

Remuneration report 2023

Introduction

This report describes how the guidelines for executive remuneration of Bygghmax Group AB (publ), corp. reg. no. 556656-3531 (the “**Company**”), adopted by the Annual General Meeting 2020, were implemented in 2023. 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 75-76 in the annual report 2023. Information on the work of the Remuneration Committee in 2023 is set out in the corporate governance report available on page 53 in the annual report 2023.

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 76 in the annual report 2023.

Key developments 2023

The CEO summarizes the Company’s overall performance in his statement on page 6 in the annual report 2023.

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 75 in the annual report 2023. During 2023, 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.bygghmax.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 during 2023 (kSEK)

	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration, %****
	Base salary *	Other benefits **	One-year variable	Multi-year variable ***				
Karl Sandlund (CEO 1 July – 31 Dec)	2,550	2	255	0	0	781	3,588	93/7
Mattias Ankarberg (CEO 1 Jan – 8 Aug)	2,565	11	702	819	0	1,218	5,315	71/29

* 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, 2022 and 2023 Annual General Meetings decided to implement long-term incentive programs for the CEO and other management personnel in the Company (2019/2024, 2021/2026, 2022/2027 and 2023/2028) 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.

The incentive program 2023/2028 comprises a total of 580,000 warrants, of which 466,000 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 12, 2028 to December 11, 2028 at a price of SEK 37.70 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 2a – Share option plans - CEO Karl Sandlund

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
2023/2028	N/A	2023-06-10	2028-06-12	N/A	2028-06-12 2028-12-11	37.70	0	200,000	0	N/A	200,000	N/A

Table 2b – 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	200,000	0	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 2023 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the Company values.

Table 3a – Performance of the CEO, Karl Sandlund, during 2023: 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 %
Quantitative growth and profitability initiatives	30 %	a) 33 % b) 255	

Table 3b – Performance of the CEO, Mattias Ankarberg, during 2023: 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) 67 % b) 702

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)

	2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018
CEO remuneration	8.902	-6 %	-18 %	-10 %	59 %	23 %
EBITA	179	-65 %	-43 %	28 %	159 %	22 %
Average remuneration on a full-time equivalent basis of employees of the Company**	0.44	4,0%	-1.1 %	1.3 %	1 %	4.5 %

* Remuneration to the CEO includes remuneration to Karl Sandlund and Mattias Ankarberg. For earlier financial year, remuneration to the CEO for those years are reported.

** Excluding members of the executive management of Byggmax Group.

Stockholm, April 2024
Byggmax Group AB (publ)
The Board of Directors