Scenario 1, to MSEK 1.0 under Scenario 2 and to MSEK 1.0 under Scenario 3. The annual social security contributions are estimated to amount to MSEK 0.4 under Scenario 1, to MSEK 0.5 under Scenario 2 and to MSEK 0.5 under Scenario 3.

Design and Administration

The board is responsible for, in consultation with Advokatfirman Lindahl, designing the detailed terms for LTIP 2026 and the board is responsible for administering the program, including determining the detailed conditions that shall apply between the Company and the participants in the program, within the framework of the terms and guidelines set forth herein.

The board shall also have the right to reduce final allocation of shares or, wholly or partially, terminate LTIP 2026 early without compensation to the participants if the board's assessment of the Company's position or the program's effects materially changes, for example after significant changes in the Company or in the market. The board shall also have the right to make adjustments to the program to ensure compliance with special rules or market conditions.

In conjunction with this, the board shall be entitled to establish different terms and conditions for the program regarding, among other things, the vesting period and allotment, in the event of termination of assignment during the vesting period under specific circumstances. The board shall also be entitled to adjust in order to fulfil specific rules or market conditions.

Vesting Period Justification

The Stock Market Self-Regulation Committee's (ASK) *Rules on compensation to senior executives and on incentive programs* recommend that it should be specifically justified if the vesting period in a share-based incentive program is less than three years. The RSU component provides for annual vesting over a three-year period, which is in line with international market practice.

The board has carefully evaluated various alternatives for the design of the Company's compensation system. In light of the Company's cash flow, financial position, capital structure and significant need to offer a small number of highly qualified employees competitive compensation, the board considers LTIP 2026 to be an appropriate component of the Company's compensation system. Since the RSU component is essentially equivalent to fixed compensation, the board does not consider that the same considerations apply as those which have motivated the relevant three-year rule for performance based variable pay. Furthermore, the board considers that LTIP 2026 as a whole strikes an appropriate balance between compensation and retention, as the majority of the program consists of PSUs that are subject to a three-year vesting period. With respect to the board members' participation in LTIP 2026, the proposal from the majority owner considers that annual vesting is appropriate given that board members are appointed for a term of one year at a time.

The board has also carefully considered whether all or part of the allocation in LTIP 2026 should be conditional upon the achievement of certain performance targets. In light of the above, and considering the Company's operations and governance, the board has concluded that the Company does not currently benefit from establishing such performance targets in relation to the RSU component. The board considers that the proposed design of LTIP 2026 optimizes the conditions for long-term value creation in the Company.

Majority requirements, etc.

A resolution in accordance with this proposal will not be valid unless supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the general meeting. Furthermore, the resolution is contingent upon the general meeting resolving to issue warrants in accordance with the board's proposal under item 16 on the agenda.

Stockholm in February 2026

Flat Capital AB (publ)

The board of directors