



Remuneration Report 2022/23 for Lagercrantz Group AB (publ)

Introduction

This Remuneration Report provides information on how the guidelines for remuneration to senior executives, adopted at the Annual General Meeting in August 2022, have been applied during 2022/23. The report also contains information about remuneration to Lagercrantz's President and Executive Vice President. The report has been prepared in accordance with Chapter 8, Sections 53 a-b of the Swedish Companies Act (2005:551) and the Rules on remuneration to senior executives and on incentive programmes issued by the Swedish Corporate Governance Board.

Further information about remuneration to senior executives in accordance with Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act is provided in Note 5 in the company's Annual Report for 2021/22.

Information regarding the Remuneration Committee's work during 2022/23 is available in the Corporate Governance Report in the Annual Report for 2022/23.

Directors' fees are not covered by this report. Such fees are determined annually by the Annual General Meeting and disclosures regarding this are provided in Note 5 in the Annual Report for 2022/23.

Development during 2022/23

For information regarding Lagercrantz's development during 2022/23, refer to the comments by the President in the Annual Report for 2022/23.

The company's remuneration guidelines

The guidelines for remuneration, adopted by the Annual General Meeting 2022, are provided in Note 5 (pages 74-76) in the Annual Report for 2022/23. During the 2022/23 financial year, the company has essentially complied with the applicable guidelines and no departures from the guidelines have been made and no deviations have been made from the decision-making process that according to the guidelines shall be applied to determine the remuneration. The Auditor's opinion as to whether the company has followed the guidelines is provided on Lagercrantz's website: <https://www.lagercrantz.com/en/general-meetings>.

Apart from the remuneration that is covered by the guidelines for remuneration, Lagercrantz's annual general meetings have resolved to implement long-term incentive programmes.

Share-based incentive programme

Lagercrantz at the end of the 2022/23 financial year had three outstanding call option programmes (2020/2024, 2021/25 and 2022/26) for Group Management and other management staff in the Group. The current number of outstanding options and other significant terms and conditions are communicated in the Annual Report, Note 7 (page 76) and in every quarterly report from the company.

The incentive programmes mean that the participants are given the opportunity to acquire call options on Lagercrantz repurchased B shares at a market price. The employees have paid a market-related option premium for call options on B shares. The programme includes a subsidy which means that the employee receives the corresponding amount as the paid option premium in the form of cash remuneration, i.e. salary. Payment of the subsidy occurs two years after the issue resolution provided that the option holder at this time is still employed in the Group and holds call options. This subsidy with related social security expenses is allocated as a personnel cost over the vesting period. Lagercrantz has no obligation to repurchase the options when an employee terminates his/her employment. The holder can redeem the options regardless of continued employment in the Group.

Change in remuneration and the company's results during the last five financial years

All reporting regarding remuneration to the President and CEO and other senior executives in Lagercrantz is reported in the Annual Report for 2022/23 in Note 5.

26 July 2023

The Board of Directors