

Remuneration report 2022

Introduction

This report describes how the guidelines for executive remuneration of Bygghem AB (publ), corp. reg. no. 556656-3531 (the “**Company**”), adopted by the Annual General Meeting 2020, were implemented in 2022. The report also provides information on remuneration to the CEO and a summary of the Company’s outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules administered by the Swedish Stock Market Self-Regulation Committee.

Further information on executive remuneration is available in note 9 on pages 85–87 in the annual report 2022. Information on the work of the Remuneration Committee in 2022 is set out in the corporate governance report available on page 63 in the annual report 2022.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 9 on page 86 in the annual report 2022.

Key developments 2022

The CEO summarizes the Company’s overall performance in his statement on page 8 in the annual report 2022.

The Company’s remuneration guidelines: scope, purpose and deviations

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 can recruit and retain qualified personnel. To this end, the Company must offer competitive remuneration. The Company’s remuneration guidelines enable the Company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration in the form of short-term incentives based on annual performance targets (Short Term Incentives), long-term incentives based on multi-year performance (Long Term Incentives), pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the Company’s business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive’s long-term development.

The guidelines are found on pages 57–58 and 85 in the annual report 2022. During 2022, the Company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor’s report regarding the Company’s compliance with the guidelines is available on www.bygghem.se. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the Company have resolved to implement long-term share-related incentive plans.

Table 1 – Total CEO remuneration, Mattias Ankarberg, during 2022 (kSEK)

| Fixed remuneration | | Variable remuneration | | | Pension expense | Total remuneration | Proportion of fixed and variable remuneration, %**** |
|--------------------|-------------------|-----------------------|-------------------------|---------------------|-----------------|--------------------|--|
| Base salary * | Other benefits ** | One-year variable | Multi-year variable *** | Extraordinary items | | | |
| 5,961 | 14 | 1,249 | 606 | - | 1,603 | 9,433 | 63/37 |

* Includes holiday pay

** Includes other benefits such as parking and health insurance

*** Includes bonus within outstanding incentive programs

**** Pension costs, which in their entirety refer to Base salary and are premium-based, have been fully reported as fixed remuneration

Share-based remuneration

Outstanding and completed share-related and share price-related incentive plans

The 2019, 2021 and 2022 Annual General Meetings decided to implement three long-term incentive programs for the CEO and other management personnel in the Company (2019/2024, 2021/2026 and 2022/2027) consisting of warrants.

The incentive program 2019/2024 comprises a total of 1,280,000 warrants, of which 830,000 warrants are outstanding and are held by participants in the incentive program. Each warrant gives the holder the right to subscribe for one new share in the Company during the period June 10, 2024 to December 9, 2024 at a price of SEK 47.40 per new share. The warrants were transferred to the participants in the program at market value calculated according to the Black & Scholes formula performed by an independent valuation institute. The participants in the warrant program have entered into a pre-emption agreement. The participants' acquisition of warrants is subsidized by the Byggmax Group by the participants receiving a cash subsidy after tax (bonus) corresponding to a maximum of a total of 50 percent of the price for the warrants that each participant acquires. This subsidy is paid at 1/5 one (1) year after subscription, 1/5 two (2) years after subscription, 1/5 three (3) years after subscription, 1/5 four (4) years after subscription and 1/5 five (5) years after subscription and presupposes before each payment that each participant is still employed in the Byggmax Group and holds the acquired warrants or, where applicable, shares that have been subscribed for after the exercise of the warrants.

The incentive program 2021/2026 comprises a total of 640,000 warrants, of which 480,000 warrants are outstanding and are held by participants in the incentive program. Each warrant gives the holder the right to subscribe for one new share in the Company during the period June 15, 2026 to December 14, 2026 at a price of SEK 91.20 per new share. The warrants were transferred to the participants in the program at market value calculated according to the Black & Scholes formula performed by an independent valuation institute. The participants in the warrant program have entered into a pre-emption agreement. The participants' acquisition of warrants is subsidized by the Byggmax Group by the participants receiving a cash subsidy after tax (bonus) corresponding to a maximum of a total of 50 percent of the price for the warrants that each participant acquires. This subsidy is paid at 1/5 annually starting one (1) year after subscription, and with final payment five (5) years after subscription and presupposes

before each payment that each participant is still employed in the Byggmax Group and holds the acquired warrants or, where applicable, shares that have been subscribed for after the exercise of the warrants.

The incentive program 2022/2027 comprises a total of 640,000 warrants, of which 500,000 warrants are outstanding and are held by participants in the incentive program. Each warrant gives the holder the right to subscribe for one new share in the Company during the period June 14, 2027 to December 13, 2027 at a price of SEK 82.00 per new share. The warrants were transferred to the participants in the program at market value calculated according to the Black & Scholes formula performed by an independent valuation institute. The participants in the warrant program have entered into a pre-emption agreement. The participants' acquisition of warrants is subsidized by the Byggmax Group by the participants receiving a cash subsidy after tax (bonus) corresponding to a maximum of a total of 50 percent of the price for the warrants that each participant acquires. This subsidy is paid at 1/5 annually starting one (1) year after subscription, and with final payment five (5) years after subscription and presupposes before each payment that each participant is still employed in the Byggmax Group and holds the acquired warrants or, where applicable, shares that have been subscribed for after the exercise of the warrants.

Table 2 – Share option plans - CEO Mattias Ankarberg

| The main conditions of share option plans | | | | | | | Information regarding the reported financial year | | | | | |
|---|--------------------|------------|--------------|-------------------------|--------------------------|----------------------|---|-----------------------|----------------------|--|------------------------------------|---|
| Name of plan | Performance period | Award date | Vesting date | End of retention period | Exercise period | Exercise price (SEK) | Opening balance | During the year | | | Closing balance | |
| | | | | | | | Share options held at beginning of year | Share options awarded | Share options vested | Share options subject to performance condition | Share options awarded and unvested | Share options subject to retention period |
| 2019/2024 | N/A | 2019-06-10 | 2024-06-10 | N/A | 2024-06-10 2024-12-09 | 47.40 | 400,000 | 0 | 0 | N/A | 400,000 | N/A |
| 2021/2026 | N/A | 2021-05-28 | 2026-06-15 | N/A | 2026-06-15 2026-12-09 | 91.20 | 200,000 | 0 | 0 | N/A | 200,000 | N/A |
| 2022/2027 | N/A | 2022-05-30 | 2027-06-14 | N/A | 2027-06-14 2027-12-13 | 82.00 | 0 | 200,000 | 0 | N/A | 200,000 | N/A |

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the Company's strategy and to encourage behaviour which is in the long-term interest of the Company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2022 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the Company values.

Table 3 – Performance of the CEO, Mattias Ankarberg, during 2022: variable cash remuneration

| Description of the criteria related to the remuneration component | Relative weighting of the performance criteria | a) Measured performance and b) actual award/ remuneration outcome (kSEK) |
|---|--|---|
| EBIT | 70 % | a) 0 % b) - |
| Quantitative growth and profitability initiatives | 30 % | a) 75 % b) 1,249 |

Comparative information on the change of remuneration and Company performance

Table 4 – Change of remuneration and Company performance over the last five reported financial years (mSEK)

| | 2022 | 2022 vs 2021 | 2021 vs 2020 | 2020 vs 2019 | 2019 vs 2018 | 2018 vs 2017 |
|---|-------|-----------------|-----------------|-----------------|-----------------|-----------------|
| CEO remuneration | 9,433 | -18 % | -10 % | 59 % | 23 % | -22 % |
| EBITA | 509 | -43 % | 28 % | 159 % | 22 % | -31 % |
| Average remuneration on a full-time equivalent basis of employees of the Company* | 0.42 | -1.1 % | 1.3 % | 1 % | 4.5 % | 8.2 % |

*Excluding members of the executive management of Byggmax Group.

Stockholm, March 2023
Byggmax Group AB (publ)
The Board of Directors