

# Remuneration report 2021

## Introduction

This remuneration report gives an overview of how the guidelines for executive remuneration of BICO Group AB (publ) ("**BICO**"), adopted by the Annual General Meeting on 26 April 2021, have been applied during the financial year 2021.

The report also provides information on remuneration to the CEO of BICO as well as a summary of BICO's outstanding share-based and share-priced related incentive programs. The report has been prepared in accordance with the Swedish Companies Act (2005:551) and *the Remuneration Rules* issued by the Swedish Corporate Governance Board (1 January 2021).

Information required under Chapter 5, Section 40 – 44 of the Annual Accounts Act (1995:1554) is available in note 6 on pages 89– 91 of the Group's annual report for 2021. Information on the work of the Remuneration Committee 2021 is set out in the Group's Corporate Governance report, available on pages 126-133 in the annual report 2021.

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 6 on pages 89 – 90 in the annual report 2021. The Group has no Deputy CEO covered by this report.

## The Group's development 2021

The CEO summarises the Group's overall performance in his statement on pages 8 – 9 in the annual report 2021.

## The Group's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the Group's business strategy and safeguarding of its long-term interests is that the Group can recruit and retain qualified employees. To this end, the group must offer competitive remuneration. The Group's remuneration guidelines enable the Group to offer executives a competitive 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, long-term incentive programs, pension and other benefits.

The variable cash remuneration shall be linked to pre-determined financial or non-financial criteria. The criteria shall be designed to contribute to the Group's business strategy and long-term interests, by for example being clearly linked to the business strategy or promote long-term development. The guidelines are available on page 69 in the annual report 2021.

The remuneration guidelines, adopted unanimously by the Annual General Meeting on 26 April 2021, have been fully implemented. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. No remuneration has either been refunded. The auditor's report regarding the Group's compliance with the guidelines is available on <https://bico.com/investerare/bolagsstyrning/arsstamma/>

## Total CEO remuneration in 2021 (kSEK)

Name, position	Financial year	Fixed remuneration		Variable remuneration		Extra-ordinary remuneration*	Pension expense**	Total remuneration	Bonus in relation to fixed base salary amounts to %
		Base salary*	Other benefits	One-year variable	Multi-year variable				
Erik Gatenholm, CEO	2021 (12 months)	2,292	-	633	-	1,545	563	5,033	95%
	2019/2020 (16 months)	2,256	-	-	-	200	525	2,981	9%
	2018/2019 (12 months)	672	-	-	-	-	30	702	0%

\*Including holiday pay.

\*\* Discretionary extra cash bonus has been paid as a result of successful execution of the acquisition strategy and the launch of the bioconvergence concept, including the name change to BICO, on the market.

\*\*\* Pension expense, which in its entirety relates to base salary and is premium defined.

In order to make the remuneration to the CEO more competitive, the fixed base salary has been increased during the financial year. The Board of Directors considers that the CEO's performance justifies the implemented increase and that the increase has been implemented within the framework of the remuneration guidelines.

### Share-based remuneration

During 2021 BICO has had four long-term incentive programs for the Group's employees and board members. The purpose of the incentive programs is to encourage a broad shareholding among BICO's employees, facilitate recruitment, retain competent employees and increase motivation to achieve or exceed the Group's goals. Further information about the incentive programs are available in note 6 on page 91 in the annual report 2021.

The Group's CEO has chosen to refrain from participating in the incentive programs for the benefit of other employees. Thus, no share-based remuneration has been paid to the CEO.

### Application of performance criteria

Performance criteria for the CEO's variable remuneration have been chosen to deliver the strategy of the Group and to encourage behaviour that is in the Group's long-term interest. When selecting performance criteria, the strategic objectives as well as short-term and long-term business priorities for 2020 have been considered.

### CEO's performance during the financial year 2021: variable cash remuneration

Name, position	Criteria relating to the remuneration component	Relative weighting of performance criteria	a. Measured performance and b. Actual remuneration outcome
Erik Gatenholm, CEO	Net sales 2021	40%	a. MSEK 1,257.3 b. KSEK 174
	Operating income 2021	40%	a. MSEK -236.9 b. KSEK 0
	Qualitative parameters	20%	a. Qualitative parameters b. KSEK 458

Comparative information on the change of the fixed remuneration to the CEO and the Group's performance (kSEK)

	2017/2018 vs 2016/2017	2018/2019 vs 2017/2018	2019/2020 (16 months) vs 2018/2019 (12 months)	2021 (12 months) vs 2019/2020 (16 months)
CEO remuneration	+166 (38%)	+72 (12%)	+1 584 (235%)	+36 (2%)
EBIT	+1,259 (from negative to positive)	-4,126 (from positive to negative)	-48,173 (-1 283%)	-184,964 (- 356%)
Net sales	+32,178 (144%)	+60,120 (+133%)	+310,552 (+294%)	+841,284 (+202%)
Average remuneration based on a full time equivalent basis of employees* (of the Group companies**)	+37 (10%)	-8 (-2%)	+424 (109%)	-249 (-31%)

\* Excluding CEO and other members of group management.

\*\* Comparisons are made with employees in all Group companies as the Group's key functions are found in more than the Parent Company.