

Remuneration report 2023

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 2023.

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.

Information required under Chapter 5, Section 40 – 44 of the Annual Accounts Act (1995:1554) is available in note 6 on pages 64-67 of the Group's annual report for 2023. Information on the work of the Remuneration Committee 2023 is set out in the Group's Corporate Governance report, available on pages 101-106 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 6 on page 66 in the annual report 2023. The Group has no Deputy CEO covered by this report.

The Group's development 2023

The CEO summarises the Group's overall performance in her statement on pages 6 – 7 in the annual report 2023.

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 pages 42-43 in the annual report 2023.

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/se/investerare/bolagsstyrning/arsstammor/>

Total CEO remuneration in 2023 (kSEK)

Name, position	Financial year	Fixed remuneration		Variable remuneration		Extra-ordinary remuneration	Pension expense ⁴	Total remuneration	Bonus in relation to fixed base salary amounts to %
		Base salary ¹	Other benefits	One-year variable	Multi-year variable				
Erik Gatenholm, CEO	2023 (10.5 months)	3,453	755 ⁵	-	-	930 ⁶	1,000	6,138	27%
	2022 (12 months)	3,003	30	454 ²	-	-	856	4,343	15%
	2021 (12 months)	2,292	-	633	-	1,545 ³	563	5,033	95%
	2019/2020 (16 months)	2,256	-	-	-	200	525	2,981	9%
	2018/2019 (12 months)	672	-	-	-	-	30	702	0%

Name, position	Financial year	Fixed remuneration		Variable remuneration		Extra-ordinary remuneration	Pension expense ⁴	Total remuneration	Bonus in relation to fixed base salary amounts to %
		Base salary ¹	Other benefits	One-year variable	Multi-year variable				
Maria Forss, VD	2023 (1.5 months)	484	1	-	-	3,025 ⁷	150	3,661	625%

¹Including holiday pay.

²The amount differs from the 2022 annual report as a result of adjustment in final outcome compared to estimated outcome.

³Discretionary additional cash bonus has been paid in 2021 as a result of successful execution of the acquisition strategy and the launch of the bio convergence concept, including the name change to BICO, on the market.

⁴Pension expense is in its entirety relates to base salary and is premium defined.

⁵The majority of benefits received are attributable to tax advice in the US, which has benefited both the company and the CEO.

⁶Remuneration received is related to assessed outcome for variable remuneration regarding one-year targets at the time of agreement on change of employment.

⁷Remuneration received is related to new recruitment.

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 2023 BICO has had four long-term incentive programs for the Group's employees of which the first three were also addressed to 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 is available in note 6 on pages 65-67 in the annual report 2023.

As the main owner, Erik Gatenholm has chosen to refrain from participating in the programs in favour of other employees. Maria Forss has received 200,000 options in LTIP 2022 free of charge in connection with employment. For main terms on LTIP 2022, see below:

In order for the Options to entitle the participant to acquire a share, the participant must have been employed within the BICO group up to and including the publication of the Company's quarterly report for the first quarter 2026 or, if such report is not published, on 1 June 2026 (the "Vesting Period").

The Options are vested during the Vesting Period in accordance with the following performance requirements:

- a. 50% of the granted Options shall be tied to the requirement that the BICO group's sales per share has amounted to at least SEK 50 per share during 2025;
- b. 50% of the granted Options shall be tied to the requirement that BICO group is cash flow positive, excluding earn outs, during each year from and including 2023 up to and including 2025, thus the vesting shall decrease with one third for each year the cash flow of the BICO group has not been positive, excluding earn outs, from and including 2023 up to and including 2025.

Each Option entitles the holder to receive one share of series B in BICO at a predetermined price of SEK 150 per share during the period from 1 June 2026 to and including 31 September 2026. The exercise price has been determined by applying the B&S method. The latest point at which vested Options may be exercised shall be on 31 September 2026.

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 2023 have been considered.

CEO's performance during the financial year 2023: variable cash remuneration

Name, position	Criteria's relating to the remuneration component	Relative weighting of performance criteria	a. Measured performance and b. Actual remuneration outcome
Erik Gatenholm, CEO	Net sales 2023	20%	a. MSEK 2,249.9 b. KSEK 0
	EBITDA less own work capitalized 2023	60%	a. MSEK 257.7 b. KSEK 0
	Qualitative parameters	20%	a. Qualitative parameters b. KSEK 0

Name, position	Criteria's relating to the remuneration component	Relative weighting of performance criteria	c. Measured performance and a. Actual remuneration outcome
Maria Forss, CEO	No performance-based bonus based on 2023 has been agreed	N/A	a. N/A b. KSEK 0

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

	2019/2020 (16 months) vs 2018/2019 (12 months)	2021 (12 months) vs 2019/2020 (16 months)	2022 vs 2021	2023 vs 2022***
CEO remuneration	+1,584 (235%)	+36 (2%)	+711 (+31%)	+934 (31%)
EBIT	-48,173 (-1,283%)	-184,964 (-356%)	-759,974 (-321%)	-1,175,101 (-327%)
Net sales	+310,552 (+294%)	+841,284 (+202%)	+982,163 (+78%)	+129,113 (+6%)
Average remuneration based on a full-time equivalent of employees* (in the Group companies**)	+424 (109%)	-249 (-31%)	+304 (54%)	+78 (9%)

* Excluding CEO and other members of Group management.

** Comparisons are made with employees in all Group companies as the Group's key functions historically have been found in more companies than the parent company.

*** The comparison is made for continuing operations, while previous years have not been recalculated.