

RENUMERATION REPORT 2021



REMUNERATION REPORT 2021

Fasadgruppen Group AB (the group or the company) hereby presents, on behalf of the board of directors, this remuneration report for the financial year 2021. The report describes how the remuneration guidelines adopted by the annual general meeting 2021 has been implemented by the company.

Introduction

This remuneration report aims to provide a summary of how the guidelines for remuneration to senior executives, adopted by the annual general meeting on 18 May 2021, has been implemented by the company. This report covers the company's Chief Executive Officer (the CEO) and the deputy CEO and contains information on total remuneration, including base salary and variable salary.

The annual general meeting 2021 resolved to implement a long-term incentive programme for employees within the group, consisting of not more than 923 010 warrants to, among others, the individuals included in this report.

Fasadgruppen was listed on 9 December 2020 and is subsequently subject to the requirements set out in Chapter 8, Sections 53a and 53b of the Companies Act (Sw. aktiebolagslagen) regarding remuneration guidelines and remuneration reports. The implementation of the remuneration guidelines has not caused any changes in paid or accrued remuneration during 2021.

Remuneration to the board of directors is not included in the remuneration report since such remuneration is resolved upon annually by the annual general meeting. The remuneration to the board of directors is disclosed in note 4 on pages 71–73 in the annual report for the financial year 2021.

During 2021, the CEO and deputy CEO have reached the threshold for being entitled to performance-based variable salary. The remuneration committee has reviewed and calculated the outcome of the variable salary for 2021 to the company's CEO and deputy CEO, whereby the committee assesses that the CEO and deputy CEO have reached a fulfilment of the performance targets of 50 per cent (CEO) and 100 per cent (deputy CEO), respectively, leading to a paid variable salary of 2.0 monthly salaries each.

During 2021, no deviations have been made from the remuneration guidelines resolved upon by the annual general meeting. No remuneration has been reclaimed.

This report has been prepared in accordance with Chapter 8, Sections 53a and 53b of the Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board. The auditor's report on Fasadgruppen's compliance with the guidelines is available on the group's website, www.fasadgruppen.se. Information required by Chapter 5, Sections 40–44 of the Annual Accounts Act (Sw. årsredovisningslagen) is available in note 5 on pages 71–73 in the annual report for 2021.

Statement by the chairman of the remuneration committee



January and February was significantly colder compared to the corresponding period 2020, which led to a weak beginning of the year. The following quarters featured a continuous normalisation after the decline caused by the Covid-19 pandemic. During 2021, Fasadgruppen has

reached a new record regarding both the number of acquisitions as well as total acquired net sales. A total of 21 new businesses in Sweden, Norway and Denmark were acquired, with a total annual net sales of approximately MSEK 1,181. The net sales growth amounted to 99.7 per cent, of which organic growth amounted to 6.1 per cent. Fasadgruppen's long-term growth target regarding net sales is at least 15 per cent. The growth shall consist of both organic growth as well as growth through acquisitions.

Fasadgruppen's overall vision is a future with beautiful, sustainable buildings and a sound living environment for the people. The services Fasadgruppen provides have a clear connection with sustainability and environment. Most façade solutions provide instant improvements to the environment, such as reduced energy consumption through façade restoration and installation of windows. By developing the company's services and ensuring that the operations are conducted as environment-friendly and sustainable as possible, Fasadgruppen promotes a sustainable development.

For further information on Fasadgruppen's financial and non-financial development during the year, please refer to the annual report for 2021.

The possibility to reach our long-term goal is dependent on a strong management, with relevant expertise and abilities. This requires that Fasadgruppen can attract, retain and motivate the right individuals and offer them competitive remuneration for the purpose of creating the company's strategy, reach both financial and non-financial targets as well as create long-term value for the shareholders.

The guidelines for remuneration to senior executives are prepared for the benefit of the company and its shareholders based on a profitability and business perspective, as it contributes to motivate and retain committed senior executives. The remuneration guidelines shall ensure responsible remuneration decisions that support the company's strategy, long-term interests and sustainability.

The remuneration committee prepares the remuneration to the CEO and deputy CEO, which is resolved by the board of directors. During 2021, the outcome-based variable salary has been based on certain outcome-based thresholds resolved upon prior to the financial year 2021. The variable salary for the outcome-based part has been set to 50 per cent for the CEO and 100 per cent for the deputy CEO, whereby variable salary of 2.0 monthly salaries each has been paid out. The performance-based remuneration for 2021 has been based on operational targets such as acquisitions and integration, which are in line with Fasadgruppen's long-term strategy. During the year, these targets have been successfully fulfilled by 100 per cent each, leading to a paid variable salary of 2.0 monthly salaries for the CEO and 1.0 monthly salary for the deputy CEO.

Information on the work of the remuneration committee during 2021 is set out on page 40 in the annual report for 2021.

Stockholm in April 2022

Per Sjöstrand

Chairman of the remuneration committee

Summary of remuneration 2021

The table below summarises how the different types of remuneration set out in the guidelines have been implemented.

	Purpose and connection to the strategy	Principles in short	Outcome 2021, SEK	
Base salary	The company's remuneration guidelines shall ensure responsible remuneration decisions that support the company's strategy, long-term interests and sustainability. Salaries and other terms of employment shall enable the group to retain and recruit skilled senior executives at a reasonable cost.	Base salaries shall be in line with market conditions and based on the senior executive's responsibility, expertise and performance.	CEO: Deputy CEO:	2,104,690 1,464,000
Other benefits	Provide competitive benefits.	Other benefits may include, for example, life insurance, medical insurance (Sw. sjukvårdsförsäkring) and company cars. Premiums and other costs related to such benefits may not amount to more than 15 per cent of the annual base salary.	CEO: Deputy CEO:	119,253 56,263
Pension	Offer long-term security and offer competitive pensions in accordance with local market practice.	The pension premiums shall be defined contribution pensions and designed in accordance with the level and practice applicable in the country in which the senior executive is employed. The pension premiums may amount to a maximum of 40 per cent of the annual base salary.	CEO: Deputy CEO:	423,476 298,745
Short-term variable salary	Transparency in expectations and targets linked to the company's long-term strategic goals.	Variable salaries shall be in line with market conditions and based on the senior executive's responsibility, expertise and performance. Payment of variable salaries shall be conditional upon the fulfilment of a number of predetermined financial or individual objectives. Variable salary may not amount to more than 50 per cent of the annual base salary.	CEO: Deputy CEO:	700,000 360,000

Total remuneration to CEO and deputy CEO during 2021

SEK	Fixed remuneration			Variable remuneration ²		Total remuneration	Proportion fixed, % ⁴	Proportion variable, % ⁵
	Base salary	Other benefits ¹	Pension ³	Short-term	Long-term			
Senior executive's name (position)								
Pål Warolin (CEO)	2,104,690	119,253	423,476	700,000		3,347,419	79%	21%
Martin Jacobsson (deputy CEO)	1,464,000	56,263	298,745	360,000		2,179,008	83%	17%

¹Other benefits include regular non-monetary remuneration such as company cars and occupational health care.

²Variable remuneration includes holiday pay but not pensions.

³The pension premiums for premium defined pension may amount to a maximum of 40 per cent of the annual base salary.

⁴The proportion includes fixed remuneration and pension divided by the total remuneration.

⁵The proportion includes variable remuneration divided by the total remuneration.

The remuneration to the CEO and deputy CEO was paid by the group's parent company, Fasadgruppen Group AB (publ). During 2021, the CEO and the deputy CEO did not receive any remuneration from other group companies.

Warrants of series 2021/2024

The annual general meeting 2021 resolved to implement a long-term incentive programme for employees within the group, consisting of not more than 923,010 warrants. Each warrant entitles the holder to subscribe for one new share in the company during June 2024. The subscription price for each such share shall amount to SEK 164.1, which corresponds to 125 per cent of the volume-weighted average price for the company's share on

Nasdaq Stockholm during the ten latest trading days prior to the annual general meeting 2021.

As of today, 487,382 warrants have been transferred to 64 employees within the group at a market price calculated in accordance with the Black & Scholes valuation model. The paid warrant premium amounts to MSEK 7.9. The remaining 435,628 warrants are currently held by the company's wholly owned subsidiary Fasadgruppen Norden AB and have been transferred free of charge.

The company may in certain circumstances be entitled to repurchase warrants from holders whose employment in the company is terminated or who wishes to transfer its warrants to a third party. Further information on the terms and conditions for the warrants are available on the company's website.

Senior executive's name (position)	Allotment	Number of allotted warrants	Transfer price, SEK	Exercise period	Subscription-price, SEK	Number of warrants at the end of the year
Pål Warolin (CEO)	2021	487,382	16.29	1–30 June 2024	164.10	28,671
Martin Jacobsson (deputy CEO)	2021	487,382	16.29	1–30 June 2024	164.10	28,671

Application of performance objectives

Performance objectives are based on the operating profits for the financial year 2021 as well as operational targets. The company's remuneration committee is responsible for the assessment of whether the targets for variable salary have been fulfilled by the CEO and the deputy CEO.

The remuneration committee prepares the CEO's and the deputy CEO's salaries, which are resolved by the board of directors. During 2021,

the outcome-based variable salary has been based on thresholds resolved upon prior to the financial year 2021. The performance-based remuneration for 2021 has been based on operational targets such as acquisitions and integration, which are in line with Fasadgruppen's long-term strategy.

Variable salaries shall not exceed 50 per cent of the annual base salary (i.e. annual cash salary excluding pensions, benefits and similar).

Senior executive's name (position)	Base salary, SEK	Description of objectives	Fulfilments of targets, %	Paid remuneration, SEK
Pål Warolin (CEO)	2,104,690	Outcome-based target	50%	350,000
		Operational target	100%	350,000
Martin Jacobsson (deputy CEO)	1,464,000	Operating profits	100%	240,000
		Outcome-based target	100%	120,000

Comparative information regarding changes in remuneration and the group's result

The tables below present comparative information regarding remuneration to Fasadgruppen's CEO and deputy CEO as well as the development of the group's result.

The year 2021 is the third year of which Fasadgruppen prepares and presents audited consolidated financial statements. Consequently, the reference period is up to and including 2019.

Senior executive's name (position)	2021 (change, %)		2020 (change, %)		2019	
	Fixed remuneration, SEK	Variable remuneration, SEK	Fixed remuneration, SEK	Variable remuneration, SEK	Fixed remuneration, SEK	Variable remuneration, SEK
Pål Warolin (CEO) (as from 1 Feb 2019)	2,647,000 (+21%)	700,000 (+87%)	2,183,408 (+54%)	375,000 ¹ (-22%)	1,421,228	480,000
Martin Jacobsson (deputy CEO)	1,819,000 (+31%)	360,000 (+140%)	1,388,674 (+34%)	150,000 (n/a)	1,039,940	
Mikael Karlsson (CEO) (until 31 Jan 2019)	0	0	0	0	100,000	

The group's result

MSEK	2021 (change, %)	2020 (change, %)	2019
Operating profit	260.2 (+104%)	127.4 (+5%)	121.3

Average remuneration to employees on a full-time equivalent basis²

TSEK	2021	2020	2019
Per full-time employee	591	508	443
Change, %	16.3	14.7	(n/a)

¹ The remuneration differs from the remuneration presented in the annual report for 2020 (note 4) as a part of the presented cost for these parameters refer to the outcome for 2019.

² The group's employees excluding CEO, deputy CEO and management. The remuneration consists of fixed salary and other benefits, including pension.

Stockholm in April 2022

The board of directors
Fasadgruppen Group AB, reg.no 559158-4122