

Annual & Sustainability Report 2021


Moving people, material, and businesses safely to new heights.



**This is an interactive, clickable pdf.**

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Calendar

The Annual General Meeting (AGM) for the 2021 financial year will be held on May 5, 2022.

The Interim Report for the period January–March 2022 will be published on April 27, 2022.

The Interim Report for the period January–June 2022 will be published on July 19, 2022.

The Interim Report for the period January–September 2022 will be published on October 20, 2022.

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In the event of any discrepancies between the Swedish and the English versions of the Annual Report, the Swedish version shall take precedence.

On the cover: Several Alimak Scando 650 and Alimak Mammoth construction hoists – Newfoundland Tower, Canary Wharf, London UK.



Alimak Group in Brief

Alimak Group in Brief

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CEO Letter 2021

Alimak Group is a world-leading provider of vertical access solutions for professional use, listed on Nasdaq OMX Stockholm. With a presence in more than 100 countries, the Group develops, manufactures, sells and services vertical access solutions with a focus on adding customer value through greater safety, higher productivity and resource efficiency.

Alimak Group's products and solutions are sold under the brands Alimak, CoxGomyl, Manntech, Avanti and Alimak Service.

Founded in Sweden in 1948, the Group has its headquarters in Stockholm, ten production and assembly facilities in eight countries and 2,100 employees around the world.

Divisions

CONSTRUCTION

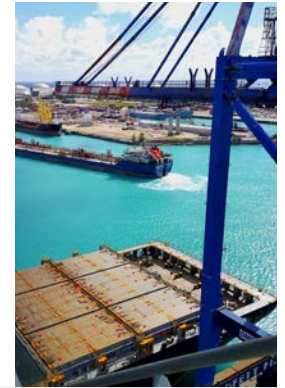
Under the Alimak brand, Construction develops, manufactures, sells, services and provides rentals of a wide range of construction hoists, platforms and mast climbing work platforms for temporary use in construction and renovation projects globally. We also offer sales of the Group's recycled construction products, mainly derived from its own rental fleet. It also offers services like assembly, disassembly, maintenance, operating assistance, transportation and insurance.



Share of Group revenue **30%**

INDUSTRIAL

Under the Alimak brand, Industrial offers a wide range of lifts and platforms for permanent use across a broad spectrum of industries and harsh environments, including ports and shipyards, as well as power, oil & gas and cement. By working closely with customers and as we are represented in all our geographical regions, both in sales and service, we can offer our clients new equipment, and a complete solution customised for their specific environment and needs for up to 30 years.



Share of Group revenue **24%**

BMU

The Manntech and CoxGomyl brands offer permanent building maintenance systems and facade access solutions for any building or structure, regardless of its size or complexity. We offer design, engineering, fabrication, testing, commissioning, and installation of a range of tailor-made solutions and services. Other services include maintenance programmes, inspections, certifications, spare parts, refurbishments, equipment replacement, training, digital remote monitoring and asset management.



Share of Group revenue **28%**

WIND

Wind offers access solutions for safe work in wind towers worldwide, onshore and offshore. Under the Avanti brand, we offer highly reliable products such as service lifts, vertical ladders and fall protection systems. Besides providing highly skilled services, Wind also offers training courses for maintenance. Its large footprint allows an efficient supply chain for tower manufacturers and OEMs, as well as flexible and fast response for services.

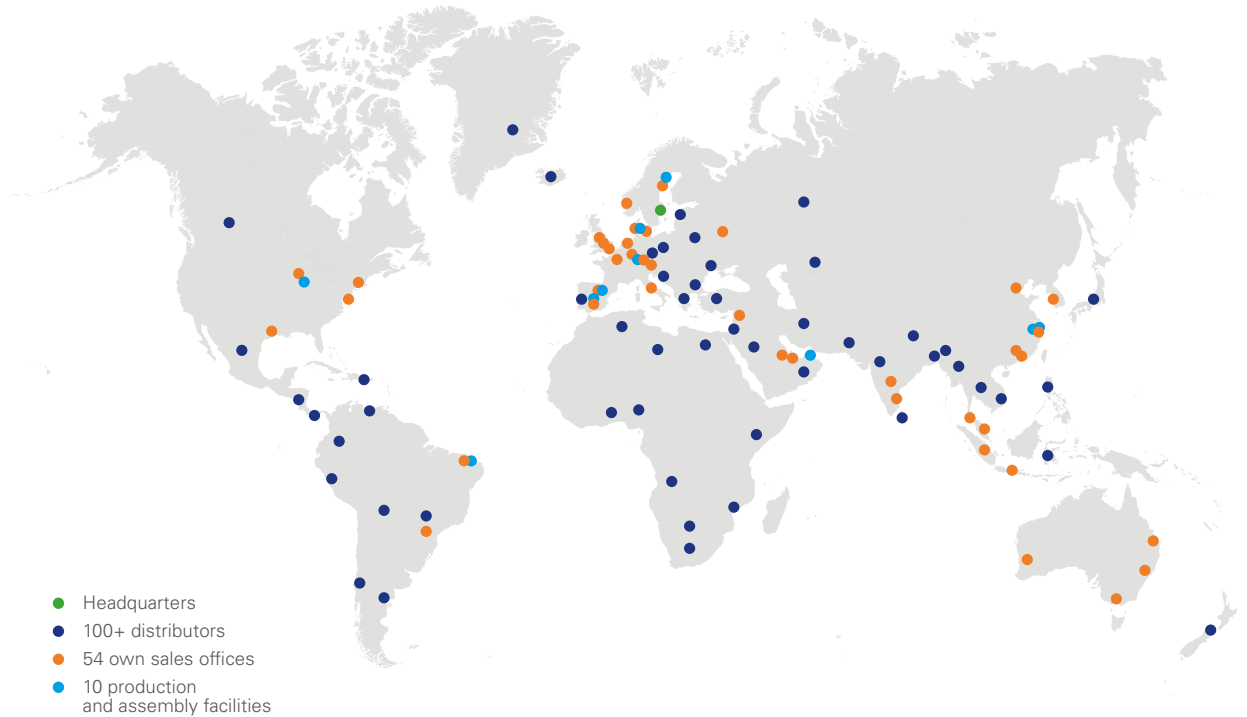


Share of Group revenue **18%**



The Group Across the World

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Alimak Group has a global network of sales offices and distributors, reaching over 100 countries. The global organisation puts Alimak Group close to its customers and ensures good knowledge of their business as well as long-term relationships.

It also benefits the customers through a unique combination of international and local service and support. The Group has an installed base of more than 70,000 units across the world.

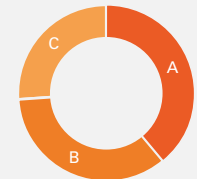
Revenues

MSEK

3,728

Revenue per Region %

- A) Europe, 39
- B) APAC, 35
- C) Americas, 26
- D) ROW, 0

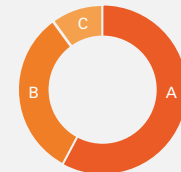


Employees

2,057

Employees per Region %

- A) Europe, 58
- B) APAC, 32
- C) Americas, 10
- D) ROW, 0





The Year in Brief

Alimak Group in Brief

The Group Across the World

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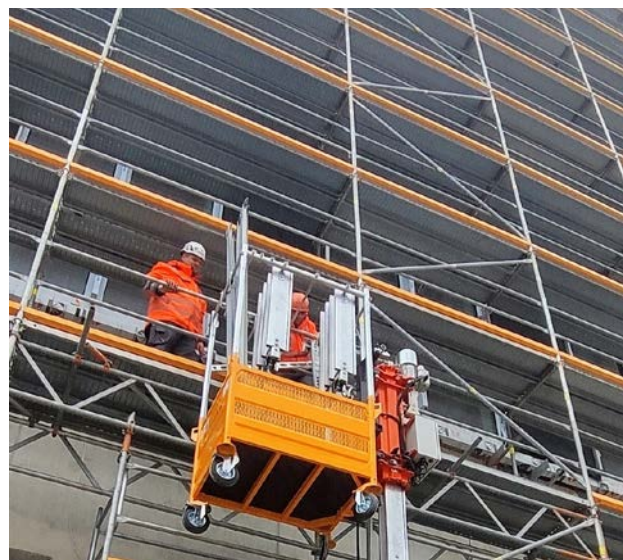
CEO Letter 2021

Important Events 2021

Since January 2021, Alimak Group is organised into four customer-centred divisions: Construction, Industrial, BMU (Building Maintenance Units) and Wind.



Three new colleagues joined the company and leadership team. Thomas Hendel was appointed Chief Financial Officer as of May 17, Salomeh Tafazoli was appointed Executive Vice President for the Industrial division as of June 1, and Annika Haaker was appointed Chief People and Culture Officer in the new function People & Culture as of April 6. Former Executive Vice President for the BMU division, Mark Casey, left the company and Cameron Reid, previously BMU Manager Europe, took on the role of Interim EVP July 26.



In 2021, we increased our product development activities and launched new products, in close cooperation with our customers. This strategy has been very well received in the market. In April, our new industrial elevators for the emerging markets, ALIMAK SL-H 2000 and ALIMAK SL-H 3000, built on Alimak's trusted rack and pinion technology, were launched. The all-new ALIMAK SL-H is a passenger and freight elevator range suitable for tough operating environments. In November, a new scaffolding product for the construction industry was launched. The Alimak STS 300 Scaffold Transportation System is an innovative scaffolding transportation system offering a range of features which enhance safety in combination with increased efficiency.

Order Intake

MSEK

3,772

EBITA

MSEK

483

Cash Flow from Operations

MSEK

646



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CO₂-footprint reduced by 30 % across our value chain by 2025.

On June 17th, the Board of Directors updated the financial targets and dividend policy, to reflect the value creation potential as part of the New Heights strategy launched late 2020. The Group also arranged a Capital Market Day for the first time and decided on a sustainability target. The sustainability target is to reduce the CO₂-footprint by 30 % across our value chain by 2025.

The updated mid-term financial targets are:

- Average annual revenue growth of 5–7 %.
- EBITA-margin target of 14–16 %.
- Target of paying a dividend of 40–60 % of net profit to shareholders.

On July 1st, Alimak Group announced the acquisition of Cento Engineering Group, a UK facade access engineering and service provider with a large share of the service portfolio consisting of Manttech units.

On December 17th, it was decided to rename the BMU division to division Facade Access, and to start the implementation process in January 2022.



The Year in Key Figures

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Key figures

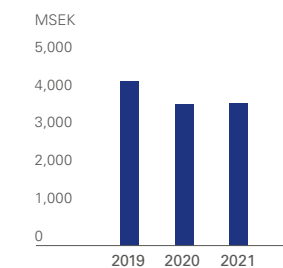
	2021	2020	2019	2018	2017
Order intake, MSEK	3,771.7	3,761.3	4,363.2	4,621.1	4,101.2
Revenue, MSEK	3,727.8	3,740.3	4,587.4	4,320.4	4,000.7
Operating profit (EBITA), MSEK	482.8	318.9	608.1	490.5	464.7
Operating profit (EBITA), %	13.0	8.5	13.3	11.4	11.6
EBIT, MSEK	448.1	277.5	565.1	439.4	416.8
Profit for the period, MSEK	307.5	182.8	394.0	344.0	291.6
Earnings per share, SEK	5.68	3.37	7.28	6.35	5.58
Cash flow from operating activities, MSEK	645.9	505.1	502.1	239.9	335.4
Dividend, SEK	3.30 ¹	3.00	1.75 ³	2.75	2.30
Leverage (Net Debt/EBITDA)	0.55	1.50	1.33	1.55 ²	1.72 ²

1) Proposed by the Board of Directors.

2) Leverage not adjusted for the impact of IFRS 16.

3) Lowered due to the market uncertainty caused by COVID-19. The Board's previous proposal was a dividend of SEK 3.25 per share.

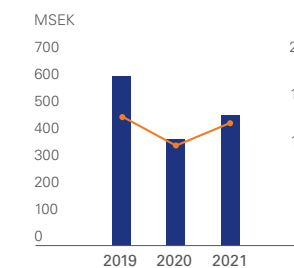
Order intake



■ Order intake

Order intake in line with last year, with 2 % organic increase, to MSEK 3,772.

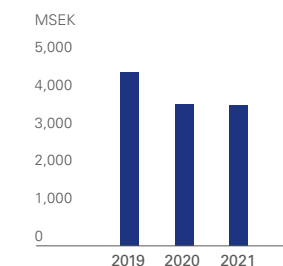
Profitability



■ EBITA
— EBITA margin

EBITA increased to MSEK 483, with a margin of 13.0 %.

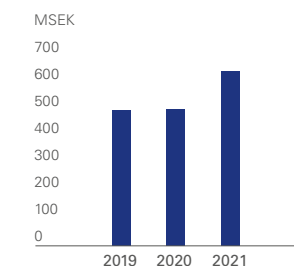
Revenue



■ Revenue

Revenue in line with last year, increased 1 % organically, to MSEK 3,728.

Cash flow



■ Cash flow from operations

Cash flow from operations improved to MSEK 646.



CEO Letter 2021

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Our number one priority for 2021 has been to deliver margin improvements and to start the implementation of our divisional strategies to drive profitable growth forward. We are determined to build an industry leading Group with profitable growth in its DNA, and we are gaining momentum to deliver continued improvements during 2022 and onwards. I am proud to see the way the entire organisation has worked diligently to deliver the access solutions our customers around the world depend on, as a critical part of their business operations.

IMPROVED EFFICIENCY AND MARGINS

Group earnings improved significantly during the year as part of the implementation of delivering the second phase of the New Heights Programme. The EBITA margin for the Group increased to 13.0 % (8.5) for the year, driven by improved gross margins and lower SG&A expenses. Our new organisation and cost reductions have delivered the MSEK 60 targeted annual savings as of the second half of 2021. The organisation has also managed to offset most of the cost increases for freight and raw material through active price management and other mitigating activities. This has been achieved through team effort with strong local leadership and decision-making, where everyone takes ownership and responsibility, in addition to being close to our customers and markets. Cash flow and cash conversion were strong throughout the year, and we have a solid financial position that allows us to invest in future growth.

CAPTURING OUR FULL VALUE POTENTIAL

We have a clear vision and strategic roadmap in place to capture the full value potential for Alimak Group. Our updated financial and sustainability targets, which we launched in June 2021, reflect our strong ambition for sustainable profitable growth in

the coming years. Our solutions have a lifetime of 20 to 30 years, and we can optimise value for our customers through the entire life of our solutions. With connected solutions, daily usage and maintenance of our lifts and hoists can increase efficiently. Moreover, we can extend the life of our access solutions, monitor and troubleshoot remotely, as well as facilitate better planning and control of the flow of people and material in our customers' eco-system. Offering product upgrades and refurbishment as part of our service, can also extend the lifetime of every solution. This will add long-term value for our customers, owners and society at large.

Alimak Group is a signatory of the UN Global Compact and we support the initiative's Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. I am very proud that we have been listed on Allbright's Green list for having 40 % women in the Leadership Team. Our sustainability work has also been recognised by renowned EcoVadis as Alimak Group Sweden AB received a gold rated sustainability scorecard in November 2021. In December 2021, we signed a partnership with Engineers Without Borders Sweden (EWB-SWE), a volunteer organisation dedicated to make a long-term impact by addressing challenges linked to the United Nations Sustainable Development Goals. EWB-SWE strives towards solving engineering challenges related to inequality and global development.

SET FOR SUSTAINABLE PROFITABLE GROWTH

Our strong financial position allows us to invest in future growth. During the year, our divisions have developed and implemented strategies and activities to excel in the areas where we need to be best: Customer Obsession, Technology Leadership, Operational Excellence, People Development, Digitalisation and Sustainability.





“We have a clear vision and strategic roadmap in place to capture the full value potential for Alimak Group, based on our strong global position as a leading access solution provider.”

We will continue to drive sustainable profitable growth in all divisions by focusing on our customers, product development, increasing service revenue, operational excellence and accelerating our M&A activities. In 2021, we increased our product development activities and launched new products, in close cooperation with our customers, which have been very well received in the market. In Industrial, our new industrial elevators for the emerging markets, ALIMAK SL-H 2000 and ALIMAK SL-H 3000, developed for the Cement customer segment, have contributed to solid order intake in the division during the year. We will continue to develop our customer- and segment focused industrial solutions.

In Construction, we launched a new scaffolding transportation system, STS 300, developed in partnership with a German company, PERI, providing scaffolders, greater efficiency and increased workplace safety. We have a strong position in construction hoists and see good growth potential also within transport platforms and mast climbers, areas we will focus more on in the future. In BMU, we are increasing our efforts with our products for low and mid-rise buildings to broaden our potential market in this division.

We have initiated a strategic review of the Wind division to explore future strategic alternatives, including a divestment. The decision is based on our view that the Wind division may have a more favourable development in another ownership structure going forward.

Acquisitions is another important area of potential for us where we see an opportunity to expand our product range, enter new segments, add technology and add sales delivery organisations. During 2021, we acquired Cento Engineering Group, a UK BMU engineering and service provider, and we aim to pursue further acquisitions going forward.

Our most important asset is our people and I want to take this opportunity to thank all our employees for their dedication and efforts during the year. I am proud to be part of this team.

We are well set for growth and further margin improvements in 2022 in a still uncertain macro environment. In a world that is growing, communities need infrastructure, housing and industrial facilities. Our access solutions enable the development of this in an efficient, sustainable, and safe way via vertical access automation at the customer's facilities.

I see a lot of potential opportunities that can be realised in the future. As an organisation, we are highly committed to take Alimak Group to new heights and delivering in accordance with our defined targets.

Ole Kristian Jødahl
 President & CEO



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Strategy and Targets



Trends and Driving Forces

Trends and Driving Forces

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The Group is well-positioned to take advantage of important, global macro-economic trends in both mature and emerging markets. This forms the basis for market growth: demographics, digitalisation and sustainability.

MEGA TRENDS



Demographic Changes

The world's population continues to grow. At the same time, urbanisation is driving the trend towards densification in megacities dominated by high-rise buildings.

ALIMAK GROUP'S RESPONSE

Expanded Product Portfolio

The growing population and development of megacities generate increased activity in the construction and industrial sectors, which drives the demand for vertical access solutions. Alimak Group strives to offer a complete portfolio of solutions and several new products are currently under development.



Digitalisation

Industry 4.0, automation and big data create opportunities for new and improved products and services, to increase productivity and sustainability for product owners.

ALIMAK GROUP'S RESPONSE

Connected Services

Through digital technologies, the customer experience of working with Alimak Group can be greatly improved. With BIM models, the planning phase of a new construction or industrial project can be made in a more efficient way. Connected machines allow us to provide support remotely – optimise the use of the machines to improve the productivity and Total Cost of Ownership and become more proactive in solving issues. We launched the first Customer Portal in 2021 – My Alimak – a new digital service channel for our customers.



Sustainability

The increased global focus on sustainability is manifested in different ways, including the transition to renewable energy and higher safety demands from stricter work environment legislation.

ALIMAK GROUP'S RESPONSE

Reduced CO₂ with 30 % and Safety First

Safety first is key at Alimak Group. We see that increased safety focus drives the demand for our products with a shift from more simple solutions like ladders to lifts but also that it results in customers selecting brands with a strong safety record. Sustainability is an integral part of everything we do – from how we interact with customers and suppliers, the products and services we offer and how we set up our operations to be an attractive and responsible employer. For 2025 we have set a target to reduce our carbon footprint across the value chain by 30 %, meaning we will focus on Scope 1, 2 and 3 for CO₂.



The New Heights Programme – Our Strategic Roadmap

Trends and Driving Forces

The New Heights Programme

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A profitable growth programme – New Heights – was launched in October 2020. The programme aims to make sure the Group meets its financial and sustainability targets. The foundation of the programme is a decentralised, customer-centric organisation with the accountability to drive and develop its own business and contribute to minimising the carbon footprint. Our mission for 2021 has been to secure margin improvements.

The New Heights Programme consists of three steps:

1. ESTABLISHING THE BASE

During 2020, a reorganisation took place as the first step of the New Heights Programme. The group is now organised into four customer-centric divisions: Construction, Industrial, BMU and Wind. The new organisation, and subsequent reporting structure, came into effect as of January 1, 2021.

The aim was to establish an organisation with responsibility, accountability and a mandate to act with a broad customer-centric mindset. The divisions are responsible for the full customer journey; asset lifecycle, original equipment, spare parts and services – supported by lean corporate functions.

The establishment of a People & Culture function and strategy to secure excellence in developing the Group's most important asset – our people – has been accomplished during 2021. See chapter People & Culture to learn more.

2. SECURE MARGIN IMPROVEMENTS

Step two, to secure margin improvements, has been the number one priority in the past year. The Group is seeing margin improvements in all divisions, in line with the programme. The organisation has to a large extent managed to offset the cost increases for freight and raw materials through active price management and other mitigating activities. All divisions delivered improved gross margins during the year.

The reorganisation, in combination with restructuring, resulted in a net reduction of approximately 120 employees with actual annual savings of around MSEK 60, with full effect at the end of 2021.

3. PROFITABLE GROWTH

Step three will be our core assignment for 2022–2025 with a focus on driving strong profitable growth, both organic and through mergers and acquisitions. During the first half of 2021, solid profitable growth strategies were developed for each of the divisions.

These strategies were communicated at the Capital Markets Day in June 2021, and during the second half of 2021 the divisions have been working on strategy implementation.

1

ESTABLISH THE BASE
2020

2

SECURE MARGIN IMPROVEMENTS
2021

3

PROFITABLE GROWTH
2022–2025



3

PROFITABLE GROWTH, 2022–2025

Trends and Driving Forces

The New Heights Programme

Our Customer Promises

Group Targets
and Progress 2021**Strategy for profitable growth for each division:****INDUSTRIAL**

Top three priorities 2022–2025

1. Segment focus – customer-centric perspective

Continue to develop our global segment offering with a focus on customers' needs in each industrial segment.

2. Leverage in mature markets and expansion in emerging markets through:

- Further refine the sales channels strategy.
- Initiate local plans to target existing units and plants for replacement and after sales opportunities e.g., service and refurbishments.
- Expand the traction competence to be closer to customers and exploit opportunities in segments and geographical areas where we see growth potential.

3. Best in class service

Develop service packages and service sales. Enhance the local service presence in order to be closer to the customers by creating service hubs. Increased remote monitoring and preventive maintenance driving sustainability.

CONSTRUCTION

Top three priorities 2022–2025

1. Expand geographical footprint

Strengthen our own sales companies and distribution model through geographical expansion into markets where we see growth potential, through new, used parts, services and rental.

2. Broaden our customer offering

Expand the product portfolio and service offerings enabling circular economy. Refurbishment, application engineering and management, installation, dismantle service, service and preventative maintenance, spare parts, operator and technical training and asset management solutions.

3. Digitalisation

Provide our customers more value through a digital experience which utilises the My Alimak web portal, enabling access to important data, documentation and service touchpoints for the customer's assets. The Construction division is engaged in a digitalisation project with key stakeholders as the industry is transforming the way it uses data to improve construction efficiency.

BMU

Top three priorities 2022–2025

1. Operation efficiency

Continue to improve our internal operations and processes, both in the factories and at the sales offices. Working with lean manufacturing, total quality management system and project management.

2. Replacement and refurbishment

Address the emerging opportunity of replacement and refurbishment of aged assets in mature markets. Starting with addressing the older units currently signed to our service contracts.

3. Expanded product range

Expand the product range with light solutions, creating a full product range. Also development of the current product range with connected machines enabling remote monitoring and preventive maintenance.

WIND

Top three priorities 2022–2025

1. Leadership in core business

Lead the step forward to a more efficient and sustainable generation of lifts for wind towers, equipped with digital and innovative technologies. Enlarge the product range with new products that meet local market demands.

2. Growth in safety and services

Broaden the range of safety products and lift upgrades for safety and life extension. Bring new advanced services closer to customers worldwide.

3. Review of potential expansion in renewables

Explore opportunities to expand services to other activities and sectors within renewables, to increase the efficiency and profitability of green electricity production through breakthrough technologies.



Our Customer Promises

Trends and Driving Forces

The New Heights Programme

Our Customer Promises

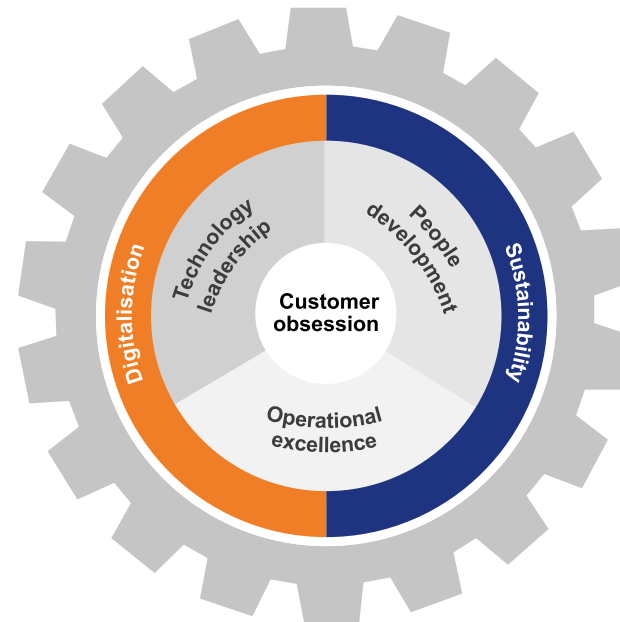
Group Targets
and Progress 2021

“Moving people, material and businesses safely to new heights.” This is what we promise to deliver to our customers. Alimak Group has a market leading position; and we see good opportunities to grow and strengthen its profitability as well as to accelerate value creation for all stakeholders.

Together, the four divisions cover the widest technology base and portfolio in the industry. Our new customer-centric organisation continues its journey to improve customer experiences. Below are our common strategic priorities.

Customer obsession is at the core of everything we do. As a truly customer-driven company, all our decisions are influenced by customer needs. The divisions – as they are the closest to the customers and best understand their needs – are responsible for the full asset lifecycle value proposition, including services.

Technology leadership in the industry is, in our opinion, all about setting the agenda. The Group is strengthening its R&D capabilities to develop more digitally connected and sustainable solutions. Alimak Group will continue to broaden its service solution by developing and packaging new service offerings tailored to customer needs. This includes for example remote monitoring and troubleshooting as well as online training.



Operational excellence and efficiency are goals that the Group strives for in all its processes and operations. The mindset of continuous improvement is achieved through iterative problem solving, proactive leadership and ensuring utilisation of assets in the most efficient way.



“It’s inspiring to see the thriving ambition in the company and to be part of the New Heights journey from the very start. I can see a lot of positive activities ongoing that are driving the transformation of Alimak Group.”

Matilda Wernhoff, Chief Strategy Officer

People development is about attracting, developing and retaining the best people. This work is accelerated by the addition to the management team of the Chief People & Culture Officer. Throughout the year, the Group has been developing and implementing foundational processes and activities, for example; employee experience, onboarding programme, e-Learning strategy and e-Learning platform and measuring employee engagement and performance management processes among many other activities and processes.



Group Targets and Progress 2021

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Alimak Group successfully delivered the second phase of the New Heights Programme in 2021, with improved margins. The Group delivered increased profitability despite continuous challenging market conditions and supply chain disruptions. The COVID-19 pandemic continued to impact the business.

On the Capital Markets Day on June 17, 2021, the Group launched updated financial targets.

- Total annual revenue growth of 5–7 % per year.
- EBITA-margin in the range of 14–16 %.
- Net debt/EBITDA 2.0x.
- Dividend policy 40–60 % of net income.

In addition, the Group launched a sustainability target to reduce the company’s carbon footprint across the value chain, by 30 % by 2025, compared to 2019.

DEVELOPMENT IN 2021

Order intake increased organically during the year by 2 %, in spite of the lower volumes in division Wind, caused by challenging market conditions in China, as well as the planned exit from the tower internals part of the business. Reported order intake was MSEK 3,772 (3,761). Revenues increased organically by 1 % despite the situation for the Wind division. Reported revenues were MSEK 3,728 (3,740).

Financial targets

Revenue growth, %

5–7

EBITA margin, %

14–16

Leverage (Net Debt/EBITDA)

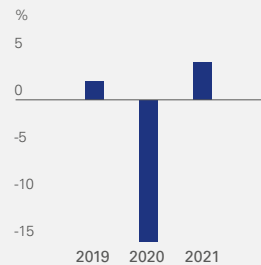
2.0x

Dividend policy, %

40–60

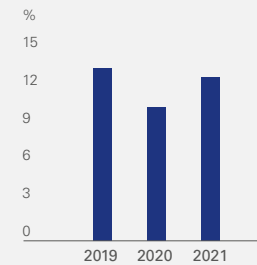
Progress

Revenue growth



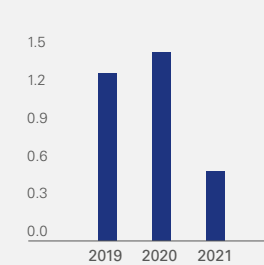
Revenue in line with last year. Excluding tower internals the organic growth was 4 % driven by growth in Construction, BMU and service revenue.

EBITA margin



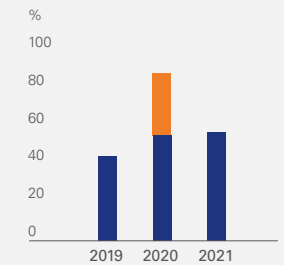
The margin increased by 4.5 percentage points to 13.0 %.

Leverage



Leverage (Net debt/EBITDA) decreased to 0.55, well below the target.

Dividend payout ratio



■ Extra dividend
■ Ordinary dividend
 The Board of Directors propose an ordinary dividend of SEK 3.30 (3.00) per share.



Trends and Driving Forces

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MARGIN IMPROVEMENT

EBITA for the year amounted to MSEK 483 (319), corresponding to a margin of 13.0 % (8.5), with all quarters stronger than the corresponding quarter in 2020. The increase was generated from improved gross margin as well as reduced SG&A cost, in line with the cost reduction programme that was launched at the end of 2020, as part of the New Heights Programme. EPS increased to SEK 5.68 (3.37), an EPS growth of 68 %.

LEVERAGE WELL WITHIN TARGET RANGE

The Group ended 2021 with a net debt/EBITDA of 0.55 (1.50). The improvement was due to both higher EBITDA and reduced net debt. The strong cash generation during the year has substantially reduced the net debt, and a net amortisation of MSEK 190 of the current Revolving Credit Facility (RCF) has been made. The Group thereby retains its strong financial position with a leverage well below the target of 2.0x. Capital allocation priorities are: Investing in profitable growth – market, R&D, M&A activities, and delivering according to the dividend policy.



“I am pleased that we delivered margin improvements according to phase two in the New Heights Programme.”

Thomas Hendel, Chief Financial Officer



Divisions – Year in Brief

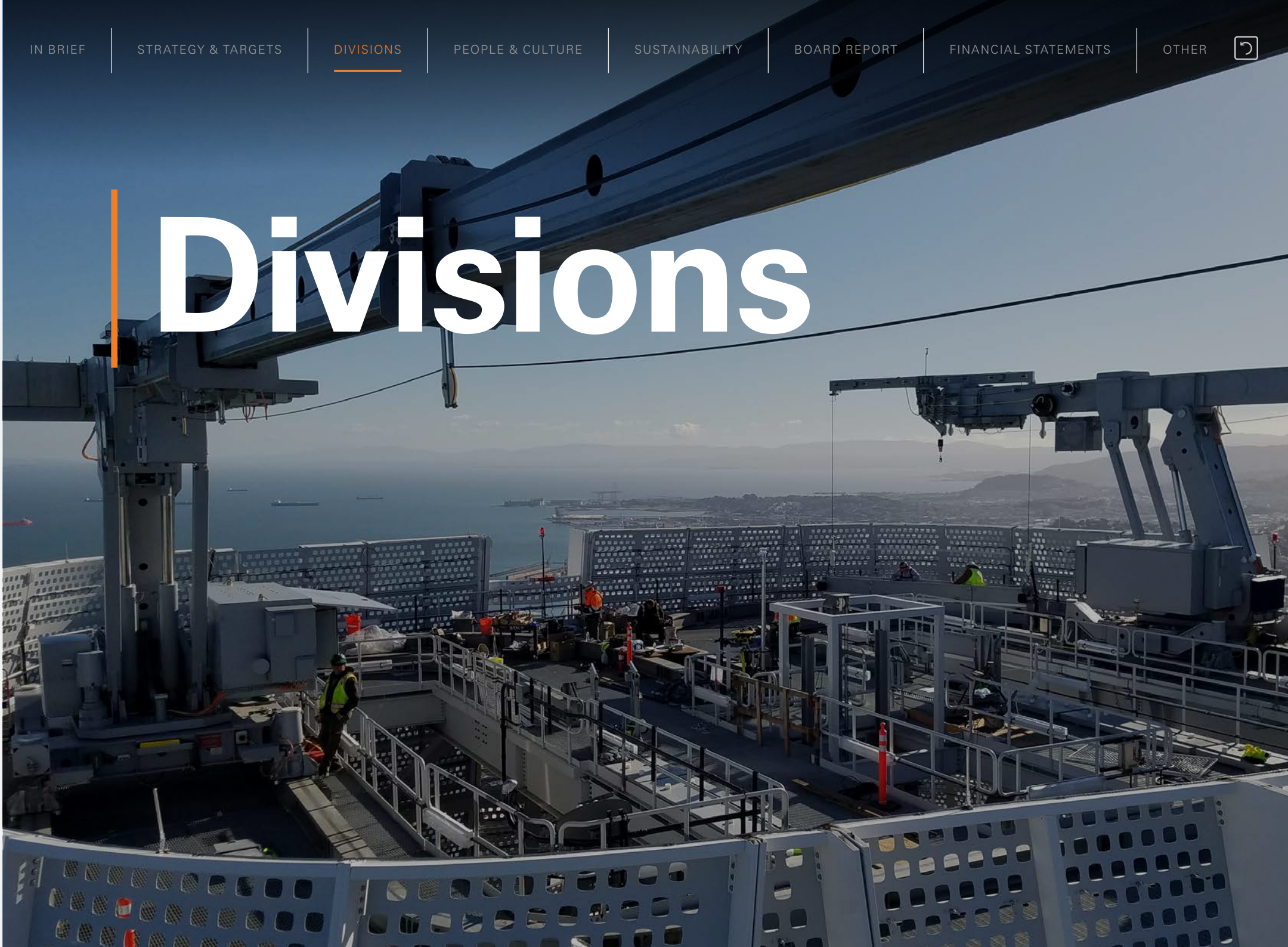
Construction Division

Industrial Division

BMU Division

Wind Division

Divisions





Divisions – Year in Brief

Divisions – Year in Brief

Construction Division

Industrial Division

BMU Division

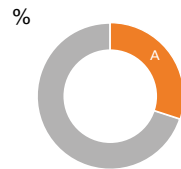
Wind Division

Construction



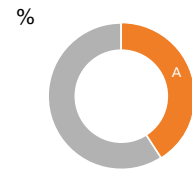
- > **Solid order intake** increase of 6 % to MSEK 1,156 (1,088) with improved market activity.
- > **Revenue increased** by 10 % to MSEK 1,104 (1,008) with solid development in new equipment, services and rental.
- > **EBITA margin increased** to 18.1 % (12.0) driven by higher volumes and good cost control.

Share of Group Revenue



A) Construction, 30

Share of Group EBITA



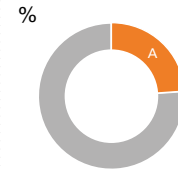
A) Construction, 41

Industrial



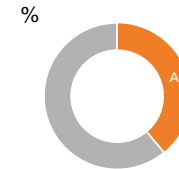
- > **Strong order intake**, up 15 % to MSEK 999 (867) driven by increased demand in most geographic regions.
- > **Revenue decreased** by –3 % to MSEK 885 (917) due to pandemic restrictions to site access in combination with effects of entering the year with a low order backlog.
- > **EBITA margin increased to** 21.0 % (16.3) driven by increased service revenue and lower costs.

Share of Group Revenue



A) Industrial, 24

Share of Group EBITA



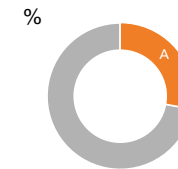
A) Industrial, 39

BMU



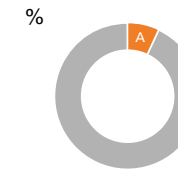
- > **Increased order intake**, up 5 % to MSEK 1,023 (975) with improving market activity in most geographies.
- > **Revenue increased** by 10 % to MSEK 1,063 (962) driven by solid development in both equipment and services.
- > **EBITA margin increased** to 3.2 % (–3.6) driven by higher volumes and lower costs.

Share of Group Revenue



A) BMU, 28

Share of Group EBITA



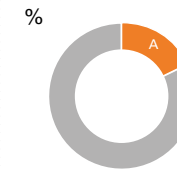
A) BMU, 7

Wind



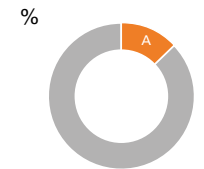
- > **Order intake decreased** by –28 % to MSEK 594 (831) impacted by the decision to exit tower internals and lower demand in China.
- > **Revenue decreased** by –21 % to MSEK 676 (854), mainly impacted by the decision to exit tower internals.
- > **EBITA margin in line with last year** 9.3 % (9.6) impacted by low volumes, compensated by increased service revenue and lower costs.

Share of Group Revenue



A) Wind, 18

Share of Group EBITA



A) Wind, 13

The data published for the new divisions in this document are a restatement which has not been reviewed by the company's auditors.



Construction Division

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In 2021, there were underlying improvements in Europe and Australia. US maintained sales similar to 2020, while the Asian market was down overall due to delayed projects and lockdowns. Construction customers kept their preference of renting equipment rather than buying, a preference caused by the underlying market uncertainty.

The Construction division develops, manufactures, sells, services and provides rentals of a wide range of construction hoists and platforms for temporary use in construction and renovation projects globally. The rental option is provided in the selected markets of France, Benelux, Germany, Switzerland and Australia. The offering includes analysis of customer needs, identification of solutions and products and customer training on site. Moreover, the division also offers sales of the Group's used construction products, mainly derived from our own rental fleet. Last but not least is the important service business, offering assembly, disassembly, maintenance, operating assistance, transportation, and insurance.

Products range from basic to large, bespoke highspeed solutions. These include rack-and-pinion operated construction hoists for people and materials, transport platforms and material hoists for vertical transportation of people and material, as well as mast climbing work platforms.

Alimak Group is a pioneer in the industry and has been a market leader for over 70 years. The Alimak brand is well established and respected in the construction sector and in many regions synonymous with the term construction hoist.

VALUE CREATION

The Construction division creates value through products designed for several different uses, where work safety, reliability, versatility, and price are key requirements. The use of modular designs as a foundation for further customisation

reduces assembly time and maintenance costs for the customer.

The rental option provides the customer with greater flexibility since use of the construction equipment is project based, and thus subject to a time limit. Renting the equipment is less capital-intensive and offers the customer lower risk and greater cost control.

By developing and providing services related to the product, based on collected operational data, we can provide more value and knowledge to the users. Data can be transformed and refined for customers and users to help them get their work done in a safe, efficient and sustainable manner. Through digital transformation, the Construction division is able to support and bring value to a larger part of the construction ecosystem.

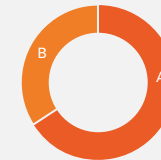
Used products provide customers with an alternative to investing in new products, when market conditions and uses allow for more basic machinery, particularly in emerging markets.

MARKET AND COMPETITORS

The underlying driver for the demand of the Construction installations is global and regional construction activity, on commercial, high-rise, mid-rise, low-rise and residential buildings.

The Alimak brand is truly global in a relatively fragmented market where competition varies by region. The brand enjoys a leading position in most developed markets and is amongst the leading players in many of the emerging markets.

Order Intake Split 2021 %



A) Equipment, 66

B) Service, 34

Revenue Split 2021 %



A) Equipment, 68

B) Service, 32

Construction

	2019	2020	2021
Order intake, MSEK	1,154.0	1,088.4	1,155.6
Revenue, MSEK	1,385.4	1,007.7	1,103.9
EBITA, MSEK	243.0	121.1	200.2
EBITA margin, %	17.5	12.0	18.1
EBIT, MSEK	243.0	119.4	198.0
EBIT margin, %	17.5	11.8	17.9



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“2021 has been a good year of recovery. We have broadened our geographical footprint and are introducing a wider range of products and services for our customers.”

David Batson, EVP Construction Division



Alimak High Speed and Mammoth hoists at the South Quay Plaza in London, UK.

Alimak holds a strong position in the construction hoist segment, whereas more growth opportunities exist in the platform segment.

In certain markets, customers have historically been more inclined to rent equipment rather than buy, and small construction firms are generally more inclined than large companies to rent equipment. Alimak is a leading provider in the handful of rental markets it serves. Competitors are mainly other manufacturers of construction hoists and platforms, in addition to a number of small specialist and some generalist rental businesses.

DEVELOPMENT IN 2021

During 2021, order intake for Construction improved in Australia, the Nordics and the UK compared to the previous year, but decreased in the US market. In total, order intake increased by 6 %, to MSEK 1,156 (1,088).

Overall, COVID-19 continued to have an impact on the construction sector throughout the year, especially in certain regions. In Southeast Asia and Pacific, a number of lockdowns impacted project launches and the possibility of providing on-site service. Transport constraints and supply chain shortages impacted project decisions as well as project launches.

Low occupancy rates in office buildings slowed down construction demand, but this was compensated by increased investments in public- and residential buildings as well as major infrastructure construction such as roads and rail tunnels.

Despite continuing challenges in all regions caused by the pandemic, the Construction division made a positive revenue recovery compared to last year – an increase of 10 % to MSEK 1,104 (1,008). The revenue from services also increased, although only marginally.

The EBITA margin increased to 18.1 % (12.0). This was the result of a favourable product and geographical mix, good factory utilisation, price management and the positive effects of the cost saving programme carried out at the end of 2020.



CASE: SARA CULTURAL CENTRE IN NORTHERN SWEDEN

Alimak construction hoists at one of the tallest timber buildings in the world

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ALIMAK SCANDO 650 hoists and mast climbers provided vertical access for people and materials during the construction of the new Sara Cultural Centre in northern Sweden. The cultural centre is one of the tallest timber buildings in the world to date.

Located at the heart of Skellefteå town, you will find one of the world's tallest wooden buildings – the new Sara Cultural Centre. The centre will become Skellefteå's new venue for performances, exhibitions, events and congresses. The entire building will be buzzing with creativity, and the new hotel offers a spa, a restaurant with panoramic views and first-class accommodation.

Alimak construction hoists and mast climbing work platforms provided vertical access during the construction of the 80-metre tall timber building.

Two Alimak Scando 650 construction hoists, one on each side of the building, were utilised on the site to transport workers and materials up and down the 20-floor building.

In addition to the Alimak construction hoists, several Alimak mast climbing work platforms have been used for facade cladding and window installation. A total of 12 mast climbing work platforms were used in twin mast configuration at different heights.

The Swedish rental company Cramo was responsible for the delivery of the Alimak hoists, and our rental partner Bennab delivered all the mast climbing work platforms to Cramo for this project.

The building consists of a low-rise section of four floors and a tower section on top, which extends a further 16 floors up. The building has a high focus on sustainability. On the 20th floor there is a spa, offering views of the forests from which the raw material first came, and with its heating and cooling system being regulated by power from the Skellefteå river.

Two Alimak construction hoists and twelve mast climbing work platforms provided vertical access during the construction of one of the tallest timber buildings in the world. ▶





Industrial Division

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The Industrial Division has seen a positive effect on order intake during the year due to a new strategy with increased segment focus, successful product launches and development. Our sales representatives are highly dedicated and the division breathes optimism.

The Industrial division serves customers with permanently installed rack-and-pinion and traction elevators, often under strict code regulation. They are used in several end-segments such as ports, power, cement, marine and oil & gas for maintenance and accessibility purposes. Service is a core part of the offering with industry leading product and customer support. The division provides a complete range of service solutions such as service packages, preventive maintenance and repairs, inspections, refurbishments, genuine replacement parts and customer training. All tailored to manage the total lifecycle of the equipment, optimising TCO – Total Cost of Ownership.

The majority of the business is customised, and the vertical access solutions constitute a minor part of large complex engineering, procurement and construction investments. The Group's industrial elevators are therefore often customised to suit specific customer applications and requirements with respect to size, load capacity, height, safety and speed. The division's products have a long anticipated lifecycle of about 25 to 30 years. Services such as maintenance, spare parts, repairs and refurbishments can make up to 75 % of the potential lifecycle revenues.

VALUE CREATION

The Industrial division creates value for its customers through providing safe, reliable and high-quality products and services, delivered by professionals who are close to the customer's

business and understand their needs. The products benefit from the Group's significant technological experience and are often designed to function under extreme conditions and in corrosive environments while offering reliability, efficiency and a long life.

MARKET AND COMPETITORS

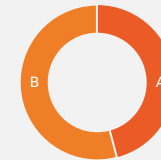
Demand for permanently installed industrial elevators follows the general levels of investment in the industries of endusers. The market for industrial rack-and-pinion elevators is consolidated, with Alimak as the leading player.

The traction market is more fragmented with industrial applications supplied both by large commercial manufacturers and smaller local companies. To Alimak Group it is a positive growth opportunity.

DEVELOPMENT IN 2021

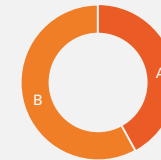
A new high-capacity industrial elevator intended primarily for the Chinese, Southeast Asian and Indian markets was introduced during the year. It has been developed and produced in China and was launched during a Cement summit in April 2021. A relaunch of the ME (Marine Elevator) traction elevator series – developed and produced in Norway specifically for the marine segment – was carried out with a digital marketing strategy. The Industrial division has seen a positive effect on the equipment order intake with recognition of successful R&D and product launches.

Order Intake Split 2021 %



A) Equipment, 46
B) Service, 54

Revenue Split 2021 %



A) Equipment, 42
B) Service, 58

Industrial

	2019	2020	2021
Order intake, MSEK	1,056.0	867.3	999.2
Revenue, MSEK	1,140.4	917.1	885.1
EBITA, MSEK	225.9	150.1	186.0
EBITA margin, %	19.8	16.4	21.0
EBIT, MSEK	224.8	147.5	183.4
EBIT margin, %	19.7	16.1	20.7



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An Alimak industrial elevator at the world's largest production line for bleached softwood kraft pulp – the Östrand pulp mill in Timrå, Sweden.



“I’m proud of the Industrial team’s customer-centric mindset and that we, together, find solutions to our customers’ needs. We have broadened our geographical footprint further with success in Asia and the Middle East we are a team that is moving ahead.”

Salomeh Tafazoli, EVP Industrial Division

The Industrial division’s order intake in 2021 increased by 15 % to MSEK 999 (867). An increased focus on the new high capacity industrial elevator and the marine elevator contributed to increased order intake in new market segments.

Services were however more impacted by the pandemic. Travel restrictions imposed by governments and customer’s own COVID-regulations led to the prevention of site visits and the execution of services, especially in the offshore business.

2021 has been a year of development and opportunities for the Industrial division. A new organisation and strategy is in place, and it has really showed its strengths. New products have been developed and launched, grasping opportunities in new segments and enhancing the footprint. The development shows an increase in EBITA by 24.3 % to MSEK 186 (150) for the full year. With that full year result and the closure of the year, especially with the strong Q4, the division breathes optimism.



CASE: TONGCHUAN CEMENT PLANT, SHAANXI, CHINA

A twin car Alimak industrial elevator maximises productivity at a Tongchuan cement plant

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ACCORDING TO *Global Cement Magazine*, Tangshan Jidong Cement Co., Ltd. has been ranked as the world's sixth-largest cement manufacturer.

The busy cement production facility at Tongchuan will benefit significantly from an industrial elevator based on Alimak's tried and tested rack-and-pinion drive technology.

As in many varied industrial applications, the vertical access solution for the plant's important preheater tower was required to meet several specific transport requirements for the demanding industrial application. The solution delivered was made possible through Alimak's innovative rack-and-pinion drive system, located above the elevator car itself. As a result, there was no need for a shaft or a separate machine room, a critical feature due to the limited space available. The reliable and robust design engineered by Alimak is also uniquely well-suited to harsh industrial environments, such as cement production, while also offering ease of maintenance and lower operating costs throughout its life.

A twin car, Alimak SL-H industrial elevator, with a weight capacity of 2,000 kg for each car, maximises the transportation capacity available for the preheater tower, reaching a height of 137 meters. The dual car design also represents significant cost savings compared to two traction elevator units.

In this instance, a pre-configured, industrial elevator system provided by Alimak was the optimal solution, as significant challenges regarding the timescale and the limited area for installation were at the forefront of the project. In addition, the installation was also required to take place during the rainy season, adding further challenges.

A tight schedule was met to avoid undue disruption to the operations of the cement plant. With the tower crane available only for a short period, the elevator was used to complete the build of the mast section, tie-ins, and each of the ten landing areas.

As a result, three expert technicians completed the installation at a safe, yet efficient pace in 35 days.

◀ Tongchuan Cement Plant, Shaanxi, China



BMU Division

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The BMU Division made operational improvements across its two brands in 2021, with increased order intake and a resulting overall strengthening of the bottom line.

The BMU division offers permanently installed equipment and systems that enable regular access to the facade of buildings, often called Building Maintenance Units (BMUs). Typically, the equipment is used to provide a permanent means of access to the facade of buildings and structures for maintenance purposes, which include cleaning and replacing damaged facade panels, lights and windows etc. The permanent access solutions are also used on infrastructure such as stadiums, airports, hospitals, bridges and industrial installations for the same purposes.

VALUE CREATION

Present around the world with over 120 years of combined experience, the Manntech and CoxGomyl brands are industry pioneers and innovators, providing optimal building maintenance systems available for every structure regardless of their simplicity or complexity. The brands provide reliable and efficient building access solutions based on proven technologies, ensuring exceptional performance whilst meeting the highest standards of safety and quality. The brands support the complete lifecycle of the facade access equipment through the highly skilled Alimak Service team, which delivers routine maintenance on the equipment throughout its 25-year design life. In addition to routine maintenance, services include repair, refurbishment, re-purposing and replacement of the equipment.

MARKET AND COMPETITORS

Demand for BMU facade access solutions and services is driven

by the continued rise in the urban habitat and the requirement to safely access the exterior of buildings and structures for maintenance and inspection purposes. CoxGomyl and Manntech are market leaders in a niche sector within the industry.

DEVELOPMENT IN 2021

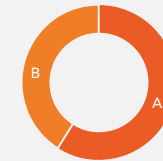
The Division historically has delivered 75 % of revenue from new equipment sales and 25 % from services. Over the last year, due to a strategic focus on increasing the Service Market Share to drive sustainability and to improve the divisional profitability, the revenue split has changed to 67 % and 33 % respectively.

47 % of the new equipment sales is generated from medium complexity machines, 17 % are high complexity with the remaining coming from low complexity solutions.

The Division delivered improvements YOY to EBITA primarily driven through an improved business mix, better utilisation, reduced SG&A costs and improved sales margins.

The Manntech and CoxGomyl brands continue to boast an impressive portfolio of projects, with an abundance of unique references, including recognisable icon projects such as the Burj Khalifa, Shanghai Tower and One World Trade Centre. The largest project that our Manntech team are currently executing is the highly complex replacement – Arch Maintenance Units (AMU) on the Sydney Harbour Bridge. The design, manufacture and installation of the mechanised AMU has reached the fabrication and field-testing phase. Another major replacement project was 17 facade access systems on the iconic Lloyd's of London building in the UK. In addition to these

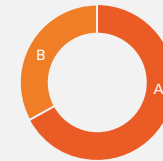
Order Intake Split 2021 %



A) Equipment, 59

B) Service, 41

Revenue Split 2021 %



A) Equipment, 67

B) Service, 33

BMU

	2019	2020	2021
Order intake, MSEK	1,246.2	975.0	1,022.7
Revenue, MSEK	1,165.6	961.8	1,063.1
EBITA, MSEK	54.0	-34.1	33.9
EBITA margin, %	4.6	-3.5	3.2
EBIT, MSEK	35.4	-47.2	26.9
EBIT margin, %	3.0	-4.9	2.5



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iconic projects, the division secured several new service contracts in 2021. Notably, these included new contracts for the facade access systems on; One World Trade Centre in New York, Lakhta Tower in St. Petersburg and the 2020 Expo in Dubai.

Looking into the future, the division will continue to focus on developing its brands across design optimisation, digitalisation, sustainability, and general improvement measures, as well as driving cost reductions across the production facilities. More specifically, further opportunities have been identified in the replacement and refurbishment facade access arena. The brands will continue the expansion on the light product range, to further expand revenues on low- to mid-height buildings. After Sales Service will also continue to be a key focus area for the division to continue to penetrate the existing facade access install base.



“With strong brands, customer value creation, an industry leading engineering team and solid leadership team, we are capable of moving successfully into the future with great customer solutions. We are well positioned to handle the rise after the pandemic.”

Cameron Reid, EVP BMU Division

With key industry trends such as urbanisation and digitalisation expected to provide an opportunity for development in the BMU division’s service, the strategy for profitable growth involves four critical areas of improvement. Operational efficiency, focusing on lean manufacturing, replacement and refurbishment of the existing install base, service growth and finally, expanding the low complexity product range.



CASE: STUDY BMU – AL WASL PLAZA TRELLIS

Highly engineered building access system for Expo 2020 Dubai

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AS AN INDUSTRY-LEADING FACADE access solution provider, CoxGomyl was given the task of solving the numerous challenges presented by the Al Wasl Plaza Trellis, the focal centre piece of the Expo 2020, in Dubai.

The unique dome structure designed by Adrian Smith + Gordon Gill Architecture spans 130 metres and reaches 67 metres in height. The Trellis has been conceived to echo the design of the Expo 2020 Dubai logo. It is defined by a shell frame structure with steel pipes forming a complex pattern of rings varying in shape and size. The translucent facade surface also provides the canvas for projections which create an immersive 360-degree experience, visible to guests from both inside and outside the dome.

The access system had to facilitate navigating in and around the complex geography of the structure while also providing easy and convenient access for a wide range of cleaning and maintenance tasks on both the interior and exterior facade surfaces.

CoxGomyl's expert team developed a highly engineered track system for the two gantries, with the largest gantry spanning a staggering 78 metres, one of the largest in the world. The tracks have been specially developed to follow the complex forms of the steel frame structure and minimise the visual impact with both horizontal and curving, sinusoidal forms. The exterior of the building is served by a system of four separate tracks with two incorporating a rack-and-pinion-system and two specifically designed to follow and complement the sinusoidal sections with a friction-drive mechanism. Similarly, the interior of the dome is accessed by a system comprised of three tracks: two with rack-and-pinion drives and one with a friction drive for the curving sinusoidal sections.

A strong history of successfully deployed facade access solutions along with our team's demonstrated engineering expertise during the consultation process, made CoxGomyl the ideal choice of facade access provider for this impressive project.

◀ Al Wasl Plaza Trellis, for the World Expo in Dubai.



Wind Division

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Despite the global supply issues in 2021, the Wind division has successfully continued to provide vertical access solutions and safety products to major western OEMs like Vestas, SGRE and relevant Chinese OEMs. Throughout the year, the division has collaborated with the owners of the wind farms to achieve the highest safety standard through enhanced services and remote trainings.

Wind offers access solutions for safe work in wind towers worldwide, onshore and offshore. Under the brand Avanti, it sells highly reliable products, such as service lifts, vertical ladders and fall protection systems. Besides providing highly skilled services, Wind also offers training courses for maintenance. Its large geographical footprint allows an efficient supply chain to tower manufacturers and OEMs, as well as flexible and fast response for services.

With a comprehensive range of vertical access solutions all geared to maximise safety, Avanti service lifts meet the varied and changing needs of customers in the renewable energy industry served by three technologies: wire guided, rack-and-pinion, and ladder guided service lifts.

VALUE CREATION

Avanti provides safe work in wind turbines, both offshore and onshore. Through high-quality safety products and solutions for wind turbine towers, Avanti helps customers make wind energy cost competitive. The Wind division has an installed base of more than 40,000 service lifts globally. About 30,000 service technicians working in the wind industry have been trained and educated in safety by Avanti.

MARKET AND COMPETITORS

The trend towards clean, affordable and reliable power remains one of the key drivers behind the growth in renewable energy such as wind. The demand for the Group's products aimed at this industry, where the Avanti brand holds a market-leading position, correlates with global investments in wind energy. The customers are mainly wind turbine OEMs which have undergone consolidation in the past years.

DEVELOPMENT IN 2021

2021 was a challenging year for the Wind division. The global set-up close to our customers, and the advanced management of the operations, mitigated the raw material volatility and the increased freight costs. The division decided in 2020 to exit the low-profit tower internal business, which impacted 2021 by around MSEK 80 in order intake and around MSEK 110 in revenue. Additionally, the Chinese wind power market slowed down due to reduced governmental investment support, something which heavily impacted the market share of traditional customers. The Wind division unit in China has adapted to the new situation and increased its focus on the specific needs in the Chinese market in order to keep a strong position.

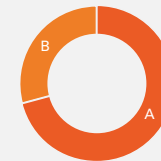
Order intake split 2021 %



A) Equipment, 67

B) Service, 33

Revenue split 2021 %



A) Equipment, 71

B) Service, 29

Wind

	2019	2020	2021
Order intake, MSEK	907.0	830.7	594.2
Revenue, MSEK	896.1	853.8	675.7
EBITA, MSEK	85.1	81.8	62.6
EBITA margin, %	9.5	9.6	9.3
EBIT, MSEK	62.0	57.8	39.9
EBIT margin, %	6.9	6.8	5.9



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“As a global leader in the wind segment, we are in a very interesting era where we see several opportunities adding value to our stakeholders and customers as we broaden our solutions and increase our range of products and services.”

José Maria Nevot, EVP Wind Division

The Wind division succeeded in other emerging markets like Brazil, with large orders for lifts and ladders during the year. The business in Europe remained relatively flat whereas the business for the service section in both the United Kingdom and Australia increased. All these drivers resulted in a total order intake of MSEK 594 (831) and revenue of MSEK 676 (854). Despite lower sales and other factors such as lay-off compensation costs, increased costs for freight and raw material, Wind maintained the EBITA at 9.3 % (9.6).



Safe service work inside a wind turbine.



CASE: THE AVANTI SHARK LIFT

New heights in sales thanks to high quality, customisation and global footprint

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THE AVANTI SHARK LIFT was successfully launched in 2005 and during the years it has been updated and adjusted to customer requirements. Today it is one of the most cost-effective and flexible wire-guided service lifts for the wind industry worldwide.

Preferred option for the future of wind

The Avanti Shark Lift, with its high level of quality and customization in combination with worldwide certifications and approvals, has proved its strengths again. The Avanti Shark Lift reached a record level of orders of

11 MSEK in Spain when being chosen for the new and modern onshore Siemens Gamesa wind turbine, called the 5.X platform. It is an installation with 5.8 MW rated capacity and the largest rotor of 170 metres for onshore wind.

The Shark lift was also preferred for the first part of the largest onshore Wind Farms project for Skafåsén & Björnberget in Sweden with 95 units in total. When the wind farms are finalised, they will deliver 603 MW annually, enough to power around 486,000 households. Alimak Group has also been greatly successful with large installations in Brazil as well as in Canada.

Good forecasts for the Avanti Shark lift for 2022

There are high expectations in the Vietnam market as a result of the authorities promoting renewable energy to reach about 20 % share of green energy by 2030. The government's support to increase renewable energy has resulted in orders in Q1 2022 of more than 65 Shark lifts for various projects in Vietnam.



People & Culture
– the way we Reach
our Strategic Targets

Key Initiatives

Outlook 2022

People & Culture





People & Culture – the Way We Reach Our Strategic Targets

People & Culture – the way we Reach our Strategic Targets

Key Initiatives

Outlook 2022

Alimak Group has set out on a journey to build a new global People & Culture function, and appointed its first Chief People & Culture Officer (CPCO) for Alimak Group in April 2021. The CPCO leads the new core function that aims to secure excellence in developing our most important asset – the employees of Alimak Group.

Alimak Group has approximately 2,100 employees across 24 countries. The expanding global business and the breadth of employees and entities highlight the need for a global function focused on People & Culture (P&C). The immediate focus for this new function, with Annika Haaker appointed as CPCO, was to develop a P&C strategy and set priorities for the coming years.

PEOPLE & CULTURE STRATEGY

In order to attract, develop and retain skilled and talented people, setting the Group's first common P&C strategy was high on the agenda in 2021. The strategic ambition is to contri-

bute long-term to the organisation's increased productivity, profitability, employee experience and engagement, in addition to employer brand and customer satisfaction. The new P&C strategy supports the transformation and continued implementation of the New Heights Programme. This means plans and priorities to build a successful culture where talents can grow, learn and blossom, where health and safety are the top priority, and where business targets and values are clear to all.

The P&C strategy will be delivered over the next four years and the focus will be on both strategic and operational initiatives.

P&C STRATEGY

Strategic Initiatives

Communications & Branding

Learning & Performance Development

Engagement & Feedback

Core Values & Culture

Digitalisation & Process Improvement

Operational Initiatives

Establish the P&C Function

Workplace Safety

Talent & Succession

Incentives & Rewards

Organisation Design

THE WAY WE TRANSFORM:

From

To

Focus on HR & administration to strengthening strategic support with global **P&C partners.**

Retrospective performance reviews to forward-looking **performance conversations.**

Guessing to **measuring** in order to select the right actions.

Focus on employee satisfaction to employee **engagement and empowerment.**

Islands of "local companies" to increased **cross-border collaboration.**

Focus on manual work to **digital HR processes.**



Key Initiatives

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“Proactive strategic communication is the key to strengthening Alimak Group’s position among all stakeholders, both internally and externally.”

Charlotte Holmbergh,
Head of Corporate Communications

MOVING FAST – KEY INITIATIVES 2021

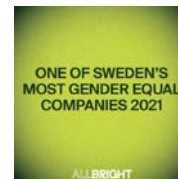
The work and planning within the P&C function has moved ahead rapidly and the new team has successfully implemented several high-priority initiatives during its first few months together. Some of the key initiatives were:

1. A new global onboarding programme was developed and launched. This covered the strategic, social and operational perspectives associated with employee onboarding. The programme included checklists, CEO-messages and corporate online training about vision, values and business strategies.

2. A new Performance Management Model introduced a real shift from the past. The new process ensured all employees were involved in regular performance conversations with clear goals and expectations. In the past this had been limited to white collar workers, but to build an inclusive culture, we needed to ensure that a programme existed to enable full participation across all levels of the organisation. Another change was the frequency of meetings and their design; they are now shorter and more frequent, to better serve the transition journey.

3. As a response to the employee survey, and based on business priority, **internal communication** was strengthened during the year. The design and implementation of a new global intranet – the New Heights Net took place in the autumn 2021. In many of our factories, tv-screens were installed and information meetings were introduced. New communication tools such as Yammer were also successfully implemented, where our staff rapidly started sharing knowledge, experiences and pictures across geographical, departmental and cultural borders.

4. The **development of the organisation** continued with four divisions replacing the previous structure. New roles and functions were installed, while others were taken out. Clarification of local business ownership continued: division leaders were appointed, and legal representation and operations leadership was outlined, while former country manager roles were phased out. On the senior level, the group leadership Team received three new members: Thomas Hendel CFO,



Salomeh Tafazoli, EVP Industrial division, and Annika Haaker, CPCO. The number of women in the group leadership team increased (from 20 % in 2020) to 40 %, placing Alimak Group on Allbright’s Green list of gender equal companies.





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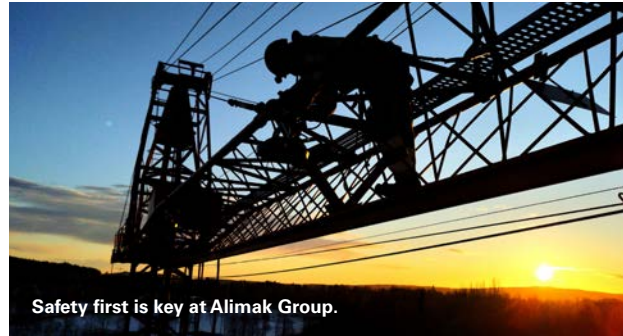
5. In January 2021, Alimak Group conducted a global P&C day for all employees worldwide as a way of **implementing the new core values**. The activity demonstrated the commitment that Alimak Group has to its employees by ensuring all staff understand the strategic direction and the targets, as well as the Group’s expectations of its employees. Throughout 2021, quarterly activities were conducted in all locations to spread awareness and application of our core values in the day-to-day work. The company believes that having clear values will ensure all employees are working towards the same goals. Our core values support our vision and shape our culture.



“We aim to have a high-performing and innovative company culture with strong well-known core values to guide us”.

Lisa Shields, Global Project Lead P&C

6. **Workplace safety** is a top priority in all processes and professions of the Alimak Group. Throughout the year, the Group has continued to strengthen the health and safety culture, ensuring that all employees maintain safe behaviours at all times. Every legal entity has a designated local person in charge of health and safety and Alimak Group provides regular safety training to employees.



Managing employee safety during the COVID-19 pandemic has been a priority throughout 2021. In all workplaces, there were numerous efforts to keep our employees healthy and safe, e.g. adjusting personal protection equipment, facilitating vaccination programmes, implementing clear policies for returning to offices after periods of working remote and finding new ways of interacting with customers via digital tools. The Group also increased internal communications and video calls via MS Teams. Some countries performed follow-up surveys with their staff, with questions about the working environment and employee experience during the pandemic. The overall feedback from the employees was positive and local actions were taken for further improvements. See more information in the Sustainability chapter.



Take Ownership

- We deliver the results we promise.
- Our colleagues and customers can rely on us.
- We are fully accountable for our work.



Move Fast

- We get things done in the most efficient way.
- We are responsive to customer needs.
- We push development.



Challenge the Limits

- We go outside of our comfort zones, but never compromise on safety.
- We strive for continuous improvements.
- We are curious and look for alternative perspectives.



Be Inclusive

- We embrace diversity and differing perspectives.
- We ensure everyone is being treated fairly.
- We collaborate effectively.



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“I’m glad to be part of and lead such a skilled team. We are building a new function – People & Culture – to support the Group and the divisions in order to meet and exceed the targets set.”

Annika Haaker, Chief People & Culture Officer

ESTABLISHING THE NEW PEOPLE & CULTURE TEAM

During 2021, the new core team has begun to take shape, consisting of the following roles:

- Head of Corporate Communications – Charlotte Holmbergh joined the Group in August 2021.
- Global Project Lead P&C – Lisa Shields was internally promoted during 2021.
- Four divisional P&C Business Partners – three of them were successfully promoted within the company in 2021.



Service work Höga kusten, Sweden.

TOTAL EMPLOYEE EXPERIENCE

Developing the Alimak Group culture and its people involves defining and continuously improving the employee experience within the business. The purpose is to nudge work towards business efficiency, better results, strong leaders and committed employees. The employee experience of Alimak Group as an employer often begins with recruitment and onboarding, continues with personal growth within the company through continual performance development and is followed by learning and recognition throughout the journey. The P&C initiatives aim to strengthen, enrich and modernise every part of the experience cycle.

DEVELOPMENT IN 2022

Looking ahead to 2022, the focus will be on employee engagement and building a feedback culture by launching a new global employee engagement survey, The Voice. The focus for 2022 will also be to continue strengthening internal communication and the Alimak Group brand.

Total Employee Experience





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As part of the New Heights Programme, sustainability is one of the key enablers for achieving the business targets set for the future. Environmental, social and governance aspects are all vital parts of our DNA and impact everything we do. For 2025, we have set a target of reducing our carbon footprint across the value chain by 30 %.



Moving people, material and businesses safely to new heights.

Global warming and the eco-system imbalancing have a negative impact on our planet. At the same time, there are immense social inequities around the globe, and we, among other industrial companies have a responsibility to address these inequities by developing solutions to make the world a better place, in such a way we do not jeopardise the future of our planet.

Alimak Group develops solutions meeting the demands of a growing global population and urbanisation. New mega cities are increasing the need for new infrastructure, smart housing and more renewable energy solutions. For over 70 years, Alimak Group has been the industry leader and delivered state-of-the-art solutions to address these needs by moving people, material, and businesses to new heights. Safety, productivity, and efficiency have always been at the core of our business. The new organisation of Alimak Group, with each division responsible for the entire value chain of their business,

enables us to drive sustainability across the full value chain in a more efficient way than before.

As we integrate sustainability into the core of our strategy, we see the possibility to improve the way we work with several risk areas like environmental issues, health & safety, respect for human rights, bribery and corruption. These risks are described in the Risks and Risk Management chapter on page 65. However, sustainability is also a catalyst for innovation with respect to product design, business models and service solutions increasing our competitive position. Further, our focus on sustainability is important for being an attractive employer for both current and future talents, which is instrumental for the sustainable growth and development of Alimak Group.

Alimak Group strengthened its capability in sustainability in 2021 by employing a Lead Engineer in Sustainability from Linköping University in Sweden.



ABOUT THIS REPORT

This and the following pages make up the Group's statutory Sustainability report in accordance with the Swedish Annual Accounts Act (ÅRL).

Alimak Group is a signatory to the UN Global Compact, an initiative aiming to make human rights, fair labour standards, environmental responsibility and anti-corruption core parts of the participating companies' operations. These pages also constitute Alimak Group's Communication on Progress.



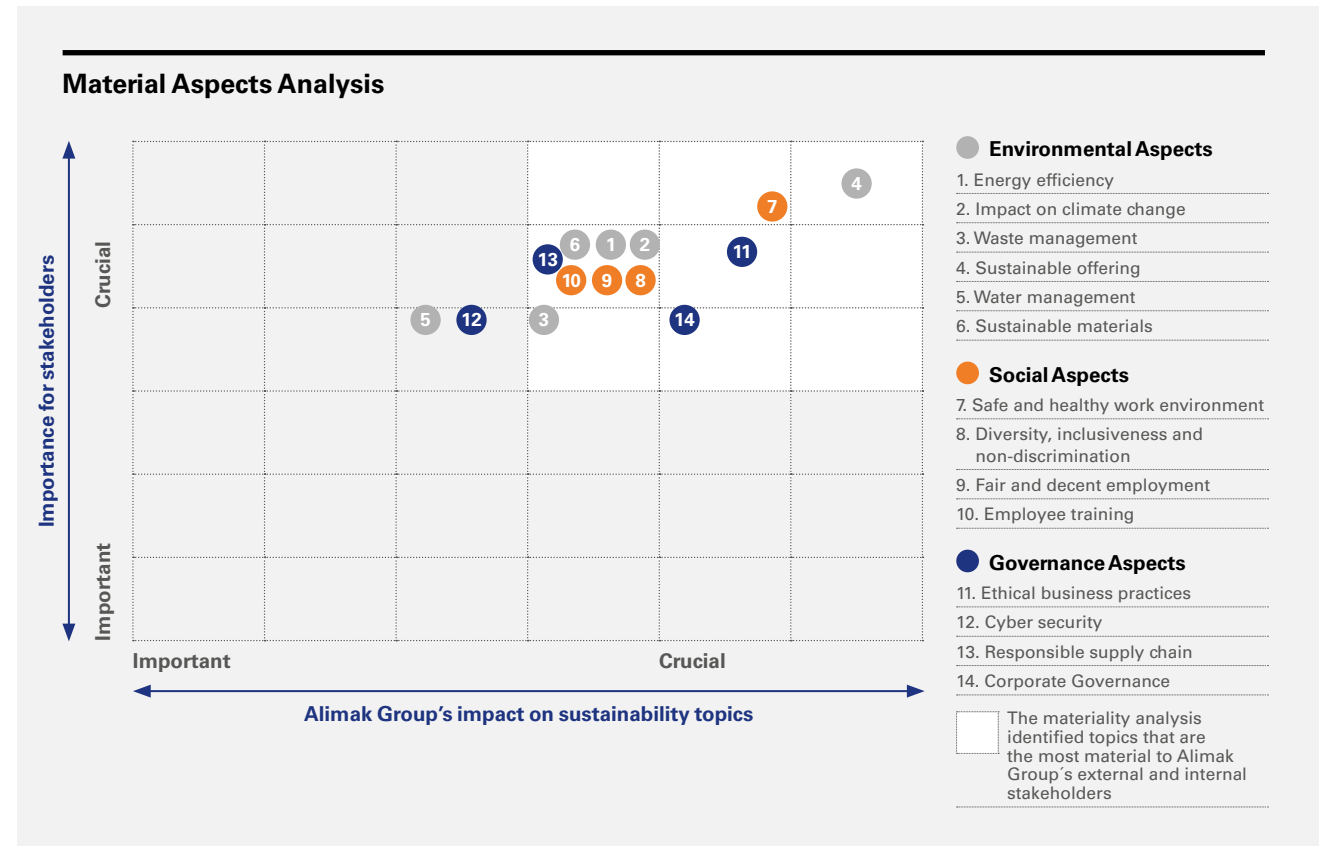
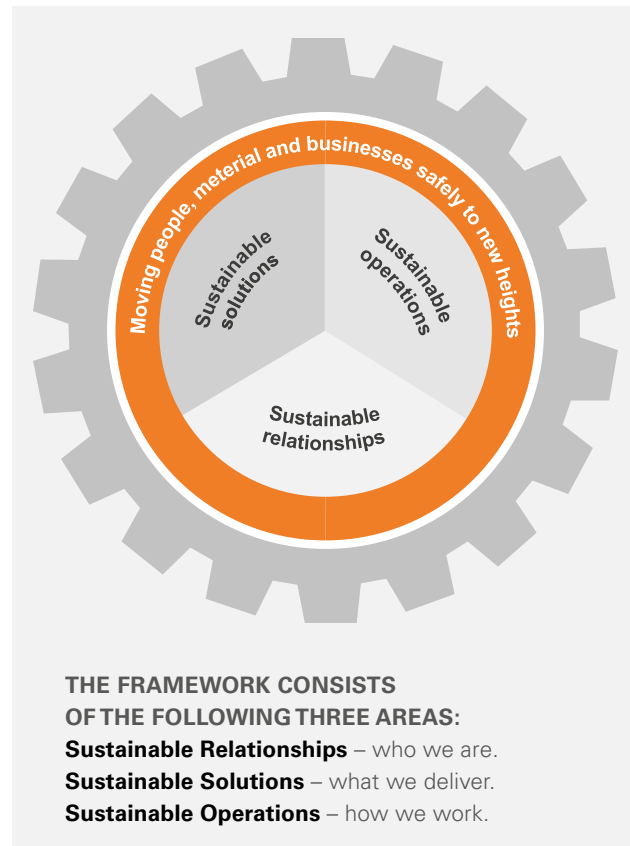
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SUSTAINABILITY FRAMEWORK

During 2021, Alimak Group defined a framework for our future strategic sustainability work from an environmental, social and governance aspect. The framework is based on stakeholder dialogue and materiality analysis conducted in 2020. The stakeholders in the dialogue phase included

customers, employees, investors, suppliers, distributors and the general public. The analysis resulted in an increased focus on value creation, reducing environmental impact, and improving social development.





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Responsibility	What?	Focus Areas
 <p>Sustainable Relationship (Group Leadership Team)</p>	<ul style="list-style-type: none"> We conduct business in a responsible manner, promoting an inclusive and engaging workplace, and expect business partners to do the same. We engage in relevant ecosystems so that we can contribute to the transformation towards increased sustainability in the sectors in which we are active. 	<ul style="list-style-type: none"> Corporate governance Ethical business practices Diversity, inclusiveness and non-discrimination Fair and decent employment practices Motivated and engaged employees Community involvement
 <p>Sustainable Solutions (Division Leadership Teams)</p>	<ul style="list-style-type: none"> Our products and solutions are designed to minimise the impact on the environment throughout their lifetime. We help our customers increase their productivity and minimise their CO₂ footprint through innovative products and solutions. Safe and reliable solutions are part of Alimak Group’s DNA and core values. 	<ul style="list-style-type: none"> Energy and resource efficient solutions and lifecycle consideration Product & service quality End user safety Product innovation and digitalisation Servitisation, e.g., extended lifetime of products through service provision Moving towards circular business models
 <p>Sustainable Operations (Division Leadership Teams)</p>	<ul style="list-style-type: none"> We minimise the climate impact across all our operations. Improving resource efficiency by digital means is our focus. Our workplace is safe, inclusive, and engaging. 	<ul style="list-style-type: none"> Operational excellence Safe & healthy working environment Switch to renewable energy Resource efficiency Waste management



“We are committed to integrating sustainability into all aspects of our business, capturing future business success, drive innovation and be relevant to all our stakeholders – today as well as in the future.”

Charlotte Brogren,
Chief Technology Officer

FOCUS ON CARBON FOOTPRINT FROM 2022 AND ONWARDS

In 2021, a decision was taken to change the environmental KPIs to only focus on the overall carbon footprint across the value chain from 2022 and onwards. We will also change the scope of how we report, from Scope 1 and 2 reported today to Scope 1 to 3, taking the full lifecycle effect of our business into account. The change in focus and reporting will require substantial work. This change started in 2021, and it will be concluded in 2022.

The lifecycle assessment, made by Linköping University, of four of our major product groups confirms that this is the right approach to prioritising our efforts on the correct measures and lowering our environmental footprint in more ways than simply using green energy for our operations.



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Alimak Group has customers in more than 100 countries, served by approximately 2,100 employees. The Group conducts its business in a responsible manner, promoting an inclusive and engaging workplace, and expects business partners to do the same. By engaging in relevant ecosystems we contribute to new innovations and sustainable development.

PEOPLE & CULTURE – A STRATEGIC AREA

Alimak Group’s employees are vital to the success of the Group. We strive to be an attractive employer and our aim is to attract, develop and retain qualified and motivated employees in a professional and a developing working environment. An environment in which all activities should be conducted with respect for human rights as well as health and safety in line with the Code of Conduct. In 2021, the Group Leadership Team was extended with a Chief People & Culture Officer to secure excellence in employee development and ensure a high-performance company culture aligned with our core values.

IMPLEMENTING CORE VALUES

Alimak Group’s core values are instrumental in defining the Alimak Group culture. By living the values, all employees can be part of and contribute to sustainable relationships both within Alimak Group as well as with our business partners and suppliers. The core values are:



Take Ownership



Move Fast



Challenge the Limits



Be Inclusive

During 2021, we arranged quarterly workshops at all sites to bring local context to the Alimak Group’s core values across all operations. The values should be the core guiding principles for employees in day-to-day decision making and behaviour.

EMPHASIS ON EQUAL OPPORTUNITIES

Each entity within Alimak Group is working to ensure equal employment opportunities for all qualified individuals, without distinction or discrimination due to race, religion, colour, sex, national origin, disability, age or any other status protected under applicable laws.

The proportion of women in the Group at the end of the year was 15 %. The proportion of women in the global Leadership Team increased during 2021 from 20 % in 2020 to 40 %, placing Alimak Group on the Allbright’s Green list. Allbright is a politically independent, non-profit foundation that promotes equality and diversity on the executive business level in Sweden. Also, the gender balance in the Board of Directors increased from 33 % in 2020 to 44 % women during 2021. As diversity is a key aspect for innovation, a global internal network between female engineers was launched within Alimak Group in 2021. The network is called “Women Lifting Women” and is used to share experiences and increase collaboration between the R&D sites in the Group. During 2021, four digital meetings were held covering several different topics like strategy and sustainability.



Alimak Group still has operations in Skellefteå, Sweden, where it was founded in 1948.



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ENGAGEMENT IN ECOSYSTEMS

Engagement in relevant ecosystems was identified as a key nominator during the strategy process of Alimak Group. No matter how dominant you are in the sector in which you operate, sustainable change can only be achieved by collaboration across many parties of a value chain. Hence, in all the main markets we operate, we engage in relevant industrial and academic collaborations to drive the work standards and new technologies, and look for other means to promote safety, productivity, and sustainability in our sectors.

In Sweden, for example, we are active in three large university collaborations together with many other industrial companies:

- **Production 2030** – A Strategic Innovation Programme to drive the development of new technologies for a competitive and resilient manufacturing industry.
- **Smart Built** – A Strategic Innovation Programme to digitalise the construction industry to increase productivity and sustainability.
- **Mistra REES** – An R&D-programme to help industrial companies move to circular business models.

Furthermore, in 2021, Alimak Group entered into partnership with the volunteer organisation Engineers Without Borders Sweden to further strengthen our sustainability ambitions. Engineers Without Borders Sweden is a non-governmental volunteer organisation, striving to make a long-term impact by addressing challenges linked to the United Nations Sustainable Development Goals. With engineering expertise from industry and academia, the organisation is active both in Sweden and internationally, working to solve engineering challenges related to inequality and global development.

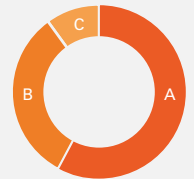
COMPLIANCE IS KEY

Alimak Group’s Code of Conduct is based on the UN Global Compact’s principles, international and national legislation, as well as international norms and conventions including the OECD Guidelines for Multinational Enterprises. When joining Alimak Group, via recruitment or acquisition, all our employees are required to complete the Code of Conduct training and repeat it every second year. For employees with email and computer access, the training is digital, and for employees without computer access the training is delivered by local managers or HR professionals in local languages.

Alimak Group requires that all suppliers, distributors, and third-party sales channels comply with the Code of Conduct and other Group policies and requirements. The Code of Conduct is included in all new and renewed agreements with third-party sales channels and many larger distributors have their own defined policies that meet or sometimes exceed the requirements defined by Alimak Group. For suppliers, the Code of Conduct is included as standard in all purchase orders placed. Alimak Group makes purchases from more than 900 main suppliers. The number of suppliers and the varying business cultures between countries, is a challenge when it comes to assuring quality, reliability, and compliance. Some of the supplier countries are generally known to have issues related to corruption, human rights violations, or environmental problems and where this is the case the Group uses more stringent evaluation and control procedures to ensure compliance.

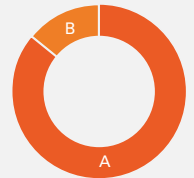
Employees by region %

- A) Europe, 58
- B) APAC, 32
- C) Americas, 10
- D) ROW, 0



Employees by gender %

- A) Men, 86
- B) Women, 14



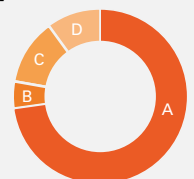
Group Leadership Team by gender %

- A) Men, 60
- B) Women, 40



Employees by work category %

- A) Production and services, 73
- B) R&D, 5
- C) Sales, 12
- D) Administration, 10





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Through its products and services, Alimak Group helps customers increase safety and productivity and reduce their climate impact. The solutions create access to renewable energy parks, improved logistics at construction sites and better working conditions within the industries building the infrastructure of the future.

Urbanisation, growth of new megacities, and the global need for larger wind parks require new, innovative, and safe solutions for access and work at high heights. The Group's long experience of supplying quality products backed up by extensive after-market support enables the building, operation and maintenance of future sustainable cities, communities, and industrial applications in a safe and more sustainable way, to meet the demands of these global trends.

SAFETY IS TOP PRIORITY

Alimak Group contributes to a safer working environment in all segments in which it operates, by offering not only quality-tested access solutions, but also continuous services providing operational assistance and advice on the proper use of the equipment. Alimak Group is committed to improving the safety, efficiency, ease-of-use, and service life of its products via structured quality control systems and processes – deployed throughout the engineering and manufacturing processes. Case studies from challenging installations, demonstrating best-in-class solutions, are distributed among existing and potential customers to share knowledge of improved and safe solutions.

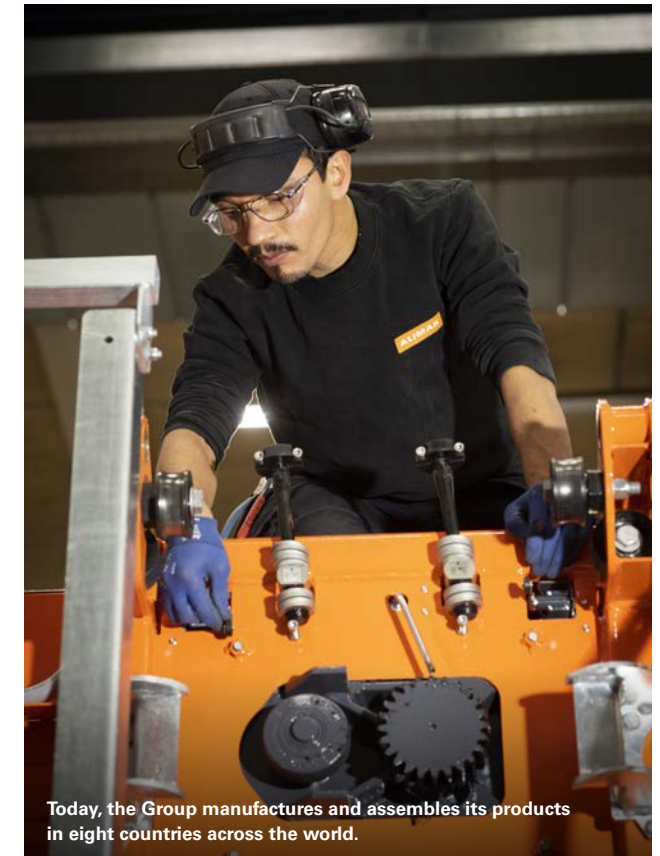
The company follows up every industry-related incident, regardless of manufacturer or cause, to ensure that experience and lessons learned are incorporated into the operational procedures and new solutions. Local regulations often require regular inspections by certified staff, which Alimak Group

offers as part of its services. Alimak Group also actively contributes to improved standards by participating in several industry associations to set standards for safer equipment and their usage. Product safety measures include design risk assessment, DFMEA (Design Failure Mode & Effect Analysis), compliance with different product standards and performance levels, external certifications by third parties, product documentation for final users as well as product training for users, installers, and service personnel.

NEW PRODUCT LAUNCHES

In many developing countries, where simpler, manual, and less safe equipment has been used to move people and goods vertically, Alimak Group's products and solutions can make a major change for the better. During 2021, Alimak Group released three new product families to broaden its portfolio of sustainable solutions for the market:

- STS 300, a scaffolding transportation system improving the working conditions for scaffolders while also improving the safety and speed of erecting and dismantling scaffolding. With the STS 300, the scaffolders will always work in a good ergonomic position and heavy and dangerous lifts of scaffolding material is eliminated. Using the Alimak STS 300 requires only two persons in a scaffold crew, instead of a normal crew of a minimum of three persons. This improves the productivity and safety on constructions sites using



Today, the Group manufactures and assembles its products in eight countries across the world.



“By using a lifecycle approach when we assess our products and value chain, we will be able to find and implement significant improvements. The lifecycle approach will increase our competitiveness as it goes hand in hand with other initiatives such as increased digitalisation. Furthermore, in the future the lifecycle approach might even change the way we do business.”

Max Bäck, Lead Engineer Sustainability

scaffolding. STS 300 has been developed in close collaboration with PERI, a leading German scaffolding company.

- SL-H 2000, a new smart industrial elevator for non-regulated markets, enables safe vertical transport of people at cement plants, power plants and mining industries in Asia, Africa and South America, etc. The SL-H 2000 is designed with the same safety-related components as other Alimak permanent lifts, but with an attractive price positioning it to compete against simpler and less safe equipment.
- BMU 1000 series is a new range for buildings with simple architecture and heights of up to 200 meters. The 1000 series consists of modular, self-powered cradles, mono-rails, davits, ladders, and gantries. The 1000 series, which is EN1808 certified, has been developed to enable quick and safe access to facades, thus providing an advantage over less safe equipment from other providers. Furthermore, the energy consumption to move the cradle up and down the facade is minimised by the use of lightweight material.

LIFECYCLE ANALYSIS

In 2021, Alimak Group conducted cradle-to-grave lifecycle assessments of the Group's major product lines.

- Building Maintenance Units (BMUs)
- Construction hoists
- Industrial lifts
- Service lifts for wind towers

The study was carried out by experts from Linköping University. Lifecycle assessment is a widely accepted method for investigating the impact of a product or service throughout its lifecycle. The lifecycle assessment was performed in line with the ISO standards 14040 and 14044.

The study by Linköping University identified the following areas and measures to reduce the Group's future carbon footprint:

- Lowering the product weight
- Ratio of new versus recycled material
- Drivetrain technology
- Transportation methods
- Service methods and intervals
- Product lifetime extension
- Digital solutions



The effect of the above measures has a varying impact on different product lines, as the design and use varies depending on the application. Extending the product lifetime, effective service delivery, and moving more towards circularity are some of the most important measures across all product lines for reducing the Group's carbon footprint. During the study, a lifecycle assessment tool was developed together with Linköping University. The tool will be used in all new product development projects to ensure that the Group's solutions are optimised, not only in terms of safety and performance, but also with regard to sustainability.



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ALIMAK SERVICE

– A KEY TO IMPROVED SUSTAINABILITY

Alimak Group provides high quality products designed for a long lifetime. However, since many of the products are often used in environments subject to great stress such as heat, cold, vibrations, corrosion, dust – correct, efficient, and professional service is critical for addressing a key factor in the lifecycle analysis – which is to guarantee and extend the expected product lifetime.

Alimak Group has a strong global service organisation with more than 450 professional service engineers. The Group's service organisation provides qualified services, repairs, spare parts, and refurbishments to facilitate safe operation and extended lifetime of solutions provided by Alimak Group. The skills and professionalism of Alimak Service enable our customers to increase their productivity, while consuming less resources over time.

ALIMAK RENTAL

– CIRCULAR BUSINESS MODEL

In selected markets such as Germany, the Netherlands, France and Australia, the Group not only sells products but also provides a total solution through the rental business of the Construction division. In these markets the Group can provide its customers with the best solution based on their need in specific projects – from performance, safety, and sustainability perspectives.

The rental business within the Construction division is a first important step towards more circular business models of Alimak Group, where we offer a solution instead of selling products.

DIGITALISATION

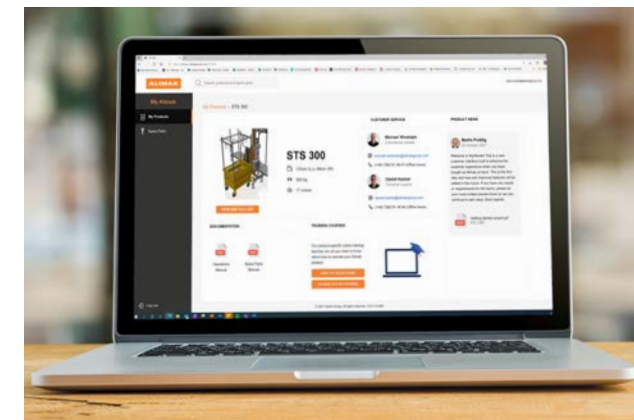
– ENABLER FOR REACHING THE SUSTAINABILITY TARGETS

As identified by the lifecycle assessments performed by Linköping University in 2021, access to accurate operational product data has a great potential to both improve the products' usage and productivity. It can also improve how service is provided in the most efficient way. Since the 2019 acquisition of Dataline in Borås AB, Sweden, a long-time supplier of control systems, the Group has increased its investments to take the next step in digitalisation of the Group's products and solutions. Dataline creates electronics that ensure Alimak Group's products run in an optimal and safe way. The electronics also enable the collection of important data on usage and status of the machines.

By 2023, all major product lines from Alimak Group will have software-based controls, digital data collection, and remote product access. Furthermore, all Alimak Group customers will have a digital means of accessing relevant product data such as technical information, operational data, service information, etc., to make it easy to use products from Alimak Group in a safe, efficient, and sustainable way. The main benefits from a sustainability perspective are:

- Improving customer operations.
- Reduced amount of paper-based technical information sent with machines.
- Enabling more service to be performed remotely thus reducing travel.
- Improving the capability to have the right spare parts etc. available to avoid air freight.

In 2021, we piloted the first customer portals with access to product data with very positive results. During 2022, the first customer portals will be launched.



My Alimak – is a customer portal for enhancing the customer ownership experience and making it easier to interact with Alimak. With the help of data, tools, and knowledge the Group can increase customer value.



Sustainable Operations

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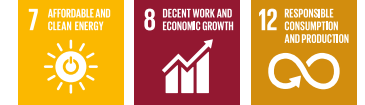
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Sustainable operations is a fundamental aspect of delivering world-leading access solutions. Alimak Group works actively to reduce the climate impact of its own operations and to have safe workplaces.



ALIMAK GROUP VALUE CHAIN

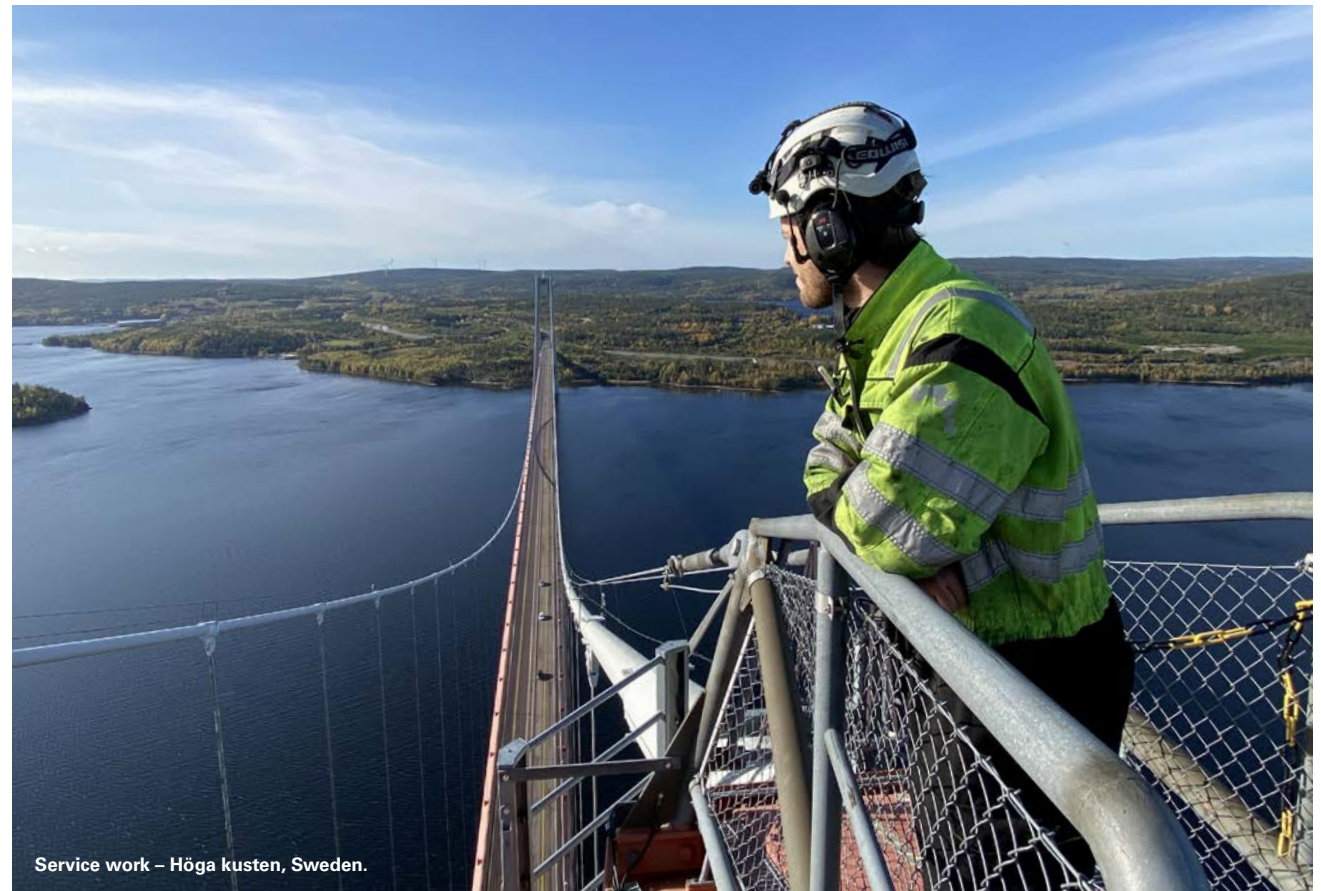
Alimak Group's business covers a large part of the value chain. Product development is integrated with marketing, sales and production, all to maximise the customer benefits. The Group manufactures and assembles its products in eight countries across the world and distributes them to more than 100 countries through its own sales and service network and distributors.

The manufacturing process is mainly assembling, but also includes operations like welding, cutting, machining, and painting. Special treatments, e.g. galvanisation, are mainly made by sub-suppliers. The Group works actively to reduce the environmental footprint from its operations and to ensure its supplier network does the same.

The Group's production and assembly plants are certified pursuant to the ISO14001 standard, to ensure proper environmental management in all areas of the organisation as well as with stakeholders. In the production and assembly facilities, daily work to lower impact via the implementation of energy-saving technologies continues. Power savings and reduced use of consumables are always part of the evaluation and LEAN projects are implemented to improve and optimise the processes.

INCREASED USE OF GREEN ELECTRICITY

Several of Alimak Group's major production sites, Skellefteå in Sweden, Mammendorf in Germany and Zaragoza in Spain, all use green electricity for their operations.



Service work – Höga kusten, Sweden.



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Furthermore, the production site in Skellefteå has received a gold rated sustainability scorecard by renowned EcoVadis. The company has been ranked in the top 2 % of companies by EcoVadis in the manufacture of general-purpose machinery industry. EcoVadis provides the leading solution for monitoring sustainability in global supply chains. It provides sustainability scorecards for how companies are performing in four areas: environment, labour and human rights, ethics and sustainable procurement. The gold rating means that the Group’s site in Skellefteå scored highly in all assessment areas.

OPTIMISING THE MANUFACTURING FOOTPRINT

To reduce transports and related negative carbon emissions, the manufacturing of light construction products has been moved from China to the Group’s manufacturing site in Zaragoza, Spain. Further balancing and optimisation of the Group’s manufacturing footprint will be done in 2022, as part of implementing the New Heights Programme.

RESPONSIBLE PROCUREMENT

Proximity to the customer, punctual deliveries and high quality services are important elements of Alimak Group’s service and are essential in creating long-term customer relationships. Having suppliers that can support this vision is vital, hence relevant KPIs addressing delivery accuracy, completeness and other supplier performance metrics are monitored. Alimak Group aims to be a reliable business partner, strives for long-term business relationships and uses commercial framework agreements with key suppliers.



Sustainability Data

	2021	2020	2019	2018 ¹
Energy Consumption (not district heating), MWh/Revenue in MSEK ¹	2.40	2.60	2.88	3.10
CO ₂ Emissions, Tonnes/Revenue in MSEK ¹	2.09**	2.26**	2.53**	2.63**
Water Consumption (estimated), m ³ /Revenue in MSEK ¹	3.79	3.86	3.59	4.32
Office Paper Consumed, kg/Revenue in MSEK	2.78	2.88	3.36	2.53
Number of Accidents Recorded With Lost Time (LTI & FTI), all sites	36	24	44	49
Total Recordable Injury Frequency Rate (TRIFR*), all sites	16.56	5.02	16.34	18.33

1) Production and assembly facilities. *TRIFR includes MTI, LTI & FTI accidents. ** Adjusted to include total operation and total travelling.

Comment: Pandemic 2020 reduced business volumes, staff furloughed etc. had a positive impact on the number of accidents, 2021 business recovered and we are back on 2019 level.



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Operations in Skellefteå, Sweden. Today, the Group manufactures and assembles its products in eight countries across the world.

GREEN TRANSPORTATION

For transport and travel, the aim is to minimise both direct and indirect emissions of greenhouse gases. Alimak Group chooses “green” transport, chooses sea freights before air and uses combined transports whenever possible. The shipping method is often determined by the customer’s request, but to the greatest extent possible, equipment is shipped from the factories by the most eco-friendly way of transportation and local resources are used for installation and service. For spare parts, local or regional stock centres ensure fast service as well as minimised environmental impact.

HEALTH AND SAFETY

Safety is a system aspect which impacts all Alimak Group’s processes – from internal work to what we offer to the market and how we service the solutions over their lifetime. The Group is committed to strengthening the Health & Safety culture at work and promoting safety as an attitude. Every legal entity has a designated person in charge of Health & Safety and coordination of activities is carried out with suppliers, customers and contractors to prevent risks and accidents.

Alimak Group provides training to ensure all employees have the necessary skills to respond satisfactorily to current and future challenges. Training plans are defined in the annual performance appraisals of employees to:

- ensure all employees have necessary skills.
- enable continuous improvements.

Measures are in place at all relevant units, such as local Internal Audits, Safety Walks and Safety Observations to detect opportunities for improvement. In 2021, 36 (2020, 24) occupational incidents resulting in lost time occurred. During the year, several actions have been implemented to increase the safety awareness of employees, for example additional safety audits of critical sites, newly introduced safety campaigns and training in preventive tools like safety observations. Each and every reported incident is followed up locally and actions are taken to eliminate the root cause of the incident. The Group’s working environment focus is on preventive measures and rapid rehabilitation, in order to avoid long periods of sick leave.



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Sustainability – in all its aspects – is high on the agenda for Alimak Group. The management structure for the area runs through the whole organisation – from all sites, through the divisions, the Group Leadership Team and the Board of Directors.

With a global footprint comes global responsibility, and Alimak Group complies with laws and regulations in all territories where it conducts business.

Sustainability is a part of the day-to-day work of operations, with health and safety being constantly monitored and reported upon by the units to the Leadership Team. Rules for operational escalation and interaction related to any incidents that occur have been defined.

Responsibility for the sustainability function resides inside the Group with the CTO, Chief Technology Officer, where the development of management and reporting systems, KPIs and monitoring and auditing are handled and acted upon.

Health and safety related KPIs, such as TRIFR, safety observations and LTIs are reported on a monthly basis while other sustainability KPIs are reported upon at least quarterly by all Group units. Trends and developments in the area of sustainability are also monitored by the Audit Committee on behalf of the Board.

Alimak Group's Code of Conduct is the main instrument of control for the sustainability area. The Code is based on the UN Global Compact's principles for human rights, working conditions, the environment, business ethics and anticorruption, as well as on the Group's core values, international and national legislation, international norms and conventions including the OECD Guidelines for Multinational Enterprises. Alimak Group has a formalised procedure for implementation of the Code for employees, suppliers and distributors based on Group policies for relevant areas such as HR and Quality,

where the more detailed requirements are defined. The Group provides a Code of Conduct e-learning and it is the local managing directors' responsibility to make sure that all employees within the country receive proper and regular training in the Alimak Group Code of Conduct.

WHISTLEBLOWER SYSTEM

Alimak Group's whistleblower system enables customers, suppliers and employees to anonymously report on any deviations from Alimak Group's Code of Conduct and business ethics guidelines. The Whistleblower form and function are described in more detail on the Group's website and reports are processed externally for increased confidentiality and security.

Regardless of the reporting channel, all reports of potential violations of the guidelines that are made in good faith are investigated swiftly, fairly and comprehensively, with the appropriate internal and/or external assistance.

The Group CFO, Chief Financial Officer, together with the Group People & Culture Officer are in charge of ensuring that these issues are handled correctly. Reports are made at Board Meetings and to the Audit Committee. In 2021, Alimak Group received five new messages via the Whistleblower channel. All the issues were investigated, responded to in due time, acted upon and resolved.

Topics covered by the Code of Conduct

- Legal requirements
- Freedom of association and collective agreements
- Prohibition of discrimination
- Salaries and compensation
- Working hours
- Health and safety in the workplace
- Housing conditions
- Prohibition of child labour
- Terms of employment
- Prohibition of forced labour and disciplinary measures
- Environmental protection and environmental work
- Business ethics



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The EU taxonomy is a classification system that defines a list of environmentally sustainable economic activities. The framework requires certain companies to disclose their share of Taxonomy-aligned activities.

As a first step, companies are required to present their share of taxonomy-eligible activities. The below table contains information about the proportion of Alimak Group's turnover, capex and opex that is taxonomy-eligible.

2021

	Total (MSEK)	Proportion that is taxonomy eligible (%)	Proportion that is non-taxonomy eligible (%)
Turnover	3,728	18.1	81.9
Capex	184	9.1	90.9
Opex	123	18.0	82.0

ASSESSMENT OF COMPLIANCE WITH REGULATION EU 2020/852

The EU Taxonomy Compass has been used as the basis for the analysis. Alimak Group's Wind division offers products, solutions and training courses for safe work in wind turbines, such as service lifts, ladders and safety devices. The offering also includes services. There are two activities described in the delegated acts that are deemed to encompass the operations performed by the Wind division:

- Activity 3.1 Manufacture of renewable energy technologies
- Activity 7.6 Installation, maintenance and repair of renewable energy technologies.

APPLIED ACCOUNTING POLICY

Based on the analysis, the company has regarded all revenue generated by the Wind division to be taxonomy-eligible. See also note 4, Segment Reporting.

Regarding capex, the Company has used information from the Property, Plant & Equipment and Intangible Asset Specifications reported by all group companies. New IFRS16 leasing contracts added during the year are also included. The numerator contains capex relating to the Wind division.

The starting point for the Opex KPI has been all the Group's expenses relating to R&D, maintenance and repair and short-term leases. The numerator contains opex relating to the Wind division.



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The Board of Directors and the President & CEO hereby declare the Sustainability Report for the 2021 financial year. The Sustainability Report describes Alimak Group's sustainability efforts and has been prepared in accordance with the Swedish Annual Accounts Act's (ÅRL) demands on sustainability reporting, chapter 6, § 11.

Stockholm, March 16, 2022

Johan Hjertonsson
Chairman of the Board

Helena Nordman-Knutson
Board member

Christina Hallin
Board member

Tomas Carlsson
Board member

Sven Törnkvist
Board member

Petra Einarsson
Board member

Örjan Fredriksson
Board member & Employee representative

Cristina Lindberg Ghimpu
Board member & Employee representative

Ole Kristian Jødahl
President & CEO, Board member



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THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

To the general meeting of the shareholders of Alimak Group AB (publ), corporate identity number 556714–1857

ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2021 on pages 36-50 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability statement*. This means that

our examination of the sustainability statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our statement.

OPINIONS

A statutory sustainability statement has been prepared.

Stockholm, March 18, 2022
Ernst & Young AB

Henrik Jonzén
Authorised Public Accountant



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The Board of Directors and the President & CEO of Alimak Group AB hereby present the Annual Report and consolidated accounts for the 2021 financial year. Alimak Group AB is a public limited Company with its registered offices in Stockholm, company registration number 556714-1857.

BUSINESS AND OPERATIONAL STRUCTURE

Alimak Group AB is the Parent Company of a Group that is a world-leading provider of access solutions for professional at heights.

The Group has production and assembly facilities in eight countries across Europe, the Middle East, the Americas and China, along with a own sales and service network and distributors that supply and maintain vertical access solutions in more than 100 countries. At present there are over 70,000 hoists, elevators, lifts, building maintenance units and platforms installed around the world.

During 2021, operations were divided into four new divisions: BMU, Construction, Industrial and Wind, which also were the Group's reporting segments. The divisions were reported for the first time in the interim report for the first quarter 2021 and the historic data for 2020 has been restated to reflect the new organization.

The BMU division offers permanent building maintenance systems and facade access solutions available for every building structure regardless of its simplicity or complexity. The offering also includes services such as spare parts, certifications and refurbishments.

The Construction division offers a wide range of hoists, elevators and platforms based on rack-and-pinion technology. These are used temporarily during construction and refurbishment projects. The offering also includes services like spare parts and certifications.

The Industrial division offers a wide range of elevators and platforms for permanent use across a broad spectrum of industries and harsh environments. The offering also includes service contracts to maintain reliability of the solutions which can be in use for up to 20–30 years.

The Wind division offers products, solutions and training courses for safe work in wind turbines, such as service lifts and ladders, with the aim of helping customers make wind energy cost competitive. The offering also includes services.

Purchasing and supply of materials

For its manufacturing, the Group purchases made-to-order and standardised materials, components and services from regional and global suppliers. Certain key components are also made within the Group. Where possible, the Group uses a range of different suppliers, and always tries to avoid being dependent on a single supplier. The Group strives to negotiate Group-wide supply agreements with its main suppliers. All suppliers must comply with the requirements stipulated by the Group regarding precision of supply and financial stability, as well as environmental and social targets.

Corporate responsibility

The Group's Code of Conduct summarises the Group's basic guidelines and directives for employees' interactions with one another, stakeholders and other parties. The code also defines the Group's way of working, to ensure that all activities are carried out with a high degree of integrity. The Group has high internal requirements and strict rules with regard to social and environmental matters, as well as business ethics.

SIGNIFICANT EVENTS DURING THE YEAR

Next step in the New Heights Programme

In October 2020, Alimak Group launched the New Heights programme, consisting of three steps 1. Establish the base, 2. Secure margin improvements and 3. Profitable growth. The first two steps of the programme are completed, and the Group will now enter the third step: Profitable growth.

Part of the programme was the launch of the four new customer centric divisions: BMU, Construction, Industrial, and Wind. As a consequence of this the reporting segments were changed. The reorganisation in combination with restructuring resulted as planned in annual savings of around MSEK 60, with full effect as of H2 2021.

Management changes

On February 9, 2021, Alimak Group appointed Thomas Hendel as CFO, effective as of May 17, 2021. Thomas Hendel joined Alimak Group from the role as Deputy Chief Financial Officer of Saab Group, a position he has held since 2016. He has 30 years of experience from different financial and general management roles within Saab and ABB, including as Interim Chief Financial Officer at Saab between May and September 2020.

On March 12, 2021, Alimak Group appointed Salomeh Tafazoli as EVP Industrial division, effective as of June 1, 2021. Salomeh Tafazoli was previously Vice President Sales and Marketing EMEA at Snap-on Equipment, an American based company listed on New York Stock Exchange. She has extensive experience from the automotive industry, working with both products and services, and has previously held various strategic and commercial roles within Volvo Group and Car-O-Liner Group.

On July 26, Mark Casey announced that has decided to leave his role as EVP of the BMU Division. Cameron Reid, BMU Manager Europe assumed the role of Interim EVP.

Acquisition of Cento Engineering Group

Alimak Group entered an agreement on July 1, 2021, to acquire the shares of Cento Engineering Group, a UK BMU engineering and service provider with a large share of the service portfolio consisting of Manntech units. Cento Engineering Group's revenue in 2020 amounted to MGBP 5.1 (approximately MSEK 60) and the company is a part of Alimak Group's BMU division. The purchase price was not material relative to Alimak Group's market capitalisation.

Updated financial targets

On June 17, 2021, The Board of Directors of Alimak Group decided to update the financial targets and dividend policy to reflect the value creation potential identified as part of the New Heights Programme launched in October 2020. In addition, the Group has decided on a new sustainability target. The updated mid-term financial targets and dividend policy are:

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Revenue growth target: 5–7%

The Group's mid-term target is to have an average annual revenue growth of 5–7% (previous target: achieve an average annual organic revenue growth of at least 6%).

EBITA-margin target: 14–16%

The Group's mid-term target is to reach an operating EBITA margin of 14–16% (previous target: achieve an operating EBITA margin of at least 15%).

Net Debt/EBITDA target: ~2.0x

The company will maintain an effective capital structure with a net debt of around 2.0x EBITDA over a cycle. The capital structure will be flexible and allow for strategic initiatives (unchanged).

Dividend policy: 40–60%

The Group has a target of paying a dividend of 40–60% of its net profit to its shareholders (previous target: The Company aims to pay its shareholders approximately 50% of its net profit for the applicable period in dividends).

Sustainability target:

Aim to reduce CO₂-footprint with 30% cross our value chain by 2025 compared to 2019

Repurchase of own shares

On December 17, 2021, the Board resolved to exercise the authority given by the Annual General Meeting and repurchase own shares. The main purpose of the repurchase is to ensure Alimak Group's commitments to deliver shares in accordance with the Group's call option programmes. As of December 31, 2021, 147,000 shares were repurchased. Par value per share is SEK 0.02.

FINANCIAL OVERVIEW**Multi-year overview**

MSEK	2021	2020	2019	2018
Revenue	3,727.8	3,740.3	4,587.4	4,320.4
Operating profit, EBIT	448.1	277.5	565.1	439.4
Profit before tax, EBT	409.6	240.6	508.6	396.6
Net profit for the year	307.5	182.8	394.0	344.0
Balance sheet total	5,901.7	5,619.4	6,416.9	6,032.3
Equity/assets ratio, %	65	63	57	57
Average number of employees	2,057	2,049	2,286	2,377

Revenue and operating profit (EBIT)

Revenue for the Group totalled MSEK 3,727.8 (3,740.3). Operating profit (EBIT) increased to MSEK 448.1 (277.5), representing an operating margin of 12.0 % (7.4). 2020 was affected by non-recurring items of MSEK –77.

Analysis per segment

MSEK	2021		2020	
	Revenue	Operating profit	Revenue	Operating profit
BMU	1,063.1	26.9	961.8	–47.3
Construction	1,103.9	198.0	1,007.7	119.4
Industrial	885.1	183.4	917.1	147.2
Wind	675.7	39.9	853.8	57.8
Total	3,727.8	448.1	3,740.3	277.5

Division BMU increased revenue by 10% driven by solid development in both equipment and services. EBIT increased to MSEK 27 due to higher volumes and lower cost.

Division Construction increased revenue by 10 % driven by solid development in new equipment, services and rental. Good cost control and the higher volumes resulted in both increased operating profit and margin.

For the Industrial division the revenue decreased by –3% to MSEK 885 due to pandemic restrictions to site access in combination with effects of entering the year with a low order backlog. Operating profit increased driven by service revenue and and lower costs.

For the Wind division the revenue decreased by –21% to MSEK 676 impacted by the decision to exit tower internals and lower demand in China. Operating profit also decreased due market conditions in China and the exit from tower internals.

Financial income and expense

Net financial items for the year amounted to MSEK –38.5 (–36.9). Interest net was MSEK –10.7 (–20.9). The impact from IFRS 16, Leasing, was MSEK –5.4 (–8.0) and the remaining largely derived from currency impact.

Tax

The total tax expense for the year was MSEK 102.1 (57.9), corresponding to an effective tax rate of 24.9 % (24.1). The tax expense varies depending on the geographic distribution of where the Group's profits arise and the possibility of utilising tax loss carry forwards.

Profit for the year

Profit for the year totalled MSEK 307.5 (182.7). Comprehensive income for the year totalled MSEK 486.6 (–62.5). The difference between profit for the year and comprehensive income for the year is mainly due to a increase in the translation reserve for foreign operations, and the revaluation of pension plans.

Cash flow

Cash and cash equivalents at December 31, 2021 totalled MSEK 348.5 (225.6). The Group's cash flow from operating activities totalled MSEK 645.9 (505.1) driven by high EBITDA and continued decrease in working capital. The Group's cash flow from investing activities amounted to MSEK –103.8 (–55.5). The Group's cash flow from financing activities totalled MSEK –438.4 (–515.5).



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Financing and financial position

The Group's balance sheet total was MSEK 5,901.7 (5,619.4) at year-end. Net debt totalled MSEK 338.0 (680.4), primarily consisting of loans from credit institutions (see Notes 18 and 21). Compared with December 31, 2020 trade receivables decreased from MSEK 769.2 to MSEK 722.1. Inventories increased from MSEK 439.0 to MSEK 525.4.

Investments

The Group's investments in property, plant and equipment totalled MSEK 63.1 (59.4). Depreciation during the period amounted to MSEK 62.5 (63.0).

Intangible assets

At year-end, the carrying amount for intangible assets was MSEK 2,919.4 (2,831.8), of which goodwill comprised MSEK 2,362.0 (2,260.4). The yearly impairment test did not indicate any impairment need of the carrying amount of goodwill.

Equity

On December 31, 2021 the Group's shareholders' equity totalled MSEK 3,840.4 (3,527.9). In addition to the result from the year's operations, the change in equity reflects the dividend paid of MSEK 161.6 and other changes of MSEK 166.6, of which MSEK 178.4 comes from the translation reserve for foreign operations, MSEK -16.3 relates to repurchase of shares and the remaining relates to share based compensation, cash-flow hedges and revaluation of pension plans. The Group repurchased 147,000 own shares for 16.3 MSEK during 2021.

PERSONNEL

The Group prioritises having its own permanent workforce and works proactively and systematically to ensure the well-being of employees and safety in the workplace. Each legal entity in the Group has its own local personnel policy that complies with local laws, regulations and agreements as well as a common policy for the entire group. The staffing level during the year was considered to be well balanced in terms of order volumes, and adjustments are made on an ongoing basis to meet the demands. The average number of employees in 2021 was 2,057 (2,049). At year-end, the number of employees totalled 2,103

(2,162). Salaries and remuneration paid during the year amounted to MSEK 1,123.4 (1,030.3).

RESEARCH AND DEVELOPMENT

The aim of the Group's research and development is to increase customer productivity, reduce environmental impact, improve the work environment and cut costs. R&D, a top priority in the Group, also encompasses the development of production technology, production processes and IT systems, where such is necessary. The work is mainly carried out at, or close to, the production companies and in close cooperation with customers. Extensive sharing of experiences takes place between the divisions in order to create synergies and new ideas for the future. R&D costs for the year totalled MSEK 101.2 (101.3).

OUTLOOK

Alimak Group has a leading position in the industry for vertical access solutions for professional use, with applications suitable for both temporary and permanent installations for various industries. The product offering is complemented with a broad range of after-market services targeted at the Group's installed base of more than 70,000 units. With its own sales offices and an extensive distributor network, the Group has a global reach to more than 100 countries. Furthermore, the Group's is well positioned to take advantage of important global trends supporting an increase in the demand for the Groups products and services.

The New Heights programme, consisting of three steps 1. Establish the base, 2. Secure margin improvements and 3. Profitable growth is now entering the third step; Profitable Growth, as the first two steps of the programme are completed.

Based on the above, the Group's mid-term financial targets are to achieve an annual average growth in revenues of 5–7 %, an EBITA margin of 14–16 % combined with a leverage (net debt/EBITDA) of 2.0 times. The focus for Alimak Group will be to continue to drive sustainable profitable growth and by focusing on customers, product development, increasing service revenue and accelerated M&A activities. Alimak Group are well set for growth and further margin improvements in 2022 in a continued uncertain macro environment.

ENVIRONMENTAL IMPACT

Alimak Group's biggest impact on the environment derives from the solutions' operation at customer sites but also from production and assembly. The Group works actively on reducing its environmental footprint, with a focus on supply and production as well as R&D to decrease the weight of the vertical access solutions.

All major production and assembly sites are certified according to ISO14001 and several locations are also certified according to OHSAS18001 / ISO45001. The Group has done a full retake of the stakeholder dialogue and materiality analysis – resulting in an updated framework for sustainability focus areas and new KPIs and targets. The Group has also implemented a sustainability target to reduce CO₂-footprint with 30% cross our value chain by 2025 compared to 2019.

SUSTAINABILITY REPORTING

In accordance with chapter 6, § 11 of the Swedish Annual Accounts Act, Alimak Group has elected to prepare the statutory Sustainability report separately from the Director's report. The Sustainability report was submitted to the auditor for review together with the Annual report. The Sustainability report is included on pages 36–50 in this document and on pages 61–67 where the sustainability risks and risk management are described.

SHARE CAPITAL AND OWNERSHIP

At the end of the year, Alimak Group's share capital amounted to SEK 1,083,157, represented by 54,157,861 shares. The Group has just one class of share, and all shares carry one voting right. On December 31, 2021 Latour, the single largest shareholder in Alimak Group, held 16,016,809 shares, corresponding to 29.6 % of both votes and share capital. Alantra EQMC Asset Management held 6,630,091 shares, corresponding to 12.2 % of the shares. The Group owned 439,611 own shares as of December 31, 2021 with a par value of SEK 0.02, corresponding to 0.8% of the total number of shares.

No restriction applies in law or the Articles of Association as to the transferability of the shares. There are no restrictions as to how many votes each shareholder can cast at an AGM. For further information regarding the Group's shares and ownership, see pages 127–128.



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CORPORATE GOVERNANCE

In accordance with the Swedish Annual Accounts Act, Alimak Group has prepared a corporate governance report that includes the Board of Directors' report on internal control. This can be found on pages 68–79 of this document.

CURRENT GUIDELINES FROM THE BOARD FOR REMUNERATION PAYABLE TO SENIOR EXECUTIVES

Senior executives refer to senior executives of the Group executive management. These guidelines will be valid for agreements entered into after the general meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to any director fees decided or approved by the general meeting or such issues and transfers as are covered by Chapter 16 of the Swedish Companies Act (SFS 2005:551).

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

In short, the Company's business strategy is the following.

Alimak Group will improve its position as a global, market leading supplier of professional vertical access solutions in order to achieve sustainable, profitable growth. This is to be achieved through market expansion, growth in after sales business and through business optimisation.

For more information regarding the business strategy of the Group, please see alimakgroup.com, as well as the latest annual report including sustainability report.

It is of fundamental importance to the Group and its shareholders that these guidelines, in both a short- and long-term perspective, create good conditions to attract and retain senior executives and other employees with excellent competence. The purpose of these guidelines is to increase transparency in remuneration issues and through relevant remuneration structures, create incentives for senior executives, to execute strategic plans and deliver effective operational results to support the Group's business strategy and long-term interests, including its sustainability. To obtain this, it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and compensation levels. These guidelines ensure that senior executives, regardless

of geographical market, may be offered a competitive total compensation.

Remuneration and forms of remuneration

The terms of employment for senior executives should consist of a balanced combination of fixed remuneration, variable remuneration, pension and other benefits and terms for dismissal/ severance payment. Furthermore, the Board may prepare and the general meeting resolve, on share and share-price related incentive programs. Such a combination of compensation fosters and supports management and achievement of objectives in both a short and long-term perspective. The various types of remuneration that may be paid out are described below.

Fixed remuneration

The fixed remuneration shall be individually determined and shall be based on each individual's responsibility and role as well as the individual's competence and experience in the relevant position. In the event of full payment of variable remuneration, the fixed remuneration comprises between 45–55 per cent of the total remuneration to senior executives.

Variable remuneration

Senior executives have an annual variable remuneration that is payable after each year end. The annual variable remuneration is structured as a percentage rate of the total compensation. Variable remuneration objectives shall primarily be based on the outcomes of financial objectives for the Group as well as clearly defined individual objectives with respect to specific assignments or the Group's sustainability efforts. The objectives shall be designed so as to promote the Group's business strategy and long-term interests, including its sustainability, through having a direct alignment to business strategy and promoting the long-term development of the senior executive.

The variable remuneration varies depending on position and may be up to 70 per cent of the fixed remuneration for the CEO and up to 50 per cent of the fixed remuneration for other senior executives. The objectives are constructed so that no variable remuneration will be paid if a certain minimum performance level is not achieved. In the event of full payment of variable remuneration, the variable remunera-

tion comprises between 25–30 per cent of the total remuneration to senior executives.

At the end of the annual measurement period, an overall performance evaluation shall be made to determine the extent to which the objectives have been achieved. The Remuneration Committee is responsible for the evaluation with respect to variable compensation to the CEO and other senior executives. With regards to financial objectives, the evaluation will be based on the latest audited financial information made public by the Group.

The Group does not have any potential deferral periods or, according to agreements, any possibility to reclaim variable remuneration.

Pension

The main principle is that pension contributions are based on collective bargaining agreement provisions in each geographical market. On entering into new pension agreements, senior executives entitled to pension will have defined contribution pension agreements based on fixed remuneration. Variable remuneration shall constitute pensionable salary to the extent necessary to comply with mandatory collective bargaining agreement provisions applicable to the senior executive. Pensioning of senior executives takes place in accordance with the respective country's pension rules.

Pension agreements for the CEO may exceed applicable local collective bargaining agreements, but must be defined contribution based, and must not exceed between 30–40 per cent of the fixed remuneration.

For employments governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

In the event of full payment of variable remuneration, pensions comprise between 15–20 per cent of the total remuneration to senior executives.

Other benefits

Other benefits, such as company car, housing allowance, compensation for healthcare, and health and medical insurance must comprise a minor part of the total compensation and must correspond to what may be deemed market practice in each geographical market.



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For employments governed by rules other than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

In the event of full payment of variable remuneration, other benefits comprise between 5–10 per cent of the total remuneration to senior executives.

Special remuneration

Further special remuneration, provided that such extraordinary arrangements are limited in time and do not exceed 36 months, and may only be awarded on an individual basis, either for the purpose of recruiting or retaining executives, or to induce individuals to move to new places of service or accept new positions, or as remuneration for extraordinary performance beyond the individual's ordinary tasks.

These must not exceed an amount equivalent to two times the remuneration the senior executive would have received in the absence of such an agreement on special remuneration. Such remuneration may not be awarded more than once per year and per individual. Any resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

Long-Term incentive program

The Board proposed that the general meeting 2021 adopted a performance-based stock option program, as the Board believes that such a program offers the best means of tying rewards to senior executive and key employees, to the Company's future earnings and value development.

The program mentioned requires a personal investment in the Company's shares, and that these shares are retained during a three-year period of service. At the end of the period of service, participants will be allotted shares in the Company at no cost, on the condition that certain terms of service such as continued employment and a specific financial performance objective, are fulfilled.

These long-term incentive programs foster the Group's business strategy, long-term interests, including its sustainability, through improving the ability of the Group to recruit and retain employees, spread and increase share ownership among key employees, and ensure a united focus on long-term value increase for shareholders.

Terms for dismissal etc.

Terms for dismissal and severance pay shall correspond to what may be deemed market practice on each geographical market. For a majority of the members of the Group Leadership, a notice period of six to 12 months applies if the employment agreement is terminated by the Company. The severance pay of the Chief Executive Officer corresponds to 12 months' base salary.

Remuneration payable to Directors

In certain cases, Directors re-elected by the general meeting, should be able to receive fees and other remuneration for work carried out on behalf of the Group, alongside their Board work. Fees at market rates, approved by the other Board members, may be payable for such services.

Remuneration and employment conditions for other employees

In the preparation of this proposal for guidelines, remuneration and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board's basis of decision when evaluating the reasonableness of the guidelines and appurtenant limitations.

The decision-making process to determine, review and implement the guidelines

The Board resolves, after preparation by the Remuneration Committee, on the structures of remuneration systems, as well as levels and forms of remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall monitor and evaluate programs for variable remuneration for the Group executive management, the application of the guidelines as well as the current remuneration structures and compensation levels in the Group.

The members of the Remuneration Committee are independent of the Group and the executive management of the Group. The CEO and other members of the Group executive management do not participate in the Board' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. Conflicts of interest are counteracted in all resolutions and any potential conflicts of interest are handled in accordance with the Group's framework for governance, consisting out of a code of conduct, policies and guidelines.

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Description of material changes to the guidelines

Description of material changes to the guidelines and how the views of shareholders' have been taken into consideration

The content of the guidelines has been reviewed and adapted to the legal requirements imposed by Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards encouragement of the long-term shareholder engagement.

Miscellaneous

Total remuneration and other benefits paid to senior executives during the year are stated in the annual report.



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THE BOARD'S PROPOSAL FOR RESOLUTION ON GUIDELINES FOR SALARY AND OTHER REMUNERATION TO SENIOR EXECUTIVES

The Board proposes that the general meeting resolves on the following guidelines for salary and other remuneration to directors, President and Chief Executive Officer (CEO), and other senior executives. Senior executives refer to senior executives of the Group Leadership Team. These guidelines will be valid for agreements entered into after the general meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to remuneration decided or approved by the general meeting, for example director fees and share-based incentive programmes

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

Information about the Group's business strategy can be found in the latest annual report at www.alimakgroup.com.

It is of fundamental importance to the Group and its shareholders that these guidelines, in both a short- and long-term perspective, create good conditions to attract and retain competent senior executives. The purpose of these guidelines is to increase transparency in remuneration issues and through relevant remuneration structures, create incentives for senior executives, to execute strategic plans and deliver effective operational results to support the Group's business strategy and long-term interests, including its sustainability. To obtain this, it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and compensation levels. These guidelines ensure that senior executives, regardless of geographical market, may be offered a competitive total compensation.

Remuneration and forms of remuneration

The terms of employment for senior executives should consist of a balanced combination of fixed remuneration, variable remuneration, pension and other benefits and terms for dismissal/ severance payment. Such a combination of compensation fosters and supports management and achievement of objectives in both a short and long-term perspective. The various types of remuneration that may be paid out are described below.

Fixed remuneration

The fixed remuneration shall be individually determined and shall be based on each individual's responsibility and role as well as the individual's competence and experience in the relevant position.

Variable remuneration

The variable remuneration shall be measured during a period of one year and be structured as a percentage rate of the fixed remuneration. The variable remuneration may be up to 70 per cent of the fixed remuneration for the CEO and up to 50 per cent for other senior executives.

Variable remuneration must be linked to predetermined and measurable goals that can be financial or non-financial and that promote the company's long-term and sustainable development. The goal formulation must be designed so that no variable remuneration is paid if a minimum level of performance is not met.

At the end of the annual measurement period, an overall performance evaluation shall be made to determine the extent to which the objectives have been achieved. The Remuneration Committee is responsible for the evaluation with respect to variable compensation to the CEO and other senior executives. With regards to financial objectives, the evaluation shall be based on audited financial information made public by the Group.

Pension

The main principle is that pension contributions are based on collective bargaining agreement provisions in each geographical market. On entering into new pension agreements, senior executives entitled to pension will have defined contribution pension agreements based on fixed remuneration. Variable remuneration shall constitute pensionable salary only when necessary to comply with mandatory collective bargaining agreement provisions applicable to the senior executive. Pensioning of senior executives takes place in accordance with the respective country's pension rules.

Pension agreements for the CEO shall be defined contribution based and must not exceed 40 per cent of the fixed remuneration.

For employments governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Other benefits

Other benefits, such as health and medical insurance must comprise a minor part of the total compensation and must correspond to what may be deemed market practice in each geographical market.

For employments governed by rules other than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Special remuneration

Further special remuneration may be awarded for extraordinary arrangements provided that they are limited in time and are awarded on an individual basis. Examples of situations where special remuneration may be awarded are to recruit or retain executives, as remuneration for extraordinary performance beyond the individual's ordinary tasks and to induce individuals to move to new places of service or accept new positions. Any resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

Long-term incentive program

The general meeting can and has for a number of years, in addition to and independently of these and previous guidelines, decided on other long-term incentive programs. In 2021, the general meeting decided, for example, on the introduction of a long-term share-based incentive program in the form of a call option program. For more information about these programs, see the respective year's notice of the annual general meeting.

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Terms for dismissal etc.

Terms for dismissal and severance pay shall correspond to what may be deemed market practice on each geographical market. The CEO has a notice period of 6 months on his/her part and 12 months on the part of the Company. Between the Company and other senior executives, a mutual notice period of 6 months normally applies. On entering into new employment agreements, agreement may be made with senior executives on severance pay corresponding to a maximum of 12 months' fixed remuneration. The foregoing applies only to notice given by the Company and, in general, the established practice in each geographical market where the executive works, applies.

Remuneration payable to Directors

In certain cases, Directors elected by the general meeting, should be able to receive fees and other remuneration for work carried out on behalf of the Group, alongside their Board work. Fees at market rates, approved by the other Board members, may be payable for such services. No remuneration shall be paid to the Group's employees acting as directors on the boards of Group companies.

Remuneration and employment conditions for other employees

In the preparation of this proposal for guidelines, remuneration and employment conditions for employees of the Company have been taken into account by collecting information on the employees' total income, the components of the remuneration and increase and growth rate over time.

The decision-making process to determine, review and implement the guidelines

The Board resolves, after preparation by the Remuneration Committee, on the structures of remuneration systems, as well as levels and forms of remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall monitor and evaluate programs for variable remuneration for the Group executive management, the application of the guidelines as well as the current remuneration structures and compensation levels in the Group.

The members of the Remuneration Committee are independent of the Group and the executive management of the Group. The CEO and other members of the Group executive management do not participate in the Board' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Miscellaneous

Total remuneration and other benefits paid to senior executives during the year are stated in the annual report.



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PARENT COMPANY

The business of the Parent Company, Alimak Group AB, consists of certain Group-wide, shareholder-related services. Since January 1, 2019, only the CEO and CFO are employed by the Parent Company.

In addition, the Group's borrowing is centralised within the Parent Company, which is also the account-holder of a Group-wide transaction account (a cash pool) with a financial institution.

Revenue for the year totalled MSEK 12.4 (20.9) and an operating loss of MSEK -23.3 (-27.4) was recorded. Financial net totalled MSEK 380.3 (267.5) and profit before tax for the year amounted to MSEK 453.4 (299.2). Profit for the year was MSEK 431.8 (288.4).

At the end of the year, the equity/assets ratio was 83.6 % (86.4). By resolution of the 2021 AGM, a dividend of MSEK 161.6. was paid to shareholders, corresponding to SEK 3.00 per share.

At year-end, the Parent Company's cash and cash equivalents, including unutilised credit commitments and overdraft facilities, totalled MSEK 1,837.2 (1,636.5).

EVENTS AFTER THE FINANCIAL YEAR-END

Interim head of BMU Division

As of January 1st, 2022, Ole Kristian Jødahl, CEO of Alimak Group has assumed the role as interim head of the division. The recruitment process to find a permanent EVP for BMU Division is in progress.

Repurchase of own shares

The repurchase process started in December 17, 2021 was finalized January 7, 2022. The main purpose of the repurchase is to ensure Alimak Group's commitments to deliver shares in accordance with the Group's call option programs. In total 450,000 shares were repurchased according to the mandate of which 303,000 shares were repurchased in 2022. Average price per share was SEK 113.

Strategic review of the wind division

February 10, Alimak Group initiated a strategic review of the Wind division. To ensure the best possible conditions for the Group to efficiently execute on its strategy and to optimise shareholder value, the Board has decided on a strategic review of the Wind division, to explore future strategic alternatives for the Wind division, including a potential divestment.

The strategic review will be conducted in 2022. There is no certainty that the strategic review will result in any material changes for the company.

Information regarding the situation in Ukraine

The war in Ukraine is a human tragedy and our thoughts and concerns are with all those affected by this horrible situation.

Alimak Group are continuously monitoring the developments and the implications this might have for the Group's employees, partners, customers and operation. December 31, Alimak Group had no significant assets, contracts or suppliers with connection to Ukraine or Russia. The Group has decided to stop all deliveries to Russia until further notice and are not pursuing any new sales in the area.

PROPOSED APPROPRIATION OF PROFIT

The following amounts are available for distribution by the AGM (SEK)

Retained earning	2,659,039,334
Net profit for the year	431,840,652
	3,090,879,986

The Board proposes that the amounts be distributed as follows

Dividend of 3.30 SEK per share to be paid to shareholders*	176,270,325
Repurchase of own shares January 2022	34,397,523
To be carried forward	2,880,212,138
	3,090,879,986

* The proposed record day for dividend payment is May 9, 2022. The amount proposed as dividend corresponds to SEK 3.30 per share, based on the existing number of shares, 54,157,861 and excluding the 742,611 shares held by the Group as per record day.



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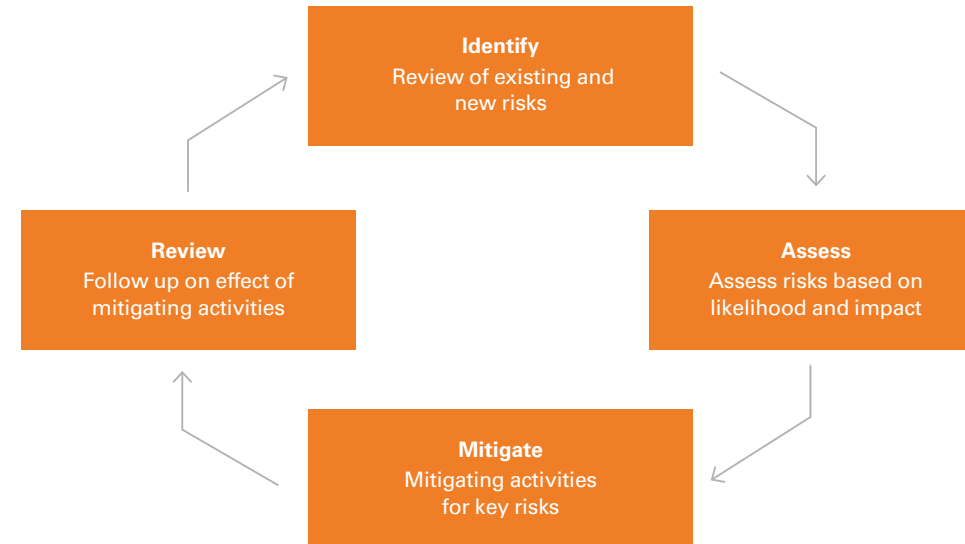
Exposure to risk is a natural element in running a business and the purpose of risk management is not to avoid it, but to take a controlled approach to the risks to which the business is exposed. Alimak Group applies a risk review process that seeks to identify, assess and manage key risks.

The risks are divided into strategic, operational and financial risks. The Group is also exposed to risks in the sustainability area, for example risks concerning environmental issues, climate change, health & safety, respect for human rights, bribery and corruption. These risks are included among the operational risks.

The members of the Group Leadership Team review the Group's risk profile annually and ensure that identified key risks are managed and that the information is used as input for the strategy process. The Board of Directors is ultimately responsible for ensuring that there is an appropriate and efficient risk management process in place and the CEO and CFO give regular risk updates to the Audit Committee and the Board.

In 2021, COVID-19 continued to cause challenges to the global economy and consequently also to Alimak Group. Many efforts have been made to mitigate risks linked to the effects of the pandemic. The safety of employees was the Group's top priority but mitigating activities have been carried out in several areas which will be explained in more detail on the following pages.

Risk Review Process





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STRATEGIC RISKS			
Risk Area	Description	Alimak Group's Response	
Market and Economy	The Group's ability to generate profits may be affected by a down-turn in the general economy or in a specific country, region or industry. Political and social instability may also have a negative impact on the Group's ability to generate profit.	<p>Alimak Group's products are sold to customers in more than 100 countries every year. The Group operates through its own subsidiaries in 24 countries and the remaining markets are covered by a distributor network. Altogether, this provides the Group with a favourable underlying risk diversification.</p> <p>In 2021, the COVID-19 pandemic continued to impact the global economy and consequently Alimak Group. As a response to the challenges caused by COVID-19, the Group has focused on measures to safeguard profitability and cash accumulation. This ties in well with the profitable growth programme, New Heights, that was launched in October 2020. In 2021 the focus of this programme has been on securing margin improvements.</p>	<p>The current unstable geopolitical situation in Ukraine and Russia is causing new challenges to the global economy and consequently also to Alimak Group. The Group has no significant assets, contracts or suppliers in Russia and Ukraine but future indirect effects on for example the supply chain and price levels on raw materials are expected and closely monitored by the Company.</p> <p>Continued travel restrictions and lock-down measures due to both COVID-19 and the crisis in Ukraine and Russia have clearly shown the importance of the Group's digitalisation strategy and many activities have been carried out to ensure continuing strong support to customers.</p>
Competition	The Group competes with regional and local competitors in all business areas and markets. Any changes to the structure of the Group's current competitors or the emergence of new competitors may result in a reduction in the Group's sales, market share and revenue.	It is the responsibility of the four Division EVPs, in close co-operation with their sales teams around the world, to monitor the competitors and to ensure that the Group does not become too dependent on a few major customers.	
Strategy Development and Execution	The Group's strategy is subject to review on an annual basis. There is always a risk of there being a lack of financial forecasts or enough insight into current market trends and threats to support the development of the strategy. Another risk in this area relates to the strategy execution and a failure in successfully implementing the strategy.	The Group's strategy is developed jointly by the Group Leadership Team and the Board. The process is coordinated by the Chief Strategy Officer.	The four Division EVPs are responsible for driving the development of their respective Division strategies. They are also responsible for strategy implementation and the progress is monitored in the monthly business reviews.
Brand and Reputation	One important competitive advantage of the Group is its trademarks, which are associated with safety, reliability and quality. All real or perceived problems with products, operations or regulatory compliance in areas such as the Market Abuse Regulation ("MAR") and anti-corruption may result in damage to the Group's reputation.	Operational and product safety are of great importance to the Group and more information is provided below under Environment Health & Safety and Product Safety.	The Group's Insider policy, Communication policy and the Code of Conduct provide guidance both internally and to the Group's business partners on ethical and compliance matters relating to the Group's business operations.
M&A	The Group has in the past years strengthened its market position through organic growth, business acquisitions and efficiency improvements. Growth through acquisitions is risky by nature due to the difficulties in evaluating the business that is going to be acquired but also in realising synergies during the integration phase.	<p>Acquisitions are coordinated by the Chief Strategy Officer. External expertise is brought in for legal, tax, financial and environmental assessments when necessary.</p> <p>Acquisitions are carried out according to a defined M&A process consisting of pre-evaluation, due diligence, and integration planning</p>	<p>and execution. Processes are also in place for management of confidential and sensitive information. All acquisitions need board approval before signing.</p> <p>On July 1, 2021, Alimak Group announced its acquisition of the UK based company Cento Engineering Group.</p>
Statutory Requirements and Standards	The global nature of the Group's business means that it is subject to numerous laws and regulations in areas such as environment, health & safety, trade restrictions, exchange control and competition law. Ensuring compliance with laws and regulations as well as monitoring the development in this area is a challenging task.	<p>The managing director of each legal entity in the Group is responsible for ensuring that local laws and regulations are followed.</p> <p>The Group has active representation in relevant committees for development of new technical standards, enabling the Group to monitor the development in this area.</p>	All major production and assembly sites are certified according to ISO14001 and several locations are also certified according to ISO45001.



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OPERATIONAL RISKS, INCLUDING SUSTAINABILITY RISKS			
Risk Area	Description	Alimak Group's Response	
Sales Channels and Price Management	Inefficient pricing strategies may result in margin erosion. Sudden cost increases resulting from for example increases in commodity and component prices or changes in customs and trade tariffs may have a negative impact on the financial performance.	The EVPs of the four Divisions are responsible for price management in their respective businesses. Price adjustment mechanisms should be included in agreements with customers and regular reviews and updates of sales price lists are performed. In complex projects where the negotiation period is long, offered prices are time-limited and the prices stated in the quotations are adjusted when needed.	The sourcing functions are responsible for supplier selection and management and it is important to have a close dialogue between the sourcing and sales departments to ensure that price increases from suppliers are reflected in the sales process. The financial reporting is structured in order to enable close monitoring of the development of margins in different regions and markets so that appropriate actions can be implemented if there is a negative trend in the margins in a certain market.
Production and Supply Chain Management	Alimak Group has ten production and assembly facilities in eight countries and production disruptions may occur due to events such as a fire, extreme weather, epidemic outbreak and strikes resulting from labour disputes. Production disruptions may also occur as a result of problems in the supply chain, such as a business interruption for an important supplier.	The pandemic, and lately also the uncertain situation in Ukraine and eastern Europe, has caused disturbances in the supply chain and it has also resulted in an increase in prices on certain materials and on freights. Action taken has been to increase inventory levels of critical components and switch to more regional and local suppliers to avoid long transportation. Local contingency planning exists at the main production sites. The Group has insurance coverage for business interruptions.	The sourcing functions are responsible for supplier selection and management. Risk assessments are made from a business contingency perspective and appropriate initiatives are initiated based on the risk assessment. Examples of initiatives in the area of Supply Chain Management are ensuring multiple sourcing channels for critical parts and working together with R&D to update the design of certain products to avoid components and materials that are difficult to source.
Contracting Practices	The Group faces a risk of contracts with customers, distributors and suppliers not being negotiated, reviewed and authorised in accordance with existing internal policies. This could result in an exposure to, for example, liability claims and too far-reaching commitments.	All agreements with third party sales channels, such as distributors and sales representatives, are handled according to a structured process based on agreement templates.	There are standard agreement templates for contracts with suppliers and customers. The Group has a policy for sales and contracting practices, including instructions about minimum trading terms.
Development of new Customer Offerings	The area includes the risk of not being able to launch new products and service offerings in line with customer expectations, or that the Group does not manage to capture the benefits of digitalisation and sustainability.	In early 2020, Alimak Group established a digital hub supporting the work to develop digital solutions for all four business divisions. During 2021, more machines have been connected, enabling a better control over, and utilisation of the machines. Connected machines also open up for services to be provided remotely.	The BIM Gallery, launched in 2020, now has more than 2,500 downloads. The use of BIM models helps the customers optimise and simulate the use of the products throughout a project and thereby enables better planning of complex projects and reduced risk. The new organisation launched at the beginning of 2021 ensures an improved governance process for R&D projects.
Intangible Assets	The Group risks failing to claim, enhance, and protect the Group's intellectual property rights, e.g. know-how, product innovations, trademarks.	Trademark registrations as well as infringements are handled by Group Tax & Legal together with appointed representatives from each division. Domain names are handled by the Group CIO.	Patents are handled by the Group CTO together with product managers from the four divisions. External advisors are appointed to provide assistance on a regular basis in these matters.



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Risk area	Description	Alimak Group's Response	
<p>Cyber Security and Information Security</p>	<p>Unauthorised access to the Group's IT systems may result in loss of sensitive data and business interruptions.</p> <p>As our customer offerings become more digital and connected, the amount of data increases and thereby also the risk in this area.</p>	<p>IT Infrastructure and security is the responsibility of the CIO function. All hardware for infrastructure is controlled by the CIO function and this function also handles user account creation and removal, system access and rights management and security controls.</p>	<p>During 2021, the process to further strengthen the resilience of the Group's IT infrastructure continued. A penetration test was executed by an external company with good results.</p> <p>An e-learning course on malicious emails is available for all employees. The CIO function distributes examples of malicious emails to the employees on a regular basis.</p>
<p>Employees</p>	<p>The Group must have access to and attract skilled and motivated employees and safeguard the availability of skilled leaders to achieve established strategic objectives.</p>	<p>A new global People & Culture function was established in 2021. The function is led by the Chief People & Culture Officer (CPCO) who is a member of the Group Leadership Team.</p> <p>To address identified risks and needs, a People & Culture strategy has been developed during the year and several activities covered by the strategy have already been conducted such as:</p> <ul style="list-style-type: none"> • Introduction of a new Performance Management Model • Launch of new intranet and new tools for internal communication • Workshops conducted at all sites relating to the Group's core values • Launch of a new global onboarding programme <p>For more information, please see the People & Culture section of the annual report.</p>	



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SUSTAINABILITY RISKS			
Risk area	Description	Alimak Group's Response	
Corruption and Fraud	Risk of corruption and bribery exists in many countries where Alimak Group operates and it is therefore of great importance to ensure that employees as well as distributors and consultants understand the Group's Code of Conduct and act in accordance with it.	<p>The Group's Code of Conduct is based on the ten principles of UN Global Compact and covers the areas human rights, labour, environment and anti-corruption.</p> <p>The Group provides a Code of Conduct e-learning and the managing director of each legal entity in Alimak Group is responsible for ensuring that all employees have received proper training on the code.</p>	<p>The Group's Code of Conduct is included in all agreements with distributors and sales representatives.</p> <p>Alimak Group has a whistleblower channel in place enabling anonymous reporting on any deviations from the Code of Conduct. For more details see the sustainability section of the annual report.</p>
Environment Health & Safety	<p>The laws and regulations in the Environment Health & Safety area are complex and change over time. Non-compliance may result in injuries and accidents, damage to the environment as well as penalties.</p> <p>Regulations and requirements, both from legislators and customers, related to CO₂ emissions are gradually increasing.</p>	<p>All production and assembly facilities are certified in accordance with the ISO14001 standard to ensure proper environmental management.</p> <p>During 2021, the Group has set a target to reduce its carbon footprint across the value chain by 30 % by 2025. Good examples of activities supporting this target are shared in the monthly management calls and in internal communication channels.</p> <p>Every legal entity has a designated person in charge of performing health and safety risk assessments and there is active work to promote a safe work environment and to prevent accidents. All production and assembly facilities and some of the sales entities are certified in accordance with ISO 45001.</p>	<p>The outbreak of COVID-19 triggered a new kind of safety risk that the Company needed to handle. The safety of employees has been a top priority throughout the pandemic. The local management teams have closely monitored the development of COVID-19 regulations and recommendations and implemented appropriate measures based on those. Therefore, many employees who had the possibility have been working from home and several of the manufacturing and assembly facilities have introduced stronger safety measures such as protective equipment, new schedules and testing procedures.</p> <p>Training customers via e-learning, and the usage of remote video instructions increased during 2021, in order to interact with customers in a safe way.</p>
Human Rights	The Group operates in many countries and in some of them there is a high risk of human rights abuse such as poor working conditions and limitations on the freedom of association. Risks to the group reputation may arise from relationships with business partners who do not apply with internationally accepted human rights standards.	<p>Alimak Group's Code of Conduct outlines the Group's commitment to treat all employees in a fair and equal manner. The Company expects its business partners, such as distributors and suppliers, to do the same.</p> <p>The Group's whistleblower channel enables anonymous reporting, and it may be used by anyone to report concerns relating to violations of the Code of Conduct. The employee survey also provides</p>	<p>an opportunity for employees to give feedback on how well the Group fulfils its commitment on fair and equal employment opportunities.</p> <p>The Group's supplier audit questionnaire contains questions relating to employment practices.</p> <p>All agreements with distributors contain the Group's code of conduct.</p>
Product Safety	Alimak Group contributes to a safer and more reliable work environment for people working in the construction and industrial sectors by offering its vertical access solutions. If the products do not function properly, they may cause severe bodily injuries which may damage the reputation of the Company.	<p>Product and system testing is included in the R&D project model.</p> <p>Preventive safety measures are built into many products based on design standards, risk assessments and market feedback.</p> <p>During 2021, a pilot has been running of the first digital customer portals for faster and improved communication channels.</p> <p>The Group has had continuous work on improved product documentation (e.g. manuals) in order to make is easy to use our products in the right way. During 2021, the first digital calculation models for customers were launched.</p>	<p>An in-house team of resources are responsible for developing relevant training material and e-learning courses to ensure safe and proper handling of the machines during installation, use, and maintenance. The courses are provided both within the company, for staff and for external partners or customers.</p> <p>The Group has active representation in relevant committees for the development of new technical standards for products and solutions.</p>



FINANCIAL RISKS

Risk Area	Description	Alimak Group's Response	
Currency Risk	<p>As a result of the Group's global operations, Alimak Group is exposed to currency risk which impacts the income statement, balance sheet and cash flow. Over time, exchange rate fluctuations also affect the Group's long-term competitiveness and therefore its earning capacity.</p> <p>The foreign currency exposure arises primarily when purchases and sales are not made in the functional currency of the entity making the transaction (transaction risk), and also when the income statements and balance sheets of foreign subsidiaries are translated to Swedish kronor (translation risk).</p> <p>Since a large part of production is concentrated in a few countries, while sales occur in many countries, the Group is exposed to a net inflow of foreign currencies. The currencies with the largest currency exposure impact are AUD, GBP and USD resulting from the significant business activities in these currencies.</p>	<p>It is the responsibility of the Group's Treasury function to manage the Group's financial risks in accordance with the guidelines laid down by the Board of Directors in the Group's financial policy.</p> <p>The exposures are, as far as possible, concentrated to countries where the production is located, by invoicing the sales companies in their respective reporting currency.</p> <p>Alimak Group's objective when managing foreign currency risks is to reduce the short-term fluctuations in the income statement and to increase the predictability of the financial results. This is done by hedging the net commercial flows by entering into foreign currency forward contracts and foreign currency swaps. The exposures are hedged at the time of a binding order to safeguard the gross margin and the investment budget.</p>	<p>Foreign currency risks related to sales and costs incurred in foreign entities converted to Swedish kronor are not hedged. Alimak Group does not enter into any speculative transactions.</p>
Interest Rate Risk	<p>Alimak Group's interest rate risk relates primarily to cash flow from interest-bearing short-term investments in cash and cash equivalents as well as from outstanding interest-bearing debt with floating interest. Alimak Group's borrowings are made at variable interest rates and interest payments are generally made quarterly.</p>	<p>The Group's interest rate risk is limited considering the relatively low leverage rate. The leverage target of 2.0x is set by the Board of Directors. It is the responsibility of the Group's Treasury function to manage and monitor the interest rate risk in accordance with the guidelines in the Group's financial policy.</p>	
Liquidity and Refinancing Risk	<p>There is a risk that the Group cannot meet payment commitments to suppliers and banks due to insufficient liquidity or the inability to obtain adequate financing on acceptable terms at any given point in time.</p> <p>The prevailing market uncertainty caused by COVID-19 imposed an increased liquidity risk due to a more challenging situation when it comes to the collection of trade receivables.</p>	<p>Alimak Group has access to a senior credit facility of MSEK 2,500 with three-year tenor maturing in 2024.</p> <p>With a leverage of 0.55 as of December 31, 2021, the Group has good room for manoeuvre in relation to the bank covenant stated in the loan agreement, and the risk is limited.</p> <p>Under the financial policy, the liquidity reserve shall always be maintained such that it can cover the anticipated fluctuations in the daily business over a period of six months. To meet this requirement the Group has overdraft facilities and confirmed credit facilities amounting to MSEK 213.</p>	<p>For efficient use of the Group's liquidity, the Group Treasury function manages global multicurrency cash-pools. For entities that cannot participate in the cash-pool due to local regulations, excess liquidity and short-term funding is managed via intercompany loan agreements with Group Treasury.</p> <p>To mitigate the increased liquidity risk resulting from COVID-19, Alimak Group's Treasury function has put extra focus on ensuring a close collaboration and communication with the Group's external banks as well as on ensuring good quality cash-flow forecasts from the Group's subsidiaries.</p>



Directors' Report

Risks and Risk Management

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Risk Area	Description	Alimak Group's Response	
Counterparty and Credit Risk	<p>Risk of adverse effects on the Group's finances from inadequate credit evaluation of new and existing customers and risk of bad debts due to insufficient routines in collecting customer payments.</p> <p>The risk of bad debts increased because of the negative financial impact that many companies experienced from COVID-19.</p>	<p>Account receivables are managed locally by each subsidiary and monitored at Division level and by Group Treasury. Both local credit rating institutes and Dun & Bradstreet are used in assessing the financial viability of counterparties.</p>	<p>In 2021, additional efforts were put on managing overdue customer invoices. The collection process was reviewed and improved where needed. The topic was also presented and discussed in the monthly management calls attended by management from all subsidiaries.</p>
Accounting and Reporting Risk	<p>Risk that reports to investors, lenders and regulatory bodies do not give a fair view of the Group's financial position and results.</p>	<p>The Company's financial reports are produced in accordance with applicable legislation, accounting standards and other requirements for listed companies. Governing documents relating to financial reporting, such as Accounting policy and Accounting Manual, are subject to regular reviews and updates, ensuring that reliable financial reporting from all entities are uniform and in accordance with the applicable accounting standards.</p> <p>Control activities are integrated in the processes for accounting and financial reporting. Group Finance and Division controllers closely monitor the accuracy of the financial reporting.</p>	<p>The Group has also established internal forums with participation from key stakeholders to ensure correct implementation of any accounting changes and procedures. Instructions and training are provided by Group Finance to the local finance organisations. Any changes are communicated in newsletters from the Group's accounting function.</p>
Tax Risk	<p>The Group is taxed in the jurisdictions where operations are carried out through subsidiaries and the Group's ambition is to pay the right tax in the right country. There is however always a risk that tax authorities make a different interpretation of tax laws and regulations and impose additional tax and penalties.</p>	<p>The Finance Manager of each Group entity is responsible for the local tax compliance.</p> <p>The Group's central tax function provides policies and guidance for pricing of intra-group transactions to ensure a consistent methodology within the Group.</p>	<p>Tax audit support is provided by the Group's central tax function and, when needed, also by external tax advisors.</p>
Fraud Risk	<p>Risk of adverse effects on the Group's finances resulting from internal or external fraud or mistakes in the local finance processes.</p>	<p>The Group's financial policy requires that all payments are approved by two persons jointly.</p> <p>The Group Treasury function is responsible for cash management and bank relations at Group level and co-operates closely with the local Finance Managers. Most of the subsidiaries are included in</p>	<p>the Group's cash-pools allowing Group Treasury to closely monitor all transactions taking place in the different entities.</p> <p>Reminders are distributed to the finance organisation referring to examples of fake President fraud attempts.</p>
Insurance Risk	<p>An insufficient insurance coverage could have a negative impact on the Group's financial result.</p>	<p>A Group-wide insurance programme is in place mainly relating to property, business interruption, travel and liability risks.</p> <p>The insurance coverage is managed by Group Tax & Legal and it has been set up so that it provides a reasonable balance between risk exposure and insurance cost.</p>	<p>The adequacy of the insurance coverage is reviewed once per year together with the insurance broker.</p>



Corporate Governance

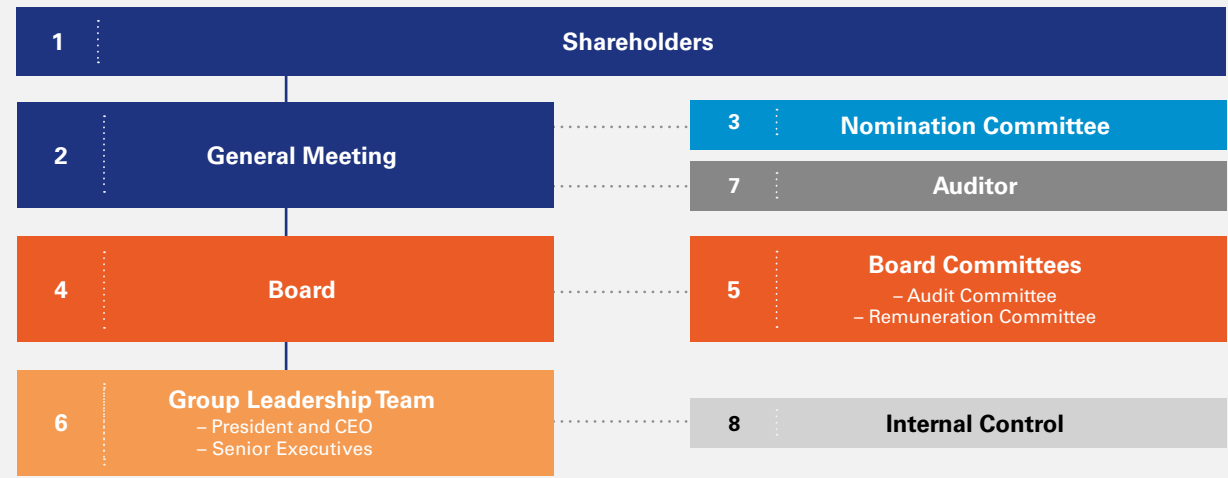
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Alimak Group AB is incorporated under the laws of Sweden as a public limited liability company with shares listed on Nasdaq OMX Stockholm. The Company is the parent company of Alimak Group, with subsidiaries in 24 countries.

Alimak Group is managed and controlled on the basis of a system of corporate governance comprising a number of policies, guidelines, structures and processes, all described in this report. Corporate governance is intended to ensure a decision-making process that is effective and creates value, with a clear division of roles and responsibilities between the Company's shareholders, Board, management and other employees.

The Company's corporate governance is based on the Swedish Companies Act, Nasdaq OMX Stockholm's Rule Book for Issuers and the Swedish Code of Corporate Governance ("the Code"), as well as other relevant external and internal rules and regulations.

Corporate Governance Structure



Important Internal Regulations

- Articles of Association
- Procedural Rules for the Board of Directors
- Authorisation Policy
- Group Policies, e.g. Code of Conduct, Insider Policy and Financial Policy
- Processes for Internal Control and Risk Management

Important External Regulations

- Swedish Companies Act
- Rules for Issuers at Nasdaq Stockholm
- Swedish Code of Corporate Governance
- Annual Accounts Act
- IFRS standards
- UN Global Compact
- EU's accounting regulation

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1 SHAREHOLDERS

The Company's share capital on December 31, 2021 totalled approximately MSEK 1.1. The number of shares was 54,157,861. Each share carries the right to one vote at the Company's annual general meetings. According to the share register, the Company had 4,403 known shareholders on December 31, 2021. Investment AB Latour was the largest shareholder, with 29.6 % of the share capital. Alantra EQMC Asset Management was the second largest with 12.2 % of the share capital. At year-end, foreign shareholders accounted for approximately 33.8 % of the total share capital. There are no restrictions as to how many votes each shareholder can cast at a general meeting. The Board is not aware of any shareholder agreements, or other agreements, between shareholders in the Company.

2 GENERAL MEETING

According to the Swedish Companies Act, the general meeting is the Company's highest decision-making body. In addition to the annual general meeting, extraordinary general meetings may be convened. The Company's annual general meetings are held in Stockholm, Sweden, before the end of June each calendar year. At the annual general meeting, shareholders exercise their right to vote on key issues such as the adoption of the income statements and balance sheets, appropriation of the Company's earnings, discharge from liability for the Directors of the Board and the President & CEO, election of Directors of the Board and auditors and remuneration to the Board and auditors, as well as other issues in accordance with the Swedish Companies Act, the Articles of Association and the Code. During 2021, one general meeting was held.

Annual General Meeting 2021

The annual general meeting 2021 was held on May 6, 2021. Due to the risk of spreading COVID-19 and the authorities' regulations and recommendations, the meeting was carried out only by postal voting pursuant to temporary legislation.

Decisions at the annual general meeting 2021 included:

- adoption of balance sheets and profit and loss accounts, as well as the consolidated profit and loss account and consolidated balance sheet for the financial year 2020.
- adoption of the Board's proposal that a dividend of SEK 3.00 per share would be paid, the record day being Monday, May 14, 2021.
- Discharging the Directors and the CEO from liability for the management of the company during the financial year 2020.
- re-election of Johan Hjertonsson (Chair), Helena Nordman-Knutson, Christina Hallin, Tomas Carlsson, Sven Törnkvist, Petra Einarsson and Ole Kristian Jødahl as Directors.
- re-appointment of the registered audit firm Ernst & Young AB as auditor of the Company.
- approval of the Board's report on remuneration.
- adoption of a Call Option Programme 2021.
- resolution to authorise the Board to, one or more occasions until the next annual general meeting of 2022, to pass resolutions on the acquisition and/or transfer of own shares.
- resolution to amend the Articles of Association.

Annual General Meeting 2022

The annual general meeting 2022 will be held on May 5, 2022. All shareholders who are registered in the share register maintained by Euroclear Sweden AB ("Euroclear") five days prior to the annual general meeting are entitled to participate in the annual general meeting. Such shareholders must have

informed the Company of their intention to attend no later than on the date stated in the notice convening the annual general meeting. Further information about the annual general meeting is available at www.alimakgroup.com.

3 NOMINATION COMMITTEE

According to the Code, the Company is required to have a Nomination Committee tasked with presenting a proposal for a Chair for the annual general meeting. The Nomination Committee also presents proposals regarding the number of Directors of the Board, fees to be paid to each of the Directors, election of Directors and Chair of the Board, remuneration to the auditor and election of the auditor and, if necessary, proposal for changes in the instruction for the Nomination Committee.

In 2016, the Company's annual general meeting adopted an instruction regarding the appointment of the Nomination Committee, applicable until the general meeting resolves otherwise. Pursuant to this instruction, the Nomination Committee shall, prior to the annual general meeting, be composed of persons appointed by the four largest shareholders listed in the shareholders' register maintained by Euroclear as of August 31 each year together with the Chair of the Board, who will also convene the first meeting of the Nomination Committee. The member appointed by the largest shareholder shall be Chair of the Nomination Committee. Shareholders who wish to present proposals to the Nomination Committee prior to the annual general meeting may submit them to the Chair of the Committee, in accordance with the information on procedure published on the Company's website prior to the annual general meeting. The proposals will be assessed by the Nomination Committee according to its instruction and the Code. The Nomination Committee's proposal and reasoned statement will be reported prior to the annual general meeting. The Company's Articles of Association have no Company-



Board Members, Independence and Attendance 2021

Name	Born	Member since	Position	Independence in relation to Group	Independence in relation to major shareholders	Attendance at board meetings	Attendance at audit committee meetings	Attendance at remuneration committee meetings	Paid out fees during the 2021 financial year (All figures in thousands of SEK)			
									Basic fee	Audit committee	Remuneration committee	Total
Johan Hjertonsson	1968	2020	Chair	Yes	No	10/10	–	2/2 (Chair)	640	–	70	710
Helena Nordman-Knutson	1964	2016	Board Member	Yes	Yes	10/10	4/4 (Chair)	–	310	100	–	410
Christina Hallin	1960	2018	Board Member	Yes	Yes	10/10	–	2/2	310	–	50	360
Tomas Carlsson	1965	2018	Board Member	Yes	Yes	10/10	4/4	–	310	75	–	385
Sven Törnkvist	1971	2019	Board Member	Yes	Yes	9/10	–	–	310	–	–	310
Petra Einarsson	1967	2020	Board Member	Yes	Yes	10/10	–	–	310	–	–	310
Ole Kristian Jørdahl	1971	2020	Board Member	No	Yes	10/10	–	–	–	–	–	–
Örjan Fredriksson	1968	2016	Employee representative	–	Yes	9/10	–	–	–	–	–	–
Greger Larsson ¹	1959	2009	Employee representative	–	Yes	4/4	–	–	–	–	–	–
Cristina Lindberg Ghimpu ²	1981	2021	Employee representative	–	Yes	6/6	–	–	–	–	–	–
Total									2,190	175	120	2,485

1. Employee representative until March 2021. 2. Employee representative since April 2021.



specific provisions concerning the appointment and dismissal of Directors of the Board or concerning amendment of the Articles of Association.

Nomination Committee prior to the 2022 annual general meeting

The Nomination Committee ahead of the annual general meeting 2022, comprises the following members:

- Johan Menckel, Investment AB Latour, Chair of the Nomination Committee
- Francisco De Juan, Alantra EQMC Asset Management
- Jonas Ståhl, Lannebo Fonder
- Erik Malmberg, representing the shareholding of Peder Pråhl
- Johan Hjertonsson, Alimak Group's Chair of the Board

As a basis for its proposal, the Nomination Committee has conducted an evaluation of the work of the Board. Prior to the 2022 annual general meeting, the Nomination Committee has held a number of meetings, interviewed the Directors of the Board and had a number of contacts between the meetings. In addition, the Chair of the Board has presented to the Nomination Committee the results of the annual evaluation of the Board's work. The requirements regarding competence, experience and personal background have been discussed in detail. Matters of independence have been highlighted and an extra focus has been placed on the question of gender balance. The Nomination Committee has applied a diversity policy in accordance with section 4.1 of the Swedish Code of Corporate Governance.

4 BOARD

The tasks of the Board are regulated first and foremost by the Swedish Companies Act and the Code. The work of the Board is also regulated by rules of procedure adopted annually by the Board. The rules of procedure for the Board determine the division of work and responsibilities among the Directors, the President & CEO and the committees. Furthermore, the division of work between the Board and President & CEO is governed by instructions to the President & CEO, which are adopted annually by the Board. The instructions to the President & CEO also include instructions on financial reporting. The duties of the Board include the establishment of strategies, business plans, budgets, interim reports, year-end accounts and annual reports, as well as the adoption of instructions, policies and guidelines. The Board shall also monitor financial performance and ensure quality in financial reporting and internal controls and shall assess operations in terms of the targets and guidelines established by the Board. Finally, the Board makes decisions on significant investments and changes to the Company's organisation and operations.

The Chair of the Board is responsible for the Board's work, and for ensuring that it is conducted efficiently and that the Board fulfils its obligations. The Chair shall monitor the Company's performance via regular contact with the President & CEO. The Chair presides over the Board meetings, but the agenda is agreed and the meetings prepared in consultation with the President & CEO. The Chair is also responsible for ensuring that each year the Board evaluates its work and that the Board members receive on an ongoing basis the information they need to perform their work. The Chair represents the Company vis-à-vis its shareholders.

Composition of the Board

The Company's Board is currently made up of seven members elected by the annual general meeting and two employee representatives. No deputies have been appointed for Directors of the Board. At the annual general meeting held on May 6, 2021, Johan Hjertonsson, Helena Nordman-Knutson, Christina Hallin, Tomas Carlsson, Sven Törnkvist, Petra Einarsson and Ole Kristian Jødahl were re-elected as Directors. Johan Hjertonsson was elected Chair of the Board. The employee representatives, Cristina Lindberg Gimphu and Örjan Fredriksson, are appointed by the trade union organisations.

Independence of the Board

According to the Code, more than half of the Directors appointed by the general meeting must be independent in relation to the Company and the Company's management. At least two of the Directors who are independent in relation to the Company and the Company's management shall also be independent in relation to the Company's major shareholders. To determine the independence of a Director, an overall assessment shall in each case be conducted regarding the Director's relationship to the Company. One of the Company's Directors elected by the general meeting is employed by the Company. Six out of seven Directors elected by the general meeting are deemed to be independent in relation to the Company and the Company's management. When determining whether a Director is independent in relation to a major shareholder, the extent of the Director's direct and indirect relationships with the major shareholder shall be taken into consideration.



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A Director is deemed not to be independent in relation to the Company's major shareholders if he or she is or recently has been employed at, or a Director of, a company that is a major shareholder. Six of seven Directors elected by the general meeting are independent in relation to the Company's major shareholders. The Company therefore satisfies the Code's requirements regarding the independence of the Board in relation to the Company, the Company's management and the Company's major shareholders. The table on page 70, provides information about the Directors' year of birth, the

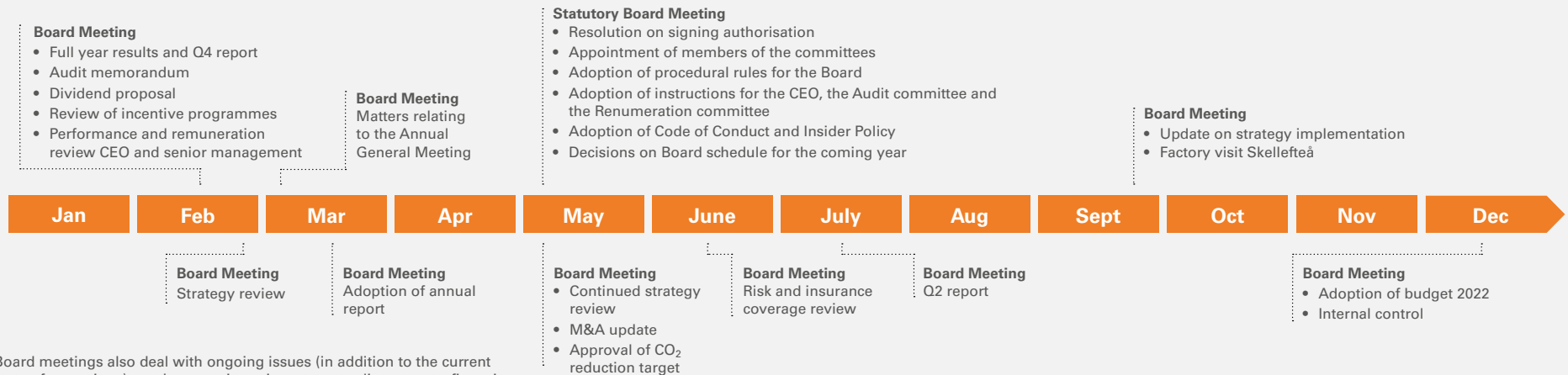
year they were first elected to the Board and whether they are deemed independent in relation to the Company, the Company's management and major shareholders as defined in the Code.

Work of the Board during the year

The Board met on ten occasions during 2021. The current Board was appointed by the annual general meeting held on May 6, 2021, and met on six occasions during the year. In the course of the financial year, the Board not only produced

financial reports but also addressed issues regarding strategic policy, budgets, business planning, auditing, investments, incentive programmes, succession planning, sustainability agenda, insurance cover, internal control, as well as issues relating to the acquisition agenda. The COVID-19 impact on the business and mitigation activities were recurring themes. The September meeting was held in Skellefteå, Sweden, and in connection with that meeting, the Board visited the Group's factory.

The Board's Working year 2021



Board meetings also deal with ongoing issues (in addition to the current state of operations), market overviews, investments, divestments, financing, employees, IT systems, updates on the integration of acquired businesses, reports from the committee chairs on the work of the committees, as well as issues regarding the work environment, customer-related issues and reporting of incidents.

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Remuneration to the Board

At the annual general meeting on May 6, 2021, it was decided that a fee of SEK 820,000 should be paid to the Chair of the Board and SEK 330,000 each to other Directors elected by the general meeting. In addition, SEK 105,000 should be paid to the Chair of the Audit Committee and SEK 80,000 to other members of the Audit Committee, SEK 75,000 to the Chair of the Remuneration Committee, and SEK 55,000 to other members of the Remuneration Committee.

5 BOARD COMMITTEES

The primary function of the committees is to prepare matters to be presented to the Board prior to decision. The duties and instructions for each committee are defined annually by the Board.

Audit Committee

According to the applicable rules of procedure for the Board, the Audit Committee consists of no less than two members. The Swedish Companies Act stipulates that the members of the Audit Committee must not be employees of the Company and that at least one member shall be competent in accounting and auditing matters. The Audit Committee has two members: Helena Nordman-Knutson (Chair) and Tomas Carlsson. The Audit Committee is a committee within the Board that deals with issues relating to risk assessment, internal controls, financial reporting and auditing. Its main role is to ensure that the principles for financial reporting and internal controls are observed and that the Company maintains appropriate relationships with its auditors. The Committee shall identify and oversee the management of important auditing issues and discuss them with the Company's auditors. The Committee shall examine the processes for monitoring the above-mentioned areas and shall form an opinion as to

whether the Company is applying the financial reporting regulations consistently and fairly, and in accordance with the relevant rules and practices. The Audit Committee shall also form an opinion regarding the risk situation in the Company, assess whether the internal control and governance procedures applied are fit for purpose and effective, and determine whether the Company's risk and risk management reporting in the Annual Report are accurate and adequate. Furthermore, the Audit Committee shall ensure that the auditor is impartial and independent, and, in consultation with the auditor, plan the annual audit process and ensure that the audit is conducted on that occasion. The Audit Committee shall also assist in the drawing up of proposals for the appointment of the auditor at the annual general meeting.

Remuneration Committee

According to the applicable rules of procedure for the Board, the Remuneration Committee consists of no less than two members. The Remuneration Committee has two members: Johan Hjertonsson (Chair) and Christina Hallin. The role of the Remuneration Committee is to prepare issues regarding remuneration and other employment conditions for the President & CEO and the Company's other senior executives. This work involves preparing proposals for guidelines on conditions of employment, including remuneration, the relationship between earnings and remuneration and the main principles of incentive programmes. It also includes preparing proposals for individual remuneration packages for the President & CEO and other senior executives. In addition, the Remuneration Committee establishes guidelines on remuneration and incentive programmes for certain senior executives who report directly to the President & CEO, and it decides upon the outcome of these programmes. The Remuneration Committee is also required to monitor and evaluate the Compa-

ny's compliance with guidelines on remuneration to senior executives, as adopted by the annual general meeting. Furthermore, the Remuneration Committee is responsible for assisting the Board in its annual review of senior executives, including the President & CEO, and for evaluating the President & CEO's succession planning for senior executives.

6 PRESIDENT & CEO & OTHER SENIOR EXECUTIVES

Since January 1, 2021, the Group is organised into four divisions; BMU, Construction, Industrial and Wind. The Division Managers, who are responsible for business operations within each area, report directly to the President & CEO. The respective divisions are organised into functions driving strategic and operational division initiatives across the global organisation. For further information about the Group's divisions and operations, visit the website at www.alimakgroup.com.

The Management Team consists of the President & CEO, CFO, CTO, CSO, CPCO, CSDO and the EVPs of the four divisions. The President & CEO reports to the Board and conducts day-to-day management of the Company in accordance with the Board's guidelines and instructions. The division of work between the Board and President & CEO is set out in the Board's instructions to the President & CEO. The President & CEO is also responsible for producing reports and compiling information ahead of Board meetings, as well as for presenting material at such meetings. The President & CEO is responsible for financial reporting in the Company and must ensure that the Board receives adequate information to enable it to evaluate the Company's financial position. The President & CEO shall continually monitor, and keep the Board informed about, developments in the Company's business, sales performance, results and financial position, liquidity, key business events and all other events, circumstances or conditions that may be considered to be of relevance.



Guidelines on remuneration to senior executives

Under the Swedish Companies Act, the Board is required to present proposals to the annual general meeting for guidelines on remuneration to the President & CEO and other senior executives. Issues regarding remuneration to the President & CEO shall be prepared by the Remuneration Committee and decided by the Board. Issues regarding remuneration to other senior executives shall, following recommendations by the President & CEO, be prepared and decided by the Remuneration Committee. For further information on proposals for guidelines on remuneration to senior executives and remuneration paid in 2021, see the Director's Report and Note 7 to the Financial Statements.

7 EXTERNAL AUDITOR

At the annual general meeting on May 6, 2021, EY (Ernst & Young AB) was appointed as the Company's external auditor for the period up to and including the 2022 annual general meeting. EY appointed Henrik Jonzén as principal auditor. The auditor attends at least one Board meeting a year, at which the auditor reports on the audit for the year and discusses it with the Board, without the presence of the President & CEO and any member of the Company's management. During the past financial year, EY provided the Company with tax advisory services and other advice, in addition to its audit function. The auditor is paid for its work in accordance with the general meeting's decision. For information about fees paid to the Company's auditor in 2021, see Note 8.

8 INTERNAL CONTROL

Insider trading and information policy

The Company has produced policy documents and e-learning training courses, with the aim of informing employees and

other relevant parties within the Group about the rules and regulations regarding the Company's provision of information and the specific requirements that apply to persons operating within a listed company, for example regarding price-sensitive information. In this context, the Company has also developed procedures for handling the distribution of information that has not been made public. These procedures are in line with the Market Abuse Regulation Act (MAR).

Internal controls on financial reporting

The Company operates a risk management programme that is an integral part of the Company's strategy process. Operations are based on a governance framework consisting of a Code of Conduct, policies and guidelines that regulate how the Company is managed. The Board and the President & CEO are ultimately responsible for ensuring that internal controls are developed, communicated to and understood by those employees who are responsible for the individual control procedures, and for ensuring that the control procedures are monitored, implemented, updated and maintained. Managers at each level are responsible for ensuring that internal controls are established within their own areas of activity, and that these controls fulfil their purpose.

Internal controls include checks of the Group and the organisation, procedures and follow-up measures. The aim is to guarantee reliable and accurate financial reporting to ensure that the Company's and Group's financial reporting is drawn up in compliance with the law, relevant accounting standards and other requirements. The internal control system is also intended to monitor compliance with the Group's policies, principles and instructions. Furthermore, the system ensures protection of the Company's assets, and that the Company's resources are utilised in a cost-efficient and appropriate manner.

Internal control is also exercised by following up of the information and business systems implemented, as well as via risk analysis. In order to further develop and strengthen the internal control the Board has implemented a "SAFE methodology" for the Group.

The SAFE methodology can be described as a way to:

- Safeguard the reporting and the Company assets,
- Assist the subsidiaries to be firm, fair and friendly in their roles and help them to make their processes as efficient as possible.
- Fix issues or ensure that outstanding issues from last year's audit are rectified within the current calendar year, as well as rectifying reporting problems in the subsidiaries,
- Ensure that the Group's guidelines are regarded as internal rules and will be followed.

The SAFE methodology is used for internal control purposes for all the Group Companies. Due to the COVID-19 pandemic, most of the assistance to subsidiaries in the form of training and support had to be moved to digital sessions. Compliance with Group Policies is verified by local managing directors in quarterly certificates. A follow-up is also made in the board meetings of the subsidiaries.

The Board has concluded that the Company currently has no need to add a separate internal audit function to the organisation, over and above current processes and functions for internal control. Follow-up is exercised by the Board and the Company's management, and the level of control is deemed to meet the Company's needs. An annual assessment is made to determine whether a separate internal control function is necessary to maintain good internal control.



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Sustainable governance

The Board is responsible for the Company's approach to sustainability and its implied risks and opportunities, which are described in the Risk chapter of this document. This responsibility of the Board includes monitoring compliance with the Group's Code of Conduct, which is based on the ten principles enshrined in the UN Global Compact regarding social responsibility, the environment and business ethics.

The Board adopts the Group's policies, including the Code of Conduct, and the Company's Leadership Team establishes sustainability targets and indicators. The Code of Conduct is communicated regularly via information to and training for the Group's employees.

The responsibility for implementing and monitoring compliance with the Code of Conduct lies with the President & CEO and other members of the Company's leadership. Responsibility for practical implementation of the Code of Conduct is delegated to the Group's purchasing, production and sales and service organisations, and is monitored by the Company's leadership and reported back to the Board. For more information about the Group's sustainability initiatives and priorities, see the Sustainability section of the annual report.

The Board, Stockholm, March 16, 2022

More information on the Group's corporate governance work is available in the section on corporate governance at alimakgroup.com. The next four pages contain information about the Board members and the Leadership Team.



Board

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JOHAN HJERTONSSON

Chair of the Board since 2020.
Independent of the Company, not independent of a major shareholder (Investment AB Latour).

Born: 1968.
President & CEO, Investment AB Latour.

Education: MSc in Business and Economics – Lund University.

Current Board duties: Chair of the Board of Nederman Holding AB, Swegon Group AB, Hultafors Group AB, Nord-Lock International AB, Caljan AS and Latour Industries AB and Board member of Sweco AB and Assa Abloy AB.

Former positions, selection: Former president and CEO of AB Fagerhult and of Lammhults Design Group AB and has held a number of different senior positions within the Electrolux Group.

Committee work: Chair of the Remuneration Committee.

Shareholding, own and via closely related persons*: 45,000.



HELENA NORDMAN-KNUTSON

Board member since 2016.
Independent of the Company and major shareholders.

Born: 1964.
Senior advisor, Safir Communication.

Education: MSc in Political Science, Helsinki University. MSc in Economics, Hanken School of Economics, Helsinki.

Current Board duties: Board member, Exel Composites, Lexington Company, IAR Systems, Catella Fonder.

Former positions, selection: Financial Analyst, Enskilda Securities, Orkla Securities, Öhman Fondkommission and Executive Director, Hallvarsson & Halvarsson.

Committee work: Chair of the Audit Committee.

Shareholding, own and via closely related persons*: 1,100.



CHRISTINA HALLIN

Board member since 2018.
Independent of the Company and major shareholders.

Born: 1960.
CEO, SEM AB.

Education: MSc in Engineering Chalmers University of Technology.

Current Board duties: Board member of SEM (Swedish Electromagnet), Sensysgatso AB and Bulten AB.

Former positions, selection: Senior Vice President of Dong Feng Commercial Vehicles, various management positions within Volvo Group.

Committee work: Member of the Remuneration Committee.

Shareholding, own and via closely related persons*: 2,180.



TOMAS CARLSSON

Board member since 2018.
Independent of the Company and major shareholders.

Born: 1965.
President & CEO, NCC.

Education: MSc in Engineering Chalmers University of Technology, Executive MBA from London Business School and Columbia Business School.

Current Board duties: –

Former positions, selection: Head of Business Area Construction Sweden, NCC, President & CEO at Sweco.

Committee work: Member of the Audit Committee.

Shareholding, own and via closely related persons*: 6,700.



SVEN TÖRNKVIST

Board member since 2019.
Independent of the Company and major shareholders.

Born: 1971.
Head of Digital Business Development at EQT AB Group.

Education: Master of Science in Business and Economics, Stockholm School of Economics.

Current Board duties: –
Former positions, selection: Vice President Head of Digital Ericsson, various leading positions Google Sweden.

Shareholding, own and via closely related persons*: 4,000.

*Shareholding per December 31, 2021.



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**PETRA EINARSSON**

Board member since 2020.
Independent of the Company and major shareholders.

Born: 1967.

Education: MSc in Business and Economics – Uppsala University.

Current Board duties: Board member of SSAB, Chairman of the Audit Committee in Scandinavian Biogas Fuels International AB and Chairman of the Audit Committee in Svenska Aerogel AB.

Former positions, selection: Previously President and CEO of the packaging company Billerud Korsnäs. Various senior positions within the engineering group Sandvik.

Shareholding, own and via closely related persons*: 2,500.

**OLE KRISTIAN JØDAHL**

Board member since 2020.
Not independent of the Company, independent of major shareholders.

Born: 1971.

Education: Economics at NHH Norwegian School of Economics.

Current Board duties: –

Former positions, selection: President and CEO of Alimak Group AB. Previously several senior positions within AB SKF.

Shareholding, own and via closely related persons*: 21,170 shares and 120,000 call options.

**ÖRJAN FREDRIKSSON**

Board member since 2016.
Employee representative.

Born: 1968.

Appointed by: The trade union IF Metall.

Shareholding, own and via closely related persons*: 0.

**CRISTINA LINDBERG GHIMPU**

Board member since 2021
Employee representative

Born: 1981

Appointed by: PTK (the Swedish Confederation of Professional Employees)

Education: LLM

Shareholding, own and via closely related persons*: 0.

*Shareholding per December 31, 2021.



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OLE KRISTIAN JØDAHL

President & CEO since 2020.

Born: 1971.

Education: Economics at NHH Norwegian School of Economics.

Former positions, selection: President and CEO of Hultafors Group AB. Previously several senior positions within AB SKF.

Shareholding, own and via closely related persons*: 21,170 shares and 120,000 call options.



THOMAS HENDEL

Chief Financial Officer since 2021.

Born: 1966.

Education: Bachelor's degree in Business Administration and Economics from Uppsala University.

Former positions, selection: Deputy Chief Financial Officer of Saab Group.

Shareholding, own and via closely related persons*: 2,100 shares and 25,000 call options.



CHARLOTTE BROGREN

Chief Technology Officer since 2017.

Born: 1963.

Education: PhD in Chemical Engineering, University of Lund.

Former positions, selection: Director-General Vinnova, The Swedish Governmental Agency for Innovation Systems, Technology Manager, ABB's Robotics Division, various management positions within ABB's research & development department.

Shareholding, own and via closely related persons*: 2,000 shares and 14,000 call options.



MATILDA WERNHOFF

Chief Strategy Officer since 2020 and with the Group since 2016.

Born: 1990.

Education: Business and Economics at Stockholm School of Economics.

Former positions, selection: Head of Business Development & M&A Alimak Group; Consultant at McKinsey & Company.

Shareholding, own and via closely related persons*: 603 shares and 8,000 call options.



ANNIKA HAAKER

Chief People & Culture Officer since 2021.

Born: 1968.

Education: Bachelor of Science (BSc) in Human Resources Mgmt, Stockholm University.

Former positions, selection: Group HR Director of HL Display, Head of Leadership & Talent at Nobia, Head of Organisation & Performance Development at Nasdaq.

Shareholding, own and via closely related persons*: 339 shares and 25,000 call options.

*Shareholding per December 31, 2021.



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**PATRIK SUNDQVIST**

Chief Service Delivery Officer with the Group since 2008.

Born: 1975.

Education: Service management, Handelshögskolan in Umeå.

Former positions, selection: Interim EVP Industrial Division, Head of Business Area After Sales, Alimak Group; General Manager After Sales, Alimak Hek AB, Skellefteå; Business Area Head and Product Manager, Franke Futurum, Skellefteå.

Shareholding, own and via closely related persons*: 3,700 shares and 25,000 call options.

**DAVID BATSON**

EVP Construction Division since 2021.

Born: 1967.

Education: Bachelor of Business Royal Melbourne Institute of Technology (RMIT).

Former positions, selection: Managing Director Alimak Group Australia, General Manager Equipment Sales Group William Adams Pty Ltd, Rental Consultant Caterpillar Inc Asia Pacific, various Senior Sales and Marketing Positions with Wreckair Hire.

Shareholding, own and via closely related persons*: 0 shares and 25,000 call options.

**SALOMEH TAFAZOLI**

EVP Industrial Division since 2021.

Born: 1979.

Education: International Business, Johnson & Wales University.

Former positions, selection: Vice President Sales and Marketing EMEA at Snap-on Equipment.

Shareholding, own and via closely related persons*: 0 shares and 25,000 call options.

**CAMERON REID**

Interim EVP BMU Division, July 26 – December 31, 2021.

Born: 1973.

Education: University of Aberdeen - Bachelor Land Economics Degree.

Former positions, selection: Divisional Manager Europe Alimak Group BMU Division.

Shareholding, own and via closely related persons*: 0 shares – 25 000 call options.

**JOSE MARIA NEVOT**

EVP Wind Division since 2021.

Born: 1969.

Education: MSc in Mechanical Engineering, University of Zaragoza and MBA, Chamber of Commerce Zaragoza.

Former positions, selection: Head of Business unit Wind at Alimak Group, CSO Avanti Wind Systems, General Manager AWS S.L., General Manager Oerlikon AB.

Shareholding, own and via closely related persons*: 2,000 shares and 25,000 call options.

*Shareholding per December 31, 2021.



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Amounts in MSEK	Note	2021	2020
Revenues	4, 5	3,727.8	3,740.3
Cost of sales	6	-2,456.3	-2,550.7
Gross profit		1,271.5	1,189.6
Selling costs		-356.5	-357.8
Administration costs		-382.2	-457.1
Development costs		-101.2	-101.3
Other operating gains and losses		16.5	4.1
Operating profit (EBIT)	6, 7, 8, 9, 10	448.1	277.5
Financial income	11	34.0	7.1
Financial expenses	11	-72.5	-44.0
Profit before tax (EBT)		409.6	240.6
Income tax	12	-102.1	-57.9
Net profit for the year		307.5	182.7
Attributable to owners of the Parent Company		307.5	182.7
Earnings per share, SEK	22	5.68	3.37

Amounts in MSEK	Note	2021	2020
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to net profit for the year</i>			
Remeasurements of defined benefit pension plans	23	9.1	-23.7
Income tax relating to remeasurements of pension plans		-2.4	4.1
Total		6.7	-19.6
<i>Items that may be reclassified to net profit for the year</i>			
Foreign exchange translation differences		178.4	-223.2
Change in fair value of cash flow hedges		-8.0	-2.7
Income tax relating to change in fair value of cash flow hedges		2.0	0.3
Total		172.4	-225.6
<i>Other comprehensive income</i>		179.1	-245.2
Total comprehensive income		486.6	-62.5
Attributable to owners of the Parent Company		486.6	-62.5



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Amounts in MSEK	Note	Dec 31, 2021	Dec 31, 2020	Amounts in MSEK	Note	Dec 31, 2021	Dec 31, 2020
ASSETS				EQUITY AND LIABILITIES			
<i>Intangible assets</i>				Share capital			
Goodwill	13	2,362.0	2,260.4			1.1	1.1
Other intangible assets	13	557.4	571.4	Other contributed capital		2,902.6	2,915.1
Total		2,919.4	2,831.8	Reserves		171.4	-1.0
<i>Property, plant and equipment</i>				Retained earnings, including net profit for the year		765.3	612.7
Land and buildings		115.6	123.6	Total equity	22	3,840.4	3,527.9
Plant and machinery		65.9	74.3	Long-term borrowings	18, 21	490.6	666.8
Equipment, tools, fixtures and fittings		26.2	27.4	Lease liabilities	15	115.6	158.1
Rental equipment		140.7	126.1	Provision for pensions	23	91.5	97.3
Right-of-use assets		182.0	207.9	Other provisions	24	80.3	74.0
Total	14, 15	530.4	559.3	Deferred tax liabilities	12	224.8	205.6
<i>Financial and other non-current assets</i>				Other long-term liabilities		13.9	6.0
Deferred tax assets	12	123.9	142.9	Total non-current liabilities		1,016.7	1,207.8
Other long-term receivables	18	144.1	72.2	Short-term borrowings	18, 21	60.0	48.7
Total		268.0	215.1	Lease liabilities	15	70.4	56.5
Total non-current assets				Contract liabilities	17	110.3	75.8
		3,717.8	3,606.2	Advance payments from customers		125.3	96.7
Inventories	16	525.4	439.0	Trade payables	18, 21	291.5	246.1
Contract assets	17	284.4	291.5	Tax liabilities		60.7	56.4
Trade receivables	18, 19	722.1	769.2	Other current liabilities	18, 21	132.8	115.1
Other receivables	18, 21	182.4	199.5	Accrued expenses and deferred revenue	25	193.6	188.4
Prepaid expenses and accrued income	20	71.3	64.3	Total current liabilities		1,044.6	883.7
Short term investments	18, 21	49.8	24.1	TOTAL EQUITY AND LIABILITIES		5,901.7	5,619.4
Total		1,835.4	1,787.6				
<i>Cash and cash equivalents</i>							
		348.5	225.6				
Total current assets		2,183.9	2,013.2				
TOTAL ASSETS		5,901.7	5,619.4				

For information on the Group's pledged assets and contingent liabilities, see Note 26.



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Amounts in MSEK	Note	2021	2020
Operating activities			
Profit before tax		409.6	240.6
Adjustments for:			
Depreciation and impairment of property, plant and equipment	9, 14, 15	131.5	137.5
Amortisation and impairment of intangible assets	9, 13	34.7	41.4
Net foreign exchange translation differences		7.2	7.9
Provisions and pensions		-1.6	16.0
Other non-cash items		2.4	-4.6
Income tax paid		-59.8	-155.0
Cash flow before change in working capital		524.0	283.8
<i>Change in working capital</i>			
Change in inventories		-54.1	136.1
Change in contract assets		30.7	31.8
Change in current receivables		81.4	111.8
Change in current liabilities		63.9	-58.4
Cash flow from change in working capital		121.9	221.3
Cash flow from operating activities		645.9	505.1
Investing activities			
Purchase of intangible assets	13	-4.2	-14.5
Purchase of property, plant and equipment	14	-63.1	-61.5
Disposal of property, plant and equipment	14	16.7	-
Acquisition of subsidiaries, net of cash acquired	28	-24.2	-14.9
Net change in short term financial investments		-29.0	35.4
Cash flow from investing activities		-103.8	-55.5

Amounts in MSEK	Note	2021	2020
Financing activities			
Proceeds from borrowings		164.8	179.4
Repayment of borrowings		-351.8	-523.3
Bank overdrafts		-4.1	-6.7
Repayment of lease liability	15	-74.4	-70.6
Repurchase of treasury shares		-16.3	-
Issued call options		5.0	-
Dividend paid		-161.6	-94.3
Cash flow from financing activities	18	-438.4	-515.5
Net change in cash and cash equivalents		103.7	-65.9
Cash and cash equivalents at beginning of year		225.6	313.6
Exchange rate differences in cash and cash equivalents		19.2	-22.1
Cash and cash equivalents at year-end		348.5	225.6

SUPPLEMENTARY DISCLOSURES TO THE CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in MSEK	2021	2020
Interest received/paid		
Interest received	0.4	4.1
Interest paid	-17.1	-32.6
Cash and cash equivalents		
<i>The following sub-components are included in cash and cash equivalents:</i>		
Cash and bank balances	348.5	225.6



Consolidated Statements of Changes in Equity

Shareholders' equity is attributable in its entirety to shareholders in the Parent Company for both 2020 and 2021.
See also Note 22.

2020						
Amounts in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit for the year	Total shareholders' equity
Opening balance January 1, 2020	1.1	2,914.6	227.8	-3.2	543.9	3,684.2
Net profit for the year	-	-	-	-	182.7	182.7
Other comprehensive income	-	-	-223.2	-2.4	-19.6	-245.2
Comprehensive income for the year	-	-	-223.2	-2.4	163.1	-62.5
Share based payments	-	0.5	-	-	-	0.5
Repurchase of treasury shares	-	-	-	-	-	-
Dividend	-	-	-	-	-94.3	-94.3
Closing balance December 31, 2020	1.1	2,915.1	4.6	-5.6	612.7	3,527.9
2021						
Amounts in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit for the year	Total shareholders' equity
Opening balance January 1, 2021	1.1	2,915.1	4.6	-5.6	612.7	3,527.9
Net profit for the year	-	-	-	-	307.5	307.5
Other comprehensive income	-	-	178.4	-6.1	6.7	179.1
Comprehensive income for the year	-	-	178.4	-6.1	314.2	486.6
Share based payments	-	-1.3	-	-	-	-1.3
Repurchase of treasury shares	-	-16.3	-	-	-	-16.3
Issued call options	-	5.0	-	-	-	5.0
Dividend	-	-	-	-	-161.6	-161.6
Closing balance December 31, 2021	1.1	2,902.6	183.0	-11.7	765.3	3,840.4

Translation reserve

The translation reserve includes all exchange rate differences arising in translation of financial statements from foreign operations that prepared their financial statements in a currency other than the one in which the Group's financial reports are presented.

Hedging reserve

The hedging reserve refers to currency hedging after tax for the future cash flows for which the hedged items are not yet accounted in the balance sheet.

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Note 1. General information

Alimak Group AB (publ), org. reg. no. 556714-1857, has its registered office in Stockholm, Sweden. The address of the Company's headquarters is Blekholmstorget 30, SE-111 64 Stockholm, Sweden. Alimak Group AB and its subsidiaries form the Alimak Group, hereinafter referred to as Alimak Group or the Group. Alimak Group is listed on Nasdaq Nordic under the ticker ALIG. Alimak Group is a global market leader in vertical access solutions for professional use. The Group also offers a comprehensive range of aftermarket service and has sales to more than 100 countries.

These financial statements were approved for issuance by the Board of Directors on March 16, 2022. The consolidated financial statements will be definitively adopted by the AGM on May 5, 2022.

Note 2. Accounting policies

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. Alimak Group also complies with the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups, published by the Swedish Financial Reporting Council. Alimak Group AB's (publ) annual accounts have been prepared in accordance with the Swedish Annual Accounts Act, and the Swedish Financial Reporting Council's recommendation RFR 2 Reporting for legal entities and statements.

The consolidated financial statements have been prepared on a historical cost basis, except for items that are required by IFRS to be measured at fair value, principally certain financial instruments. The consolidated financial statements including notes are presented in millions of Swedish kronor (SEK) with one decimal.

Detailed information about any new accounting standards applied by Alimak Group from 2021 is available in section 2.2 Application of new and revised standards.

Consolidation principles

The consolidated financial statements include Alimak Group AB and the subsidiaries over which the Parent Company exercises control. Control is achieved when Alimak Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are listed in Note A7, Subsidiaries.

Subsidiaries are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. If contingent consideration is classified as a financial liability, it is measured at fair value on each reporting date, and the changes in the fair value are recognised in the statement of income. Contingent consideration classified as equity is not revalued.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their acquisition date fair values. The share of non-controlling interest in the acquiree is recognised on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsidiaries acquired during the financial period are included in the consolidated financial statements from the date of control, and divested subsidiaries until the control ceases.

If a business combination is achieved in stages, the previously held equity interest is revalued at fair value on the acquisition date. Any gains or losses arising from remeasurement are recognised in profit and loss. Acquisition-related costs are expensed as incurred. Transactions with non-controlling interests that do not result in a change of control are treated as equity transactions. In acquiring non-controlling interests' shares in subsidiaries, the difference between any consideration paid and the share of net assets acquired in the subsidiary is recorded in equity. Gains and losses realised on disposals to non-controlling interests are also recorded in equity. Distribution of net income for the period to the equity holders of the Parent Company Alimak Group and to non-controlling interests is presented in the statement of income. Equity attributable to non-controlling interest is disclosed as a separate item in the balance sheet.

All intercompany transactions, receivables, liabilities, unrealised profits and distribution of profits within Alimak Group are eliminated in the consolidated financial statements. The accounting principles of subsidiaries have been changed, to ensure consistency with the principles adopted by the Group.

Investments in associated companies over which Alimak Group has significant influence but neither control nor joint controlling influence, as well as joint venture companies where Alimak Group has joint control and a right to the joint venture's net assets together with the other owners, are reported in the consolidated accounts according to the equity method. Investments in associated companies and joint venture companies are initially recognised in the balance sheet through the use of the acquisition cost, which includes

goodwill identified at the time of the acquisition as well as the costs of acquiring or forming the associated company or joint venture company.

Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Open foreign currency-denominated receivables and liabilities at the end of the financial period, both intercompany and external, are translated using the exchange rate on the balance sheet date and the resulting foreign exchange gains and losses are recognised in the statement of income except when hedge accounting is applied. Foreign exchange gains and losses related to normal business operations are treated as adjustments to sales or costs. Exchange rate differences on derivative instruments designated as cash flow hedges of future cash flows are recorded in the statement of comprehensive income, until transferred to the statement of income simultaneously with the underlying cash flow. Exchange rate differences on other hedges relating to business operations are recorded in other operating income and expenses. Foreign exchange gains and losses associated with financing are included in financial income and expenses.

Foreign subsidiaries

Items of each subsidiary included in the consolidated financial statements are reported using the currency that best reflects the operational environment of that subsidiary ("the functional currency"). The statements of income and cash flow of subsidiaries whose functional currency is not SEK are translated using the average exchange rate for the financial period. Assets and liabilities on balance sheets are translated into SEK at the balance sheet date exchange rate. Translation differences caused by different exchange rates are recognised through the statement of comprehensive income in the cumulative translation differences in equity. When applying hedge accounting for a hedge of a net investment in a foreign operation, exchange rate differences on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income, and any ineffective portion is recognised immediately in the statement of income.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences that arise are recognised in equity.

Translation differences from acquisition cost eliminations and post-acquisition profits and losses of subsidiaries, associated companies and joint ventures are recognised in the statement of comprehensive income. When a foreign entity or part of it is disposed, accumulated translation differences previously

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recognised in other comprehensive income are reclassified to the statement of income as a part of the gain or loss on sale.

Segment reporting

Operating segments are reported consistently with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as Alimak Group's CEO.

In 2021 the reporting segments has been changed and Alimak Group now has four reporting segments called Divisions: BMU, Construction, Industrial and Wind. The segments are monitored and controlled on the basis of operating profit, whereas net financial items, taxes, balance sheet (except working capital) and cash flow are not reported per segment. In connection to the introduction of the new reporting segments, the comparative period have also been restated.

Revenue recognition

Alimak Group manufactures, sells and leases out solutions for vertical transports for the construction and industry sectors. Alimak Group also provides support and service for the installed base of units. The business is operated in four divisions, which are BMU, Construction, Industrial and Wind.

Revenue recognition

Revenue is recognised at an amount that reflects the expected and entitled consideration for transferring goods and/or services to customers when the performance obligation is satisfied, when control has passed to the customer.

Goods sold

Revenue from goods sold is recognised at the point in time when control of the good has been transferred to the customer. This occurs for example when the Group has a right to payment for the good, the customer has legal title of the good, the good has been delivered to the customer and/or the customer has the significant risks and rewards of the ownership of the good.

When the goods sold are highly customised and an enforceable right to payment exists, revenue is recognised over time using the proportion of cost incurred to date compared to the estimated total cost to measure progress towards transferring the control of the good to the customer.

Rendering of service

Services are performed within all divisions and normally over a very short

period of time. Revenue from services is recognised at the point in time when the service is performed.

Rental operations

Rental income from rental equipment is recognised on a straight-line basis over the rental period. Sale of rental equipment and spare parts is recognised as revenue when the significant risks and rewards of ownership have been transferred to the buyer. The carrying value of the rental equipment sold is recognised as cost of sales.

Contract assets and contract liabilities

The timing of revenue recognition, billings and cash collections results in billed account receivables, unbilled receivables (contract assets), and customer advances (contract liabilities) in the Consolidated balance sheet. Billing occurs either as work progresses in accordance with the agreed contractual terms, upon achievement of contractual milestones or when the control of the goods has been transferred to the customer. Alimak Group sometimes receives advances from customers, before revenue is recognised, resulting in contract liabilities. These contract assets and contract liabilities are reported in the Consolidated balance sheet on a contract-by-contract basis at the end of each reporting period. Payment terms vary from contract to contract and are dependent upon the agreement with the customer.

The cost of obtaining contracts is not capitalised as the underlying contracts are normally fulfilled and finalised within one year.

There is normally not a financing component in the contracts as the time between the transferring of the goods/services and payments from the customer is less than one year.

Government grants

An unconditional government grant is recognised in the income statement when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable certainty that they will be received and Alimak Group will comply with the conditions associated with the grant, and are then recognised in the statement of income, on a systematic basis over the period during which the costs related to the grant are incurred. A government grant is reported as a reduction of the cost it is aimed at covering.

Financing costs

Financing costs are charged to the statement of income during the financial period in which they are incurred, with the exception that the borrowing costs

that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of the respective asset.

Income taxes

Tax expenses in the statement of income include taxes of the Group companies based on the taxable income of the period, tax adjustments for previous financial periods and changes in deferred taxes. The statement of comprehensive income includes taxes on items presented in the statement of comprehensive income. Income tax receivables and payables are recognised at the amounts expected to be paid or recovered. Deferred tax assets or liabilities are calculated based on temporary differences between financial reporting and the taxation calculated with enacted tax rates. Temporary differences arise, for example, from defined benefit plans, provisions, elimination of inter Alimak Group inventory profits, depreciation differences on fixed assets, tax losses carried forward and fair value adjustments of assets and liabilities of acquired companies. Deferred tax liabilities are recognised in full and deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the fair value of previously owned interest and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of income. Goodwill is not amortised but is tested for impairment at least annually. The impairment testing is described in detail in the Impairments sections. Goodwill is measured at cost less impairment. Impairment losses are recognised in the statement of income.

Other intangible assets

Other intangible assets include trademarks, technologies, order backlogs, and customer relationships. These assets are recognised on the balance sheet at their original cost less cumulative amortisations and impairment losses, if any, except for intangible assets acquired in a business combination which are measured at fair value at acquisition date.

Intangible assets with definite useful lives are amortised on a straight-line basis over their useful lives as follows:

Technologies	5–15 years
Customer relationships	5–15 years
Order backlogs	1–3 years
Trademarks, separately acquired	10 years

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The assets' useful lives are reviewed, and adjusted if necessary, on each balance sheet date. Trademarks with indefinite useful lives, acquired in business combinations, or intangible assets under development are not amortised, but are tested for impairment at least annually. The impairment testing is described in detail in the Impairment section.

Research and development costs

Research and development costs are expensed when incurred.

Property, plant and equipment

Property, plant and equipment are recognised on the balance sheet at cost less accumulated depreciations and impairment losses, if any. Depreciation is recognised on a straight-line basis to write off the cost less the estimated residual value over the estimated economic useful life of assets as follows:

Machinery and equipment	3–10 years
Rental equipment	8–12 years
Buildings	20–50 years

The assets' residual values and useful lives are reviewed, and adjusted if necessary, on each balance sheet date. The cost of major renovations is included either in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Alimak Group and the cost of the item can be distinguished from ordinary maintenance and repair costs. Gains and losses on sales of property, plant and equipment are included in the operating profit.

Impairments

The book values of property, plant and equipment, intangible assets and other assets are reviewed for potential impairment on each balance sheet date. Should any indication arise, the asset is tested for impairment. Impairment testing determines the recoverable amount of an asset. The recoverable amount is the fair value less costs to sell, or the higher cash flow-based value in use. If the recoverable amount of a single asset cannot be reliably determined, the need for impairment is assessed on the lowest level of the cash generating unit (CGU) that is mainly independent of the other units, and whose cash flows are separately identifiable from the cash flows of the other units.

An impairment loss is recognised in the statement of income when the carrying amount of an asset exceeds its recoverable amount. A previously recognised impairment loss is reversed only if there has been a significant change in the estimates used to determine the recoverable amount, however, impairment loss can be reversed only to the extent that the carrying value of an asset is returned to a level where it would have been without the recognised impairment loss.

Goodwill and intangible assets with indefinite useful lives are not amortised, but are tested for impairment when any indication of impairment occurs, at least annually. Impairment testing is performed on the level of the CGU. Goodwill is allocated to those units or groups of units, identified in accordance with the operating segments, that are expected to benefit from the business combination. The testing of other intangible assets with indefinite useful life is performed either as part of a CGU or on an individual asset level if it is possible to determine independent cash flows for it. The determined recoverable amount of a CGU is based on value-in-use calculations. Value-in-use is determined by calculating the present value of the estimated future net cash flows. The discount rate applied is the pre-tax weighted average cost of capital that reflects the current market view of the time value of money and risks related to the tested unit.

An impairment loss is recognised in the statement of income when the carrying amount of the CGU exceeds its recoverable amount. Impairment loss is first allocated to goodwill and then to other assets on a pro rata basis. Impairment losses recognised for goodwill cannot be subsequently reversed.

Leases, Alimak Group as lessee

Alimak Group rents property, plant, equipment and vehicles. Lease agreements are recognised in the Statement of financial position as Right-of-use assets and future payments of leasing fees as Lease liabilities. In determining the balances above, the main judgements made are related to determining the lease terms and whether a contract is or contains a lease. Regarding lease terms, most of the lease contracts for premises includes options either to extend or to terminate the contract. When determining the lease term, Alimak Group takes into account all the facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Examples of factors that are taken into account are strategic plans, assessment of future technology changes, the importance of the underlying asset to Alimak Group's operations and/or costs associated with not extending or not terminating the lease.

In the consolidated statement of comprehensive income, Alimak Group recognises depreciation of the right-of-use assets and interest expenses. Lease payments affect cash flow from operating activities (e.g. interest), and cash flow from financing activities (repayment of the lease liability). The lease payments are discounted using the incremental borrowing rate as the interest rate implicit in the lease contracts cannot be readily determined. The incremental borrowing rate is calculated per country and for different durations.

Alimak Group does not apply IFRS 16 to intangible assets. The Parent Company applies the exception from IFRS 16 allowed under RFR 2 and right-of-use assets and lease liabilities are not recognised.

Leases, Alimak Group as lessor

Alimak Group rents out equipment under operating leases with varying terms and renewal rights. In an operating lease, the risks and rewards incidental to ownership of an asset remain with the lessor. The leased asset is recognised in the balance sheet according to the nature of the asset. Income from operating leases is recognised on a straight-line basis over the lease term. The depreciation of the leased asset is consistent with the normal depreciation policy of similar assets in own use.

In a finance lease, the risks and rewards of ownership are transferred to the lessee. The sales profit is recognised similarly to profit from an outright sale. Finance lease receivables are recognised in the balance sheet at present value. The financial income relating to the finance lease contract is recognised in the statement of income over the lease term to achieve a constant interest rate on the outstanding balance.

Inventories

Inventories are measured at the lower of cost and estimated net realisable value. Cost is primarily determined using the weighted average method. The cost of inventory includes purchase cost as well as transportation and processing costs. The cost of self-manufactured finished goods and work in progress includes raw materials, direct labour, other direct costs and a proportion of both indirect costs related to manufacturing and overheads. An allowance is recorded for obsolete items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.



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Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as trade receivables, loan receivables as well as government bonds.

The Group classifies its debt instruments into one of the following two measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and are not designated as FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised (see impairment below). Interest income from these financial assets is included in the financial net using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost are measured at fair value through profit and loss. A gain or loss on a financial debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the financial net in the period in which it arises. Interest income from these financial assets is included in the financial net using the effective interest rate method. Interest income from these financial assets is recognised in net financial items using the effective interest method. Accounts receivables sold without right of recourse are classified as "Hold to Sell" with profit or loss reported in operating profit.

Debt instruments are reclassified only when the Group's business model for management of these assets changes.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Gains and losses on equity investments at FVPL are included in the financial net in the statement of comprehensive income. The Group does not have any material investments in equity instruments.

Impairment and expected loss

Alimak Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets not carried at fair value. The Group recognises a provision for such losses on each reporting date. The measurement of ECL reflects an unbiased and probability-weighted amount based on reasonable and supportable information available such as past events, current condition and forecasts of future economic conditions. For trade receivables, the group applies a simplified approach where the provision for bad debts is based on future expected losses. To measure the expected credit losses, trade receivables are grouped into categories based on credit risk characteristics and days past due. If the provision is considered insufficient due to individual considerations, the provision is extended to cover the extra anticipated losses.

De-recognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets expire, or when they are transferred and either (i) Alimak Group substantially transfers all the risks and rewards of ownership, or (ii) the Group neither substantially transfers nor retains all the risks and rewards of ownership and the Group has not retained control.

Financial liabilities

Classification and subsequent measurement

All of the Group's financial liabilities, excluding derivatives, are classified as subsequently measured at amortised cost. Derivatives with negative fair values are classified at fair value through profit or loss.

De-recognition

Financial liabilities are derecognised when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Fair value gain or loss related to derivatives not designated or not qualifying as hedging instruments is recognised in profit or loss.

Alimak Group applies the hedge accounting requirements of IFRS 9. For derivatives designated and qualifying as hedging instruments, the method of recognising the fair value gain or loss depends on the nature of the item being hedged. Derivatives are designated as either:

- Hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges);
- Hedges of highly probable future cash flows attributable to a recognised asset or liability (cash flow hedges); or
- Hedges of a net investment in a foreign operation (net investment hedges).

The Group documents, at the inception of the hedge, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are



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highly effective in offsetting the changes in fair values or cash flows of hedged items based on the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity via other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income. Amounts accumulated in equity are recycled to the statement of profit or loss in the periods when the hedged item affects profit or loss. They are recorded in the income or expense lines in which the revenue or expense associated with the related hedged item are reported.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in equity via other comprehensive income; the gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income. Gains and losses accumulated in equity are included in the statement of comprehensive income when the foreign operation is disposed of as part of the gain or loss on the disposal.

Cash and cash equivalents

Cash and cash equivalents include cash balances, short-term bank deposits and other short-term liquid investments with maturities of up to three months. Bank overdrafts are included in other current liabilities.

Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Pension obligations

Alimak Group operates various pension plans in accordance with local conditions and practices. The plans are classified either as defined contribution plans or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity with no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plans are charged directly to the statement of income in the year to which these contributions relate.

A defined benefit plan is a pension plan under which the Group itself has the obligation to pay retirement benefits and bears the risk of changes in the value of the plan liability and assets. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less fair value of the plan assets. The defined benefit obligation regarding each significant plan is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate or government bonds with approximated terms to maturity that are denominated in the currency in which the benefits are expected to be paid. The applied discount rates are determined in each country by an external actuary. If an asset is recognised in the balance sheet based on the calculation, the recognition is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses related to remeasurements of a defined benefit plan and the effect of the asset ceiling, if any, are recognised directly in the statement of comprehensive income. Interest and all other expenses relating to defined benefit plans are recognised directly in the statement of income.

If a plan is changed or curtailed, the portion of the changed benefit relating to past service by the employees, or the gain or loss on curtailment, is recognised directly in the statement of income when the plan amendment or curtailment occurs.

Provisions

Provisions are recognised when Alimak Group has a current legal or constructive obligation because of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are accounted for using the best estimate for the costs required to settle the obligation on the balance sheet date. In case the time value of money is significant, the provision is stated at present value.

Provisions for warranties cover the estimated costs to repair or replace products still under warranty on the balance sheet date. Provision for warranty is calculated based on the historical levels of repairs and replacements.

Provisions for product claims consist of expected costs arising from settling customer claims for which the value, probability and realisation can be estimated. A provision is recorded for a loss-making contract when the unavoidable costs required to fulfil the commitment exceed the gain to be received from the contract.

A restructuring provision is recorded when Alimak Group has prepared a detailed restructuring plan and started the implementation of the plan or communicated the plan. A restructuring plan shall include the following information: business which is affected, the main units and personnel affected by the restructuring, as well as the costs to be incurred and the timetable of the plan. A restructuring provision and other restructuring related expenses are booked to the function costs to which they implicitly belong. However, in the case of a significant restructuring programme of Alimak Group or its business area, restructuring costs are presented separately in the statement of income.



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Profit distribution

Profit distribution includes dividends and donations decided by the Shareholders' Meeting. The distribution of profits proposed by the Board of Directors is not recognised in the financial statements until approved by Alimak Group AB's shareholders at the Annual General Meeting.

Treasury shares

When the Parent Company Alimak Group or its subsidiaries purchase shares in Alimak Group AB, the consideration paid and directly attributable costs are recognised as a deduction in Other contributed capital in equity. When such shares are sold, the consideration received, net of directly attributable transaction costs and income tax effect, is included in equity.

2.1 ESTIMATES AND ASSUMPTIONS REQUIRING MANAGEMENT JUDGEMENT

When preparing the consolidated financial statements, the management makes estimates and assumptions which have an impact on reported assets and liabilities, presentation of the contingent assets and liabilities in notes and reported income and expenses for the financial year. In addition, management judgement may be required in applying the accounting principles.

Estimates and assumptions requiring management judgement are based on the management's historical experience, best knowledge about the events and other factors, such as expectations regarding future events that can be considered to be feasible. The actual amounts may differ significantly from the estimates used in the financial statements. Alimak Group monitors the changes in estimates and assumptions, and the factors affecting them, by using multiple internal and external sources of information. Possible changes in estimates and assumptions are recognised in the financial period in which the estimate or assumption is changed. The most important items in the consolidated statements that require the management's estimates and may include uncertainty, comprise the following:

Impairment testing

Intangible assets and property, plant and equipment are always tested for impairment if there is any indication of impairment. In assessing impairment both external and internal sources of information are considered. External sources include a significant decline in market value that is not the result of the passage of time, normal use of the assets or an increase in interest rates. Internal sources of information include evidence of obsolescence of, or

physical damage to, an asset. When the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised as an expense immediately, and the carrying amount is reduced to the asset's recoverable amount.

Goodwill and other intangible assets with indefinite life are allocated to cash generating units (CGU) and tested for impairment at least annually. The recoverable amounts of CGUs are based on value-in-use calculations. These calculations require the use of estimates. On 31 December, 2021 Alimak Group had goodwill amounting to MSEK 2,362.0 (2,260.4) and other intangible assets with indefinite life totalling MSEK 449.9 (430.2). Additional information is given in Note 13.

Taxes

Determination of income taxes and deferred tax assets and liabilities and the amount of deferred tax asset to be recognised requires management judgement. On 31 December, 2021, Alimak Group's balance sheet included MSEK 58.5 (64.9) deferred tax assets resulting from tax losses carried forward.

Alimak Group is subject to income tax in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. Alimak Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. More information regarding taxes is provided in Note 12, Income taxes.

Business combinations

Net assets acquired through business combinations are measured at fair value. The consideration exceeding the value of net assets acquired is recognised as goodwill according to the accounting principles. The measurement of fair value of the acquired net assets is based on the market value of similar assets (property, plant and equipment), or an estimate of expected cash flows (intangible assets). The valuation, which is based on prevailing repurchase value, expected cash flows or estimated sales price, requires management judgement and assumptions. The management trusts that the applied estimates and assumptions are sufficiently reliable for determining fair values. More information on the measurement of fair value of the assets

acquired through business combinations is presented in Note 28, Acquisitions and disposals.

Defined benefit plans

The present value of pension obligations depends on several factors determined on an actuarial basis by using several financial and demographic assumptions, and changes in these assumptions impact the carrying amount of pension obligations. The key financial assumption used in determining the net cost (income) for pensions is the discount rate. The appropriate discount rate is determined at the end of each year and is used to calculate the present value of estimated cash outflows to settle the pension obligation. In determining the appropriate discount rate, Alimak Group considers the yields of high-quality corporate or government bonds, depending on the country, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other key assumptions related to pension obligations include financial assumptions such as estimated increases in salaries and pensions, and demographic assumptions such as mortality rates. Additional information on these assumptions and uncertainties related to them is disclosed in Note 23, Post-employment benefits.

Revenue recognition

When the goods sold are highly customised, revenue is recognised over time using the proportion of cost incurred to date compared to the estimated total cost to measure the progress made towards transferring the control of the good to the customer. This is the case mainly within the BMU division where "building maintenance units" are manufactured and sold.

Application of this method requires either an estimate of the actual costs incurred in proportion to the estimated total costs or an estimate of the contract's physical stage of completion. Additionally, if the estimate of the outcome of the contract changes, the recognition of revenue and profit is adjusted in the period the change has been identified and can be estimated. Any expected loss from the contract is expensed immediately.

Provisions

A provision is recognised when Alimak Group has a present legal or constructive obligation because of past events, and it is probable that an outflow of resources will be required to settle the obligation. A provision may be recognised only when the amount can be reliably estimated. The amount to be recorded is the best estimate of the cost required to settle the obligation

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on the reporting date. The estimate of the financial impact of the past event requires management judgement, which is based on similar events that have occurred in the past and, where applicable, external experts' opinions. Provisions are reviewed on a regular basis, and when necessary, adjusted to reflect the current best estimate. The actual costs may differ from the estimated costs. The most significant provisions are warranty provisions, which include the cost of repairing or replacing products during the warranty period. Restructuring provision is recognised when Alimak Group has prepared a detailed restructuring plan and started the implementation of the plan or communicated the plan. Restructuring costs are the expected costs directly related to restructuring provisions, and other incurred costs that the management considers to be related to restructuring programmes, although not provided for. On 31 December, 2021, provisions totalled MSEK 85.5 (87.4). Additional information about provisions is disclosed in Note 24, Provisions.

Inventories

Alimak Group recognises an allowance for obsolete inventory items at the end of the reporting period based on its best knowledge. The estimate is based on a systematic and continuous monitoring of the inventory. The nature, state, age structure and volumes based on estimated need are taken into consideration when estimating the amount of allowance. The amount of allowance for obsolete items in the balance sheet totalled MSEK 64.5 (73.6). Additional information about inventories is disclosed in Note 16, Inventories.

Fair value of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair value of the over-the-counter derivatives used for hedging is determined by using commonly applied valuation techniques, and by maximising the use of available market prices. In applying these techniques, judgement is used to select the applied method, and where appropriate, to make assumptions that are mainly based on existing market conditions on the reporting date.

Alimak Group recognises impairments on accounts receivable at the end of the reporting period based on the best knowledge when there is objective evidence that Alimak Group will not be able to collect all amounts due. Estimates are based on systematic and continuous monitoring as part of the credit risk control. The amount of impairment in the balance sheet on 31 December, 2021 totalled MSEK 48.2 (53.5). Additional information regarding the impairment of accounts receivable is disclosed in Note 19, Trade receivables.

2.2 APPLICATION OF NEW AND AMENDED IFRS AND IFRIC INTERPRETATION

New or amended accounting standards applied in 2021

There are no new or amended standards adopted by Alimak Group as of 1 January, 2021 that have had a material impact on the Group. There are no IFRS or IFRIC interpretations that are not yet in effect and are expected to have a material impact on the Group.



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Note 3. Financial risk management

As a result of the Group's global operations, it is exposed to financial risks. The Board of Directors is responsible for establishing the Group's finance policy, which comprises guidelines, targets and limits for financial management and management of financial risks.

Group Treasury is tasked with managing the Group's financial risks. The primary objective of the function is to contribute to the creation of value by managing the financial risks to which the Group is exposed in the course of regular business, and to optimise the Group's net financial items. The Group Treasury function also provides services to Group companies and is required to support subsidiaries with loans, investment facilities and foreign exchange transactions, and to act in an advisory capacity in financial matters. Group Treasury performs internal banking operations and is also responsible for the Group's cash management.

CURRENCY RISK

Currency risk is defined as the risk that fluctuations in foreign currencies have an adverse effect on the Group's cash flow, income statement or balance sheet. Foreign currency fluctuations affect the Group's results when sales and purchases in subsidiaries are made in different currencies (transaction exposure). The Group's results are also impacted when the income statements and balance sheets of foreign subsidiaries are translated to SEK (translation exposure). The currencies with the highest impact on the Group's results and net assets are AUD, GBP, EUR, and USD. Currency risk affects the Group's competitive situation in various ways.

Transaction exposure

Transaction exposure affects net profit for the sales and purchases made in currencies other than each unit's functional currency. Since a large percentage of production is concentrated within a few countries, while sales take place in many countries, the Group is exposed to a large net flow of foreign currencies. The exposures are, as far as possible, concentrated to countries where the production is located by invoicing the sales companies in their respective reporting currency. The effects from exchange rate changes are reduced by using incoming currency flows for payments in the same currency and currency hedging. Yearly transaction exposure for essential currencies is shown in the following table.

NET CASH FLOW IN NON REPORTING CURRENCY

Currency (MSEK)	2021	2020
AUD	134.4	107.7
CNY	33.4	26.0
DKK	20.4	88.5
EUR	80.5	108.9
GBP	164.7	101.9
USD	389.0	378.4
Others	26.0	134.7

Trade receivables and payables in other currencies than the subsidiaries reporting currency are hedged through financial instruments. Orders are also hedged at the point of ordering to safeguard the gross margin and investment budget. On 31 December, 2021 currency forward contracts were used to hedge these flows. The nominal amount of the hedges was MSEK 580.2 (314.4) and the average maturity was 6 months (6 months). The unrealised net result from outstanding contracts was at year-end MSEK -17.6 (1.2) of which MSEK -15.8 with maturity 2022 and MSEK -1.7 with maturity 2023 and beyond.

Translation exposure

Translation exposure affects net profit for the year when the financial results of subsidiaries in various currencies are translated to SEK and other comprehensive income when net assets in various currencies are translated to SEK.

INTEREST RATE RISK

Interest rate risk is defined as the risk that changes in the market interest rate will adversely impact on the Group's net interest items. How quickly a change in interest rates takes effect depends on the fixed-interest term of the assets or liabilities. The average fixed-interest term for the Group's borrowing was 3.1 months (2.8) at year-end.

On 29 June, 2018 the Group signed a multi-currency senior revolving facility of MSEK 2,500.

Drawdowns under the senior credit facility are fixed with floating interest. The average interest rate on the Group's interest-bearing loans was 1.2 (0.9) % at year-end 2021.

The Group's loan agreements include certain requirements – covenants – regarding key financial ratios. These covenants are represented by the following key financial ratios:

- The Group's operating profit before depreciation, in relation to net indebtedness and interest payments.
- The Group's net debt, in relation to equity.

MARKET RISK SENSITIVITY

	Change	2021		2020	
		Effect on net profit for the year	Effect on share-holders' equity	Effect on net profit for the year	Effect on share-holders' equity
Market interest rates ¹	%	-4.2	-4.2	-5.4	-5.4
Exchange rates ²	SEK %	32.9	245.2	18.9	220.5
AED		0.5	8.4	0.5	4.2
AUD		6.0	59.7	4.1	71.1
BRL		1.3	2.3	0.7	1.2
CNY		-0.7	14.9	2.9	16.0
EUR (Incl DKK)		15.2	104.6	2.6	83.5
GBP		3.7	12.4	1.7	4.8
HKD		0.9	3.9	1.1	3.9
USD		4.4	31.7	3.9	26.3
Others		1.7	7.2	1.4	9.7

1. Annual effect of a 1 % increase in all interest rates.

2. Effect from translation exposure of a unilateral weakening in SEK of 10 % against all currencies.

The table above shows the estimated effects of a parallel shift in all exchange rates and interest rates. The sensitivity analysis shows the estimated effects after tax, without taking the effects of cash flow hedges into account and with all other parameters assumed to be constant when the change in exchange rate or interest rate takes place.



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FINANCING AND LIQUIDITY RISK

Financing risk is the risk that the Group cannot obtain adequate financing on acceptable terms at any given point in time. The senior revolving facility of MSEK 2,500 has a tenor of four years with maturity in 2024. Liquidity risk is defined as the risk that the Group cannot fulfill its short-term payment obligations. Under the financial policy of the Group, the liquidity reserve shall at all times be maintained such that it can cover the anticipated fluctuations in the daily business over a period of six months ahead. To meet this requirement the Group has overdraft facilities and confirmed credit facilities. The Group's overdraft facilities amount to MSEK 213.1 (192.6).

CREDIT RISK

Credit risk is the risk that the counterpart in a transaction does not fulfill its contractual obligations.

The maximum credit exposure is equal to the carrying amount of the Group's financial assets. Given the Group's distribution of customers and the fact that the customers operate in different market and geographical segments, the general underlying credit risk is regarded as being relatively low. Major exposures are subjected to credit assessments on a case-by-case basis. The Group's financial assets that have neither matured nor been impaired are considered to have high credit ratings.

MAXIMUM CREDIT EXPOSURE

	31 Dec, 2021	31 Dec, 2020
Other long-term receivables	144.1	72.3
Trade receivables	722.1	769.2
Derivatives, net	-17.6	1.2
Other financial receivables	179.0	168.6
Cash and bank balances	348.5	225.6
Total	1,376.1	1,236.9

The group has entered into ISDA agreements with all financial counterparts used for trading derivative financial instruments under which the Group has a right to set-off if certain credits events were to occur. This means the Group's actual credit risk is limited to the net asset per counterparty.

COMMODITY RISK

Commodity risk is defined as the risk that fluctuations in commodity prices will adversely affect the Group's profit. The Group's risk in connection with commodities is mainly confined to steel. The Group does not hedge commodity price risks.

EXCHANGE RATES

When translating the income statements of foreign subsidiaries to SEK, the average rate for the period concerned is used. The balance sheets are translated to SEK using the closing rate.

Currency	Average rate 2021	Closing rate, 31 Dec, 2021	Average rate 2020	Closing rate, 31 Dec, 2020
AED	2.34	2.46	2.51	2.23
AUD	6.44	6.56	6.34	6.26
BRL	1.59	1.58	1.82	1.57
CAD	6.85	7.06	6.86	6.40
CNY	1.33	1.42	1.33	1.25
EUR	10.15	10.23	10.49	10.04
GBP	11.80	12.18	11.8	11.09
HKD	1.10	1.16	1.19	1.06
INR	0.12	0.12	0.12	0.11
KRW	0.008	0.008	0.008	0.008
NOK	1.00	1.03	0.98	0.95
RUB	0.12	0.12	0.13	0.11
SGD	6.38	6.68	6.67	6.18
USD	8.58	9.04	9.20	8.19

Note 4. Segment reporting

OPERATING SEGMENTS

In 2021 the reporting segments has been changed and Alimak Group now has four reporting segments called Divisions: BMU, Construction, Industrial and Wind. In connection to the introduction of the new reporting segments, the comparative period have also been restated. The operating segments are the Group's primary basis of classification. There are no intra-Group sales between the segments.

BMU

The division offers permanent building maintenance systems and facade access solutions available for every building structure regardless of its simplicity or complexity. It also offers services such as spare parts, certifications and refurbishments.

Construction

The division offers a wide range of hoists, elevators and platforms based on rack-and-pinion technology. These are used temporarily during construction and refurbishment projects. It also offers services such as spare parts and certifications.

Industrial

The division offers a wide range of elevators and platforms for permanent use across a broad spectrum of industries and harsh environments. It also offers service contracts to maintain the reliability of the solutions which can be in use for up to 20–30 years.

Wind

The division offers products, solutions and training courses for safe work in wind turbines, such as service lifts and ladders, with the aim of helping customers make wind energy cost competitive. It also provides services.

Geographical markets

The Group operates worldwide and normally all operating segments are represented in the geographical regions of Europe, Asia and Australia, South and North America and Other Markets.



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REVENUE AND PROFIT PER OPERATING SEGMENT

2021	BMU	Construction	Industrial	Wind	Total, Group
External revenue	1,063.1	1,103.9	885.1	675.7	3,727.8
EBITA	33.9	200.2	186.0	62.6	482.8
EBITA %	3.2	18.1	21.0	9.3	13.0
Operating profit/loss	26.9	198.0	183.4	39.9	448.1
Operating profit/loss %	2.5	17.9	20.7	5.9	12.0
(of which amortizations and depreciations)	(-33.5)	(-63.1)	(-27.1)	(-42.5)	(-166.2)
Trade receivables	182.1	201.6	189.4	149.0	722.1
Inventories	347.8	191.0	156.4	114.6	809.8
Trade payables	-81.3	-78.1	-52.5	-79.6	-291.5
Working capital	448.5	314.5	293.3	184.0	1,240.4
Investments	11.2	48.1	3.5	4.5	67.3

2020	BMU	Construction	Industrial	Wind	Total, Group
External revenue	961.8	1,007.7	917.1	853.8	3,740.3
EBITA	-34.2	121.1	149.8	81.8	318.9
EBITA %	-3.6	12.0	16.3	9.6	8.5
Operating profit/loss	-47.3	119.4	147.2	57.8	277.5
Operating profit/loss %	-4.9	11.8	16.0	6.8	7.4
(of which amortizations and depreciations)	(-38.8)	(-63.0)	(-25.5)	(-48.0)	(-175.3)
Trade receivables	194.5	184.4	197.2	193.2	769.2
Inventories	346.6	137.4	127.3	119.3	730.6
Trade payables	-51.2	-70.1	-43.7	-81.1	-246.1
Working capital	489.8	251.7	280.8	231.4	1,253.7
Total	17.8	43.6	8.1	6.6	76.0

The Financial net, taxes and interest bearing receivables and liabilities are not distributed per reporting segment. Allocation of Goodwill per segment are reported in Note 13.

GEOGRAPHICAL MARKETS

Revenues	2021	2020
Australia	471.6	431.5
China	447.4	541.3
Denmark	209.9	195.7
France	179.4	169.8
Germany	153.3	152.2
Netherlands	129.3	120.2
Norway	95.0	66.0
Spain	59.5	79.7
Sweden	123.0	94.5
United Arab Emirates	154.1	116.2
United Kingdom	377.7	295.8
United States	851.5	832.1
Other Markets	476.2	645.3
Total	3,727.8	3,740.3

No customer represents more than 10 % of total revenue for the Group.

Intangible assets and Property, plant & equipment	2021	2020
Australia	310.0	312.4
China	170.4	183.5
Denmark	555.1	557.9
France	37.5	41.8
Germany	111.6	109.4
Netherlands	161.7	152.8
Norway	46.8	44.4
Spain	94.4	107.7
Sweden	1,066.2	1,093.1
United Arab Emirates	59.3	53.9
United Kingdom	89.6	69.2
United States	715.2	652.7
Other Markets	31.9	12.3
Total	3,449.8	3,391.1



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Note 5. Revenues

REVENUES ARE SPLIT INTO THE FOLLOWING RECOGNITION METHODS:

	2021	2020
Over time		
BMU	716.8	669.5
Construction	182.0	194.3
Industrial	24.8	22.9
Wind	–	–
Total Over time	923.6	886.7
Point in time		
BMU	346.2	292.3
Construction	921.9	813.4
Industrial	860.4	894.2
Wind	675.7	853.8
Total Point in time	2,804.2	2,853.7
Total	3,727.8	3,740.3

See also note 17 Contract assets, liabilities and performance obligations.

Note 6. Operating costs

	2021	2020
Raw materials and consumables	-1,363.5	-1,485.1
Personnel costs	-1,437.7	-1,367.0
Depreciation/amortisation	-166.2	-178.9
Other costs	-329.0	-431.8
Total	-3,296.2	-3,462.8

Note 7. Number of employees, employee benefits and remuneration to Board of Directors and Senior Executives

	2021		2020	
	Average number of employees	Of whom, women, %	Average number of employees	Of whom, women, %
Australia	139	9	146	10
Belgium	8	0	8	0
Brazil	48	13	49	8
China	347	18	381	28
Denmark	48	16	47	16
France	62	14	53	13
Germany	156	15	161	19
India	33	3	31	3
Italy	7	14	8	7
South Korea	11	9	12	8
Malaysia	15	13	14	14
Netherlands	67	13	67	10
Norway	35	14	37	14
Russia	13	24	12	26
Singapore	17	24	16	25
Spain	305	13	315	12
Sweden	346	17	297	15
Switzerland	4	0	4	0
United Arab Emirates	107	4	102	5
United Kingdom	134	14	132	13
USA	154	14	157	14
Total	2,057	14	2,049	16

	2021	2020
Group's gender breakdown in corporate management	Of whom, women, %	Of whom, women, %
Board of Directors	44	33
Other senior executives	44	22
Personnel expenses	2021	2020
Salaries and benefits	1,123.4	1,030.3
Social welfare contributions	214.5	252.2
Other personnel expenses	91.7	84.5
Total, Group	1,429.6	1,367.0
(Of which, pension costs included in social security costs)	(47.1)	(55.7)

Of the Group's pension costs, MSEK 1.8 (1.7) refer to the category of Board of Directors and CEO. The Group's outstanding pension commitments to the latter amount to MSEK 27.9 (21.2).

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	2021		2020	
Breakdown of salaries and other remuneration, by Board members and other employees (excl. pensions and social security contributions)	Board of Directors and President	Other employees	Board of Directors and President	Other employees
Sweden	9.2	219.2	7.8	174.9
(Of which, bonuses etc.)	(1.7)	(1.9)	(0.5)	(2.7)
Outside Sweden	–	897.8	–	847.6
(Of which, bonuses etc.)	(–)	(33.7)	(–)	(30.2)
Total, Group	9.2	1,117.0	7.8	1,022.5
(Of which, bonuses etc.)	(1.7)	(35.6)	(0.5)	(32.9)

Long-term incentive programme (LTI)

During 2021 the Annual General Meeting resolved to implement a long-term share-based incentive programme in the form of a call option program. The program was launched during the year and was offered to the CEO and senior executives, executive management in the Divisions and some employees at the head office. In total 358,000 options were acquired by 34 participants. The Group CEO acquired 55,000 options. More information about the call option program can be found in the notice to the Annual General Meeting in 2021.

Year	No.issued options	Option price	Exercise price
2021/2025	358,000	14.00	160.00

The number of issued options is equivalent to the same number of shares. A total of MSEK 5.0 has been reported as Issued call options as part of the Groups equity in 2021.

In 2018 and 2019 respectively Alimak Group introduced share saving programmes for senior executives and other key employees. The vesting period of the 2018 programme ended in 2021 resulting in 4,500 shares being awarded to the participants. The vesting period of the 2019 programme ends during 2022 but already in 2021 it became clear that the performance condition relating to earnings per share (EPS) has not been fulfilled and no shares will thus be awarded within this program. This means that the two share saving programmes have now been concluded. The Group's equity was affected by MSEK -1.3 as a result of the share based payments for the LTI 2018 programme in 2021.



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2021	Salary/ Board fee	Variable remunera- tion	Other benefits	Pension cost	Total
Board of Directors					
Johan Hjertzonsson, Board chairman	0.9	–	–	–	0.9
Helena Nordman-Knutson	0.4	–	–	–	0.4
Christina Hallin	0.4	–	–	–	0.4
Petra Einarsson	0.3	–	–	–	0.3
Tomas Carlsson	0.4	–	–	–	0.4
Sven Törnkvist	0.3	–	–	–	0.3
President					
Ole Kristian Jödahl	4.7	1.2	0.5	1.8	8.2
Other senior executives (8 persons)					
Other former senior executives					
Total	26.8	3.0	4.8	4.3	39.0

Board of Directors

Fees are paid to the Chairman and Board members in accordance with resolution of the AGM. The President and employee representatives are not paid Board fees. Under a resolution of the 2021 AGM, the annual fees to Board members elected by the AGM total SEK 2,785,000. Of this amount, SEK 820,000 is paid to the Board Chairman and SEK 330,000 each to other Board members. Furthermore, it was decided that a fee of SEK 105,000 be paid to the Chairman of the Audit Committee, SEK 75,000 to the Chairman of the Remuneration Committee, SEK 80,000 to each member of the Audit Committee (excluding the Chairman) and SEK 55,000 to each member of the Remuneration Committee (excluding the Chairman). The Audit Committee consists of Helena Nordman-Knutson (Chair), and Tomas Carlsson. The

Remuneration Committee consists of Johan Hjertzonsson (Chair) and Christina Hallin. The Board members are not entitled to any benefits after leaving the Board.

Group Leadership Team

Remuneration to the President and other members of Group Leadership Team consists of base salary, variable salary, other benefits and pension. The variable salary generally amounts to a maximum of 40 % of the annual base salary and is linked to the Company's performance.

President and Chief Executive Officer

For the President and CEO Ole Kristian Jödahl, an annual fixed salary

2020	Salary/ Board fee	Variable remunera- tion	Other benefits	Pension cost	Total
Board of Directors					
Johan Hjertzonsson, Board chairman (From May 2020)	0.4	–	–	–	0.4
Helena Nordman-Knutson	0.4	–	–	–	0.4
Christina Hallin	0.3	–	–	–	0.3
Petra Einarsson	0.2	–	–	–	0.2
Jan Svensson, Board chairman (Until May 2020)	0.3	–	–	–	0.3
Anders Jonsson	0.1	–	–	–	0.1
Tomas Carlsson	0.4	–	–	–	0.4
Sven Törnkvist	0.3	–	–	–	0.3
President					
Ole Kristian Jödahl (from June 1)	2.6	–	0.7	0.9	4.2
Tormod Gunleiksrud (until June 1)	2.0	–	0.1	0.8	2.9
Tormod Gunleiksrud (in capacity of former president)	5.5	–	–	1.5	7.0
Deputy CEO and COO, Stefan Rinaldo (until October 31)	3.3	–	–	0.6	3.9
Other senior executives (8 persons)					
Other former senior executives					
Total	31.9	2.3	0.9	8.9	44.0

of SEK 4,680,000 was expensed in 2021. Ole Kristian Jödahl received other benefits of SEK 481,000. Every year, pension premiums calculated at 35 % of the annual base salary are placed in a direct pension plan classified and accounted for as a defined contribution plan. The direct pension plan is guaranteed through pledged endowment policies owned by the Company. Ole Kristian Jödahl's pensionable age is 65. His period of notice for terminating his employment contract is 6 months, while 12 months applies if the contract is terminated by the Company. The President is entitled to severance pay amounting to 12 months' base salary. For the former president and CEO, Tormod Gunleiksrud a salary of SEK 1,956,000 (5 months) was expensed in 2020 after he left the company. In addition to that severance pay of SEK 5,481,000 was expensed in 2020.



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Other members of Group Management

The members of Group Management – senior executives – who are employed in Sweden are entitled to pension benefits corresponding in all essential respects to the Swedish ITP pension plan.

Senior executives who are not employed in Sweden are generally covered by defined contribution pension plans. In most cases, the pensionable age for senior executives is 65. All senior executives have a notice period of 6 to 12 months if the employment is terminated by the Company.

Note 8. Fees to auditors

	2021	2020
Ernst & Young:		
Auditing assignment	9.9	9.3
Audit work outside the scope of the audit assignment	0.7	0.9
Tax advice	–	0.2
Other services	0.3	0.2
Total	10.9	10.6
Other auditors:		
Auditing assignment	0.5	1.0
Audit work outside the scope of the audit assignment	0.0	0.2
Tax advice	0.3	0.8
Other services	0.4	0.3
Total	1.3	2.3

Note 9. Depreciation/amortisation

	2021	2020
Depreciation/amortisation according to plan per asset		
Other intangible assets	34.7	41.4
Land and buildings	6.3	6.4
Plant and machinery	15.9	20.4
Equipment, tools and fixtures and fittings	13.5	12.4
Rental equipment	26.9	24.0
Right-of-use assets	68.9	74.3
Total	166.2	178.9
Depreciation/amortisation according to plan per function		
Cost of goods sold	92.9	104.6
Selling expenses	35.8	42.9
Administration expenses	34.5	29.2
Development expenses	3.0	2.2
Total	166.2	178.9

Note 10. Other operating gains and losses

	2021	2020
Operating gains		
Exchange gains	20.9	22.8
Other gains	14.1	7.4
Total	35.0	30.2
Operating losses		
Exchange losses	–18.5	–26.1
Total	–18.5	–26.1

Note 11. Financial income and expense

	2021	2020
Financial income		
Interest income	0.6	4.5
Exchange gains	33.4	2.6
Total	34.0	7.1
Financial expense		
Interest expense	–11.3	–25.4
Interest expenses leases	–5.4	–8.0
Other financial expense	–10.7	–8.0
Exchange losses	–45.2	–2.6
Total	–72.5	–44.0



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Note 12. Income tax

The Group's tax cost for the year totalled MSEK –102.1 (–57.9), corresponding to an effective tax rate of 24.9 % (24.1).

Income tax expense	2021	2020
Current year tax expense	–82.9	–44.8
Deferred tax	–19.2	–13.1
Total	–102.1	–57.9

Reconciliation of effective tax	2021	2020
Income before taxes	409.6	240.6
Tax expense at Swedish tax rate 20.6 (21.4)%	–84.4	–51.5
Effect of different tax rates in foreign subsidiaries	–8.8	–6.5
Tax expense for previous years	–5.5	–0.4
Tax exempt income and non-deductible expenses	0.8	–2.0
Previously unrecognised tax losses and temporary differences	2.0	3.8
Unrecognised current year tax losses and temporary differences	–4.6	–0.7
Effect of changes in tax rates	1.5	–
Other (including withholding tax)	–3.1	–0.6
Income tax expense	–102.1	–57.9
Effective tax rate in %	24.9	24.1

The effect of different tax rates in foreign subsidiaries mainly comes from the profits generated in Australia and USA where the corporate income tax rates are higher than in Sweden.

Deferred tax

The tables below show deferred tax assets and liabilities per category at the end of each reporting period and the movement in net deferred tax during the year.

	31 Dec, 2021	31 Dec, 2020
Deferred tax assets		
Property, plant and equipment	16.5	12.8
Financial instruments	5.5	1.2
Inventories	12.9	12.3
Current receivables	6.8	13.0
Provisions	23.2	42.5
Loss carry-forwards	58.5	64.9
Other deferred tax assets	0.5	–3.8
Total	123.9	142.9

Deferred tax liabilities

Property, plant and equipment	11.5	11.0
Intangible assets	167.0	163.6
Provisions	1.1	0.8
Untaxed reserves	40.4	29.9
Other deferred tax liabilities	4.8	0.3
Total	224.8	205.6

TAX LOSS CARRY-FORWARDS

	Recognised		Not recognised	
	31 Dec, 2021	31 Dec, 2020	31 Dec, 2021	31 Dec, 2020
Expires within five years	26.8	68.9	56.1	34.2
Expires in more than five years	–	2.5	5.2	–
No expiration date	183.8	182.0	39.4	26.1
Total tax loss	210.6	253.4	100.7	60.3

	2021	2020
Changes in deferred taxes, net		
Opening balance, 1 Jan	–62.7	–38.5
Recognised in income statement	–19.2	–11.9
Recognised in other comprehensive income	–0.5	4.4
Reclassification	–13.0	–22.7
Translation differences	–5.5	6.0
Closing balance, 31 Dec	–100.9	–62.7

Reclassifications mainly relate to the Spanish subsidiaries where a reclassification has been done between deferred and current tax.

Deferred tax assets on tax loss carry-forwards are reported to the extent that the realisation of the related tax benefit through future taxable profits is probable also when considering the period during which the losses can be utilised.

As of 31 December, 2021, the total amount of tax loss carry-forwards was MSEK 311.3 (313.7). The deferred tax relating to the recognised losses amounted to MSEK 58.5 (64.9). The tax losses on which deferred tax has been recognised mainly relate to Australia, Netherlands and Spain. The tax losses on which no deferred tax has been recognised mainly relate to China, Brazil and Italy.



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Note 13. Goodwill and other intangible assets

2021	Goodwill	Trademark	Customer relations	Tech- nology	Develop- ment costs	Total
Accumulated historical cost						
Opening balance, 1 Jan	2,469.7	431.4	204.7	47.0	45.7	3,198.5
Acquisitions	7.9	–	–	–	–	7.9
This years gross investment	–	–	–	0.0	4.2	4.2
Sales, disposals	–	–	–	–	–8.9	–8.9
Reclassifications	–	–	–	–	0.5	0.5
Translation differences for the year	98.3	20.2	11.4	1.9	2.3	134.1
Closing balance, 31 Dec	2,576.0	451.6	216.1	48.9	43.8	3,336.4

Accumulated amortisation and write-down						
Opening balance, 1 Jan	–209.3	–1.2	–130.6	–19.0	–6.6	–366.7
Sales, disposals	–	–	–	–	–	–
Amortisations for the year	–	–0.6	–20.1	–5.7	–8.3	–34.7
Reclassifications	–	–	–	–	–0.5	–0.5
Translation differences for the year	–4.7	0.0	–7.5	–0.9	–2.1	–15.1
Closing balance, 31 Dec	–214.0	–1.7	–158.2	–25.5	–17.5	–417.0
Carrying amount at year-end	2,362.0	449.9	57.9	23.3	26.3	2,919.4

2020	Goodwill	Trademark	Customer relations	Tech- nology	Develop- ment costs	Total
Accumulated historical cost						
Opening balance, 1 Jan	2,583.6	454.1	207.3	49.6	39.6	3,334.2
Acquisitions	9.5	–	12.1	–	0.1	21.7
This years gross investment	–	4.3	–	–	10.1	14.4
Sales, disposals	–	–	–	–	–	–
Reclassifications	–	–	–	–	–1.9	–1.9
Translation differences for the year	–123.4	–27.0	–14.7	–2.6	–2.2	–169.9
Closing balance, 31 Dec	2,469.7	431.4	204.7	47.0	45.7	3,198.5

Accumulated amortisation and write-down						
Opening balance, 1 Jan	–216.9	–0.7	–111.0	–14.3	–2.9	–345.8
Sales, disposals	–	–	–	–	–	–
Amortisations for the year	–	–0.5	–27.5	–5.9	–7.5	–41.4
Reclassifications	–	–	–	–	1.5	1.5
Translation differences for the year	7.6	0.0	7.9	1.2	2.3	19.0
Closing balance, 31 Dec	–209.3	–1.2	–130.6	–19.0	–6.6	–366.7
Carrying amount at year-end	2,260.4	430.2	74.1	28.0	39.1	2,831.8

The trademarks acquired through business combinations have been valued at fair value in connection with the acquisition. These trademarks have been assessed to have indefinite useful lives and it is estimated that they will create cash flow for an indefinite period. The estimate is based on their global, regional or customer segment specific market leadership and their long history. The trademarks are continuously developed and are tested for impairment whenever goodwill is reviewed for impairment. Other trademarks are amortized over 10 years.

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	31 Dec 2021
BMU Division	506.7
Construction Division	876.8
Industrial Division	743.3
Wind Division	235.2
Total	2,362.0

Goodwill is reviewed for potential impairment whenever there is an indication that the current value may be impaired, or at least annually. Impairment testing of goodwill is carried out by allocating goodwill to the lowest cash generating unit level (CGU) which generates independent cash flows. These levels have been identified according to the operative business organisation to be the reported operating segments. In 2021 goodwill was reallocated to the new Divisions; BMU, Construction, Industrial and Wind. The allocation was done in accordance with IAS 36 and based on future cashflows. The table above shows the goodwill for the new cash generating units.

The recoverable amounts of the cash generating units (CGU) are determined on the basis of value-in-use calculations. The future cash flow projections are based on the strategic plans approved by the top management and the Board of Directors. Cash flow projections cover 5 years, of which the last year is used to define the terminal value. Cash flows beyond the forecast period are projected by using a 2% long-term growth rate.

The key assumptions made by the management in the projections relate to market and profitability outlooks. Market share and growth potential in both new equipment and service markets have been taken into account when defining future sales growth. Key factors affecting profitability are sales volume, competitiveness and cost efficiency. The utilisation rate of factories and assembly units and their cost competitiveness have an impact on profitability. The ongoing profit improvement programme is expected to further improve the profitability in the coming years.

The discount rate used in the impairment testing is the weighted average cost of capital (WACC) that reflects the total cost of equity and debt, and the market risks related to the Group. Components of WACC are the risk-free interest rate, market risk premium, Alimak Group's beta, gearing and credit spread. The discount rate used in impairment testing was determined similarly as in 2020. The WACC used is 6.8%.

As a result of the impairment tests performed no impairment loss was recognised in 2021 or in 2020.

The net present value for each cash generating unit is dependent on the assumptions made when calculating the discounted cash flows. Alimak Group has made simulations of how the net present value changes if important assumptions would change.

The sensitivity analysis shows that no changes of discount rate within reasonable limits would cause the net present value to be lower than the carried value of net assets. There is substantial headroom for changes to all the important parameters that could lead to an impairment need. The sensitivity analysis shows that the value of goodwill and other assets with indefinite life is well above net present value if the discount rate is increased by 2%-point or if long-term growth rate beyond the forecast period is decreased by 1%-point for all cash generating units. Forecasts for sales growth and EBIT-margin are also included in the sensitivity analysis and changes within reasonable limits of these parameters will not lead to an impairment need for any of the cash generating units.



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Note 14. Property, plant and equipment

2021	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment	Total
Accumulated historical cost					
Opening balance, 1 Jan	199.5	162.7	109.0	408.8	880.0
Acquisitions	0.1	0.0	3.8	–	3.9
Gross investments	4.8	7.0	10.6	40.6	63.1
Sales and disposals, etc.	–14.2	–0.7	0.0	–31.3	–46.2
Reclassifications	0.0	–0.8	0.8	0.1	0.0
Translation differences for the year	4.3	5.9	8.5	5.7	24.4
Closing balance, 31 Dec	194.5	174.2	132.7	423.8	925.3
Accumulated depreciation					
Opening balance, 1 Jan	–75.9	–88.4	–81.6	–282.7	–528.6
Acquisitions	0.0	–	–3.3	–	–3.3
Sales and disposals, etc.	5.2	0.4	0.0	28.7	34.3
Depreciation according to plan for the year	–6.3	–15.9	–13.5	–26.9	–62.5
Reclassifications	0.0	0.8	–0.8	0.0	0.0
Translation differences for the year	–1.8	–5.3	–7.2	–2.3	–16.7
Closing balance, 31 Dec	–78.8	–108.3	–106.5	–283.2	–576.8
Carrying amount at year-end	115.6	65.9	26.3	140.7	348.4

2020	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment	Total
Accumulated historical cost					
Opening balance, 1 Jan	192.8	183.3	90.6	388.2	854.9
Acquisitions	–	–	2.1	–	2.1
Gross investments	13.4	1.5	8.3	36.2	59.4
Sales and disposals, etc.	–	–0.5	–3.0	–1.9	–5.4
Reclassifications	1.1	–24.9	19.0	–0.1	–4.9
Translation differences for the year	–7.8	3.6	–8.0	–13.6	–26.1
Closing balance, 31 Dec	199.5	162.7	109.0	408.8	880.0
Accumulated depreciation					
Opening balance, 1 Jan	–71.2	–89.4	–60.6	–264.8	–486.0
Acquisitions	–	–	–1.3	–	–1.3
Sales and disposals, etc.	–	0.1	3.0	1.2	4.3
Depreciation according to plan for the year	–6.4	–20.5	–12.8	–23.5	–63.2
Reclassifications	–1.6	19.6	–15.8	1.0	3.3
Translation differences for the year	3.3	1.8	5.9	3.4	14.3
Closing balance, 31 Dec	–75.9	–88.4	–81.6	–282.7	–528.6
Carrying amount at year-end	123.6	74.3	27.4	126.1	351.4



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Note 15. Right-of-use assets and lease liabilities

2021	Premises	Vehicles	Other machinery and equipment	Total
Accumulated historical cost				
Opening balance, 1 Jan	234.0	57.0	15.0	306.0
New contracts	87.3	26.8	2.9	116.9
Sales and disposals	-128.2	-12.3	-6.9	-147.4
Translation differences for the year	13.1	3.1	0.5	16.6
Closing balance, 31 Dec	206.1	74.6	11.5	292.2
Accumulated depreciation				
Opening balance, 1 Jan	-65.1	-25.5	-7.5	-98.1
Depreciation for the year	-43.3	-20.7	-4.0	-68.0
Sales and disposals	44.6	11.1	6.3	62.1
Translation differences for the year	-4.5	-1.4	-0.2	-6.1
Closing balance, 31 Dec	-68.3	-36.5	-5.4	-110.2
Carrying amount at year-end	137.8	38.0	6.1	182.0

LEASE LIABILITIES

2021	Premises	Vehicles	Other machinery and equipment	Total
Non current lease liabilities	91.9	19.3	4.4	115.6
Current lease liabilities	45.6	22.4	2.5	70.4
Total carrying value lease liabilities	137.4	41.7	6.9	186.0
Maturity analysis undiscounted contractual leasing payments				
1-12 months	47.0	22.6	2.4	72.1
13-36 months	60.3	16.8	2.8	79.9
37-60 months	19.2	2.6	1.2	23.0
> 60 months	22.5	0.0	0.2	22.7
Total	149.0	42.0	6.6	197.6

2020	Premises	Vehicles	Other machinery and equipment	Total
Accumulated historical cost				
Opening balance, 1 Jan	245.5	58.0	30.7	334.2
New contracts	28.5	13.5	2.8	44.8
Sales and disposals	-21.5	-11.2	-17.3	-50.0
Translation differences for the year	-18.5	-3.3	-1.2	-23.0
Closing balance, 31 Dec	234.0	57.0	15.0	306.0
Accumulated depreciation				
Opening balance, 1 Jan	-38.2	-17.7	-15.4	-71.3
Depreciation for the year	-44.4	-20.1	-9.8	-74.3
Sales and disposals	12.1	10.9	17.3	40.2
Translation differences for the year	5.4	1.4	0.4	7.4
Closing balance, 31 Dec	-65.1	-25.5	-7.5	-98.1
Carrying amount at year-end	168.9	31.5	7.5	207.9

LEASE LIABILITIES

2020	Premises	Vehicles	Other machinery and equipment	Total
Non current lease liabilities	134.4	19.4	4.3	158.1
Current lease liabilities	39.0	13.9	3.6	56.5
Total carrying value lease liabilities	173.4	33.3	7.9	214.6
Maturity analysis undiscounted contractual leasing payments				
1-12 months	47.6	15.3	3.4	66.3
13-36 months	86.8	18.9	3.1	108.8
37-60 months	46.2	1.1	1.6	48.9
> 60 months	20.5	0.3	0.2	21.0
Total	201.1	35.6	8.3	245.0



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IMPACT ON CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2021	2020
Depreciations of Right-of-use assets included in:		
Cost of sales	-39.6	-49.6
Selling costs	-8.8	-8.8
Administration cost	-20.0	-15.3
Development cost	-0.6	-0.6
Total	-68.9	-74.3
Included in Interest expenses	-5.4	-8.0

IMPACT ON CONSOLIDATED STATEMENTS OF CASH FLOW

	2021	2020
Included in cash flow from Operating activities		
Paid interest	-5.4	-8.0
Included in cash flow from Financing activities		
Repayment of lease liabilities	-74.4	-70.6

Alimak Group does not apply the exceptions for low value or short term leases allowed under IFRS 16, all leases are included in the tables above. Alimak Group does not have any leases of intangible assets. Contracts with variable leasing fees are few and amounts are immaterial.

Note 16. Inventories

	31 Dec 2021	31 Dec 2020
Raw materials and consumables	281.3	248.3
Work in progress	97.7	74.7
Finished products and goods for resale	146.5	116.0
Total	525.4	439.0

The inventory value includes a provision of MSEK 64.5 (73.6) for obsolescence.

Note 17. Contract assets and liabilities

CONTRACT BALANCES WITH CUSTOMERS

2021	Contract assets	Contract liabilities
Opening balance, 1 Jan	291.5	75.8
New advances from customers	-	153.4
Increase (+)/Decrease (-) due to revenue recognised	578.0	-123.7
Increase (+)/Decrease (-) due to transfers to receivables	-628.7	-
Revaluations	2.7	-
Translation differences	40.8	4.8
Closing balance, 31 Dec	284.4	110.3

CONTRACT BALANCES WITH CUSTOMERS

2020	Contract assets	Contract liabilities
Opening balance, 1 Jan	357.9	99.4
New advances from customers	-	109.2
Increase (+)/Decrease (-) due to revenue recognised	421.4	-125.8
Increase (+)/Decrease (-) due to transfers to receivables	-428.0	-
Revaluations	-	0.3
Translation differences	-59.8	-7.3
Closing balance, 31 Dec	291.5	75.8

The increases/decreases in the tables above related to contract assets reflect the total adjustment needed to align revenue recognition for work completed but not yet invoiced at year end. Out of the total balance of MSEK 284.4 (291.5), MSEK 283.1 (287.0) is estimated to be invoiced within one year.

Note 18. Financial assets and liabilities

	31 Dec 2021	31 Dec 2020
Financial assets & liabilities measured at amortized cost	Carrying value	Carrying value
Assets		
Other long term receivables	144.1	72.3
Trade receivables	722.1	769.2
Other short term receivables	179.0	168.6
Cash and cash equivalents	348.5	225.6
Total assets	1,393.7	1,235.7
Liabilities		
Long-term borrowings	490.6	666.8
Long-term lease liabilities	115.6	158.1
Short-term borrowings	60.0	48.7
Short-term lease liabilities	70.4	56.5
Trade payables	291.5	246.1
Other financial liabilities	212.9	194.0
Total Liabilities	1,241.0	1,370.2

	31 Dec 2021	31 Dec 2020
Financial assets & liabilities measured at fair value	Level 2	Level 2
Assets		
Derivatives at fair value through profit and loss	0.0	3.9
Derivatives in hedge accounting	0.4	2.3
Total assets	0.4	6.2
Liabilities		
Derivatives	18.0	5.0
Total liabilities	18.0	5.0



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The interest rates on interest-bearing liabilities are in line with market terms at 31 December, 2021, and the fair values at the end of the reporting period and therefore in all material aspects correspond to the carrying amount.

The fair value of long and short term liabilities to credit institutions is calculated for disclosure purposes by discounting future cash flows at the current interest rate for the remaining term to maturity.

The Group classifies financial assets and liabilities measured at fair value in a fair value hierarchy based on the information used in the valuation of each asset and liability. During the financial year, no financial assets or financial liabilities were reclassified among the valuation categories.

Currency derivatives are valued at fair value by discounting the difference between the contracted forward rate and the forward rate that can be

subscribed for on the balance sheet date for the remaining contract period. A risk-free interest rate based on government bonds is applied for discounting.

Level 1 – Quoted prices for identical assets and liabilities on an active market.

Level 2 – Quoted prices on markets that are not active, quoted prices for similar assets and liabilities, information other than quoted prices that are observable directly or indirectly primarily for the instrument's entire term and input data for valuation models obtained from observable market data.

Level 3 – Information that is important for the asset's or liability's present value is not observable, unless the Group's own assessments are applied.

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2021	Long-term Borrowings	Long-term Lease liabilities	Short-term Borrowings	Short-term Lease liabilities	Derivatives	Total
Opening balance, 1 Jan	666.8	158.1	48.7	56.5	5.0	935.1
Cash flows	-191.1	-67.6	7.5	-22.6	6.6	-267.2
Other changes lease liabilities	–	16.0	–	33.4	–	49.4
Changes in fair value	–	–	–	–	6.4	6.4
Reclassifications	–	–	–	–	–	–
Translation difference	14.9	9.1	3.8	3.1	–	30.9
Closing balance, 31 Dec	490.6	115.6	60.0	70.4	18.0	754.6

2020	Long-term Borrowings	Long-term Lease liabilities	Short-term Borrowings	Short-term Lease liabilities	Derivatives	Total
Opening balance, 1 Jan	1,034.9	202.9	84.0	64.1	5.3	1,391.2
Cash flows	-319.8	-53.0	-30.8	-17.6	0.3	-420.9
Other changes lease liabilities	–	20.0	–	13.9	–	33.9
Changes in fair value	–	–	–	–	-0.6	-0.6
Reclassifications	–	–	–	–	–	–
Translation difference	-48.3	-11.8	-4.5	-3.9	–	-68.5
Closing balance, 31 Dec	666.8	158.1	48.7	56.5	5.0	935.1

Note 19. Trade receivables

	2021	2020
Trade receivables, gross	770.3	822.7
Accumulated reserve for credit losses, opening balance, 1 Jan	-53.5	-48.6
Provisions for the year	-18.9	-20.7
Reversals of provisions for the year	28.3	10.9
Exchange rate differences	-4.0	4.9
Accumulated reserve for credit losses, closing balance, 31 Dec	-48.2	-53.5
Trade receivables, net at year-end	722.1	769.2

Age analysis for overdue trade accounts receivable not considered bad debts	31 Dec 2021	31 Dec 2020
1–30 days	100.3	126.8
31–90 days	42.4	62.6
91–120 days	43.4	60.3
> 120 days	62.5	54.9
Total at year-end	248.6	303.9



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Note 20. Prepaid expenses and accrued income

	31 Dec 2021	31 Dec 2020
Prepaid lease charges and rent	1.9	1.7
Accrued sales revenue	20.1	23.4
Prepaid insurance	12.6	10.0
Bank charges and legal costs	0.1	3.0
Transport subsidies and fees	4.6	2.6
IT services	10.9	13.8
Prepaid to vendors	12.9	0.8
Other	8.3	9.0
Carrying amount at year-end	71.3	64.3

Note 21. Maturity analysis, receivables and liabilities

BORROWINGS

Long term borrowings of MSEK 495 is within the frame of the senior revolving facility of MSEK 2,500. The facility has a tenor of three years with maturity in 2024.

The average fixed-interest term for long-term borrowing was 2.4 months (2.8) at year-end. The average interest rate on the Group's interest-bearing loans was 0.8 % (0.9) at year-end.

The Group's loan agreements with banks contain specific requirements, covenants. No breaches of covenants has occurred in 2021. The covenants are represented by the following key financial ratios:

- the Group's net debt, in relation to EBITDA.
- the Group's net debt, in relation to equity.

ASSET MANAGEMENT

Capital comprises both equity and borrowed capital. The aim of capital management in the Group is to ensure the Group's continued existence and freedom to trade, and to ensure that owners receive a return on funds invested. The division between equity and borrowed capital shall be such that a good balance between risk and return is maintained. The capital structure is adjusted when necessary to meet changes in economic requirements and other global factors. In order to maintain and adjust the capital structure, the Group can distribute funds, increase equity by issuing new shares or capital contributions or sell assets to reduce liabilities or, alternatively, increase liabilities in order to acquire assets.

MATURITY ANALYSIS, CONTRACTUAL INCOMING/OUTGOING PAYMENTS

31 Dec 2021

Financial assets	<1 month	1–12 months	1–5 years	>5 years
Other long-term receivables	–	7.0	15.4	1.1
Trade receivables	373.0	416.2	53.5	–
Derivatives	0.0	0.4	–	–
Other financial receivables	45.4	166.8	14.0	0.9
Accrued income	6.9	5.1	0.2	–
Cash equivalents	–	3.4	1.0	–
Cash and bank	296.8	44.8	–	2.4
Total	722.2	643.8	84.2	4.3

Financial liabilities	<1 month	1–12 months	1–5 years	>5 years
Borrowings and lease liabilities	9.1	129.1	596.4	12.3
Trade payables	116.0	176.0	4.9	0.8
Derivatives	6.9	10.7	0.4	–
Other financial liabilities	58.3	141.2	7.4	–
Total	190.3	457.0	609.1	13.0

Financial liabilities consist of undiscounted amounts, including future interest payments.

31 Dec 2020

Financial assets	<1 month	1–12 months	1–5 years	>5 years
Other long-term receivables	–	0.1	16.0	1.1
Trade receivables	266.3	502.9	55.1	–
Derivatives	–	6.2	–	–
Other receivables	7.8	145.1	–	–
Accrued income	1.1	14.6	–	–
Cash equivalents	–	0.8	–	–
Cash and bank	224.8	–	–	–
Total	500.0	669.7	71.1	1.1

Financial liabilities	<1 month	1–12 months	1–5 years	>5 years
Borrowings	–	66.3	945.3	21.0
Trade payables	102.9	140.9	–	–
Derivatives	–	3.1	1.9	–
Other liabilities	35.7	158.7	1.4	–
Total	138.6	369.0	948.6	21.0

THE CASH FLOW HEDGE RESERVE IS EXPECTED TO IMPACT BOTH INCOME STATEMENT AND CASH FLOW IN THE PERIODS STATED BELOW

	31 Dec 2021	31 Dec 2020
Within 1 year	-9.8	1.9
More than 1 year	-1.6	-7.5
Total	-11.4	-5.6

The effect realised from cash flow hedges is recognised in Cost of goods sold in the income statement.

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Note 22. Equity and earnings per share

Share capital	Issued Share capital (SEK)	Number of issued shares	Quotient value
New share issue 2017	216,631	10,831,572	0.02
Issued share capital December 31, 2018	1,083,157	54,157,861	0.02
Issued share capital December 31, 2019	1,083,157	54,157,861	0.02
Issued share capital December 31, 2020	1,083,157	54,157,861	0.02
Issued share capital December 31, 2021	1,083,157	54,157,861	0.02

TREASURY SHARES

In December 2021 Alimak Group acquired 147,000 own shares at an average price of SEK 111 to cover commitments under the Long term incentive programme. As of December 2021 Alimak Group owns 439,611 treasury shares (As per 31 Dec 2020 297,111).

Earnings per share and dividends	2021	2020
Net income attributable to owners of the Parent Company (MSEK)	307.5	182.7
Average number of outstanding shares, basic and diluted (thousands)	54,158	54,158
Earnings per share basic and diluted (SEK)	5.68	3.37
Ordinary cash dividend (for 2021 as proposed by the board of directors)	3.30	3.00

Note 23. Post-employment benefits

DEFINED CONTRIBUTION PENSION PLANS

The Group's defined contribution pension plans cover employees in all companies. Some employees in some companies are however covered by defined benefit pension plans. The defined contribution pension plans primarily cover retirement pensions, sickness pensions and family pensions. The premiums are paid on an ongoing basis throughout the year by the Group Company concerned, to various insurance companies. The sizes of the premiums are based on salary.

The Group President & CEO is covered by a direct pension plan, which is classified and reported as a defined contribution plan. The direct pension plan is guaranteed via a pledged endowment policy owned by the Company.

DEFINED BENEFIT PENSION PLANS

The Group's defined benefit pension plans cover employees mainly in Sweden UK and Germany. In addition, defined benefit pension plans are to a lesser extent operated in Norway, Italy and France. According to these defined benefit plans, employees have a right to pension benefits based on their pensionable income and number of years of service. The pension plans primarily cover retirement pensions, sickness pensions and family pensions.

The pension plan in the UK is funded. The pension plan in Sweden is secured through balance sheet provisions, combined with credit insurance in the PRI Pension Guarantee and via pension insurance in Alecta. In the Swedish plan, all newly earned pension entitlements are secured through premiums to a defined contribution pension plan in Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 ITP2, this is a defined benefit plan that encompasses several employers. The company does not have the necessary information required to recognize its proportional share of the plan's obligations, plan assets and expenses which has made it impossible to recognize this plan as a defined benefit plan. Therefore the ITP2 pension plan is recognized as a defined contribution plan. Premiums for the defined benefit old age and family plans are calculated individually taking into account salary, previously earned pension and anticipated remaining employment period. The year's pension plan costs to Alecta amounted to MSEK 3.5 (3.9). The anticipated costs for 2022 are MSEK 3.2. The Group's share of the total premiums for ITP2 at Alecta is 0.01814 % (0.02268). On 31 December, 2021,

Alecta's surplus, expressed as the collective consolidation ratio, amounted to 172 % (148). The collective consolidation level consists of the market value for Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond with IAS19. Alecta's collective consolidation level is normally allowed to fluctuate between 125–175 %; if it falls below 125 % or goes above 175 %, measures are to be taken to create conditions to restore the consolidation level to within the normal range. In the event of low consolidation, one measure can be to increase the agreed price for new subscriptions and to increase existing benefits. In the event of a high consolidation, one measure can be to introduce a reduction in premiums. The discount rate used should reflect a risk free interest rate for the period the company is estimated to have the risk. This is achieved by applying the interest rate for housing bonds with a duration corresponding to the remaining duration of the pension obligation. A sensitivity analysis has been performed for the defined benefit plans. If the discount rate were to decrease by 0.5 percentage-points this would increase the value of the Swedish pension liability by MSEK 2.6, the German liability by MSEK 2.9 and the UK liability by MSEK 13.1.

Pension costs recognised in the income statement	2021	2020
Defined benefit plans		
Cost of pensions earned during the year	0.2	–
Interest costs, net	1.3	0.5
Total for the period	1.5	0.5
Cost of defined contribution pensions	47.1	55.8
Total for the period	48.6	56.3



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	2021	2020
Pension costs recognised in other comprehensive income		
Defined benefit pensions		
Revaluation of pension liabilities	-5.9	31.7
Revaluation of plan assets	-3.2	-7.9
Total for the period	-9.1	23.7
Carrying amount on the balance sheet	31 Dec 2021	31 Dec 2020
United Kingdom		
Present value of pension liabilities, funded plans	90.4	88.4
Fair value of plan assets	-97.3	-83.7
Net asset/debt funded plans	-6.9	4.7
Total United Kingdom	-6.9	4.7
Sweden		
Present value of pension liabilities, unfunded plans	41.4	42.7
Total Sweden	41.4	42.7
Germany		
Present value of pension liabilities, unfunded plans	43.5	44.1
Total Germany	43.5	44.1
Other countries		
Present value of pension liabilities, unfunded plans	6.6	5.8
Total other countries	6.6	5.8
Carrying amount at end of the period	84.6	97.3

MSEK 6.9 have been recorded as non-current asset and MSEK 91.5 have been recorded as provision for pensions.

	2021	2020
Reconciliation of carrying amount on the balance sheet		
Opening balance, 1 Jan	97.3	82.1
Cost of pensions earned during the year and administrative expenses	0.2	-
Interest costs, net	1.3	0.5
Revaluation of pension liabilities	-5.8	31.7
Revaluation of plan assets	-3.2	-7.9
Pension payments directly from employer	-3.6	-4.0
Contributions from employer	-3.2	-3.0
Other	0.6	-0.3
Exchange rate differences	1.1	-1.8
Closing balance, 31 Dec	84.6	97.3
Reconciliation of present value of pension liabilities		
Opening balance, 1 Jan	181.0	161.4
Cost of pensions earned during the year and administrative expenses	0.2	-
Interest expense	2.5	2.1
Revaluation of pensions;		
- demographic assumptions	-0.7	4.3
- financial assumptions	-5.7	17.3
- experience-based adjustments	0.6	10.1
Pension payments	-3.6	-4.0
Pension payments from plan assets	-2.4	-
Other	0.6	-0.3
Exchange rate differences	9.5	-9.9
Closing balance, 31 Dec	181.9	181.0

	2021	2020
Reconciliation of plan assets at fair value		
Opening balance, 1 Jan	83.7	79.3
Interest income	1.2	1.6
Return over and above interest income	3.2	7.9
Contributions from employer	3.2	3.0
Pension payments from plan assets	-2.4	-
Exchange rate differences	8.4	-8.1
Closing balance, 31 Dec	97.3	83.7

Plan assets consist of investments in Deferred Allocation Funding With-Profits at Aviva, the UK's largest insurance company. The fund's assets are invested in the mix of stocks, bonds and real estate with an overall risk profile at the low to medium level.

	2021	2020
Significant actuarial assumptions applied		
Sweden:		
Discount interest rate %	1.55	0.85
Future pension increases %	2.20	2.00
Life expectancy	DUS14	DUS14
United Kingdom:		
Discount interest rate %	1.80	1.35
Future salary increases %	2.45	2.00
Future pension increases %	2.20	2.05
Life expectancy	PxA08	PxA08
Germany:		
Discount interest rate %	0.65	0.35
Future pension increases %	2.00	1.60
Life expectancy	RT 2018 G	RT 2018 G

FORECAST OF NEXT YEAR'S CASH FLOW, DEFINED BENEFIT PENSIONS

The projected charges for the pension plans for next year amount to MSEK 6.8 (6.8).



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Note 24. Provisions

2021	Warranty undertakings	Personnel costs	Final inspection costs	Other provisions	Total
Opening balance, 1 Jan	23.9	39.4	2.9	21.2	87.4
Provision for the year	8.8	24.0	2.7	7.7	43.3
Amounts utilised	-6.1	-19.8	-2.3	-12.9	-41.1
Reversal of unutilised amounts	-3.9	-3.8	-0.1	-0.7	-8.4
Reclassifications	-	-	-	-	-
Exchange rate differences	0.8	1.8	-	1.8	3.3
Closing balance, 31 Dec	23.6	41.6	3.2	17.1	85.5
of which short term	0.0	2.0	3.2	0.0	5.2

2020	Warranty undertakings	Personnel costs	Final inspection costs	Other provisions	Total
Opening balance, 1 Jan	22.3	25.1	3.8	25.1	76.3
Provision for the year	9.2	22.0	0.9	6.7	38.8
Amounts utilised	-7.4	-4.7	-1.8	-6.5	-20.4
Reversal of unutilised amounts	-2.0	-1.1	-	-0.1	-3.2
Reclassifications	2.7	0.2	-	-3.1	-0.2
Exchange rate differences	-0.9	-2.1	-	-0.9	-3.9
Closing balance, 31 Dec	23.9	39.4	2.9	21.2	87.4
of which short term	0.5	10.0	2.9	-	13.4

Other provisions includes contingent consideration for the acquisition of Alimak Group CSS AB, 10 MSEK (10 MSEK). This provision is expected to be utilised in 2024. Remaining long term provisions are estimated to be utilised within 3 years.



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Note 25. Accrued expenses and deferred income

	31 Dec 2021	31 Dec 2020
Personnel costs	93.2	87.5
Prepaid income	4.8	13.8
Project costs, installation projects	37.6	27.0
Consulting fees	14.2	8.7
Sales commission	4.4	5.1
Other items	39.3	46.3
Total	193.6	188.4

Note 26. Assets pledged and contingent liabilities

	31 Dec 2021	31 Dec 2020
Assets pledged		
Endowment insurance	27.9	21.2
Other	4.1	3.3
Total assets pledged	32.0	24.5
Contingent liabilities		
Guarantee commitments, FPG/PRI	0.6	0.6
Other contingent liabilities	400.1	361.0
Total contingent liabilities	400.7	361.6

The Group operates defined contribution direct pension schemes covering both the current and former President & CEO. The pension schemes are secured via a pledge of the endowment insurance owned by the Company, whose value at the financial year-end was MSEK 27.9 (21.2).

Other contingent liabilities are mainly related to indemnity bonds for commitments of Group companies to their customers.

Note 27. Bank overdraft facilities

	31 Dec 2021	31 Dec 2020
Credit limits approved	213.1	192.6
Unutilised portion	153.1	143.9
Utilised credit	60.0	48.7

Note 28. Acquisitions and disposals

Alimak Group entered an agreement on 1 July, 2021, to acquire the shares of Cento Engineering Group, a UK BMU engineering and service provider with a large share of the service portfolio consisting of Manntech units. Cento Engineering Group's revenue in 2020 amounted to MGBP 5.1 (approximately MSEK 60) and the company will become a part of Alimak Group's BMU division. The purchase price was not material relative to Alimak Group's market capitalisation.

Note 29. Events after the balance sheet date

INTERIM HEAD OF BMU DIVISION

As of 1 January, 2022, Ole Kristian Jødahl, CEO of Alimak Group has assumed the role of interim head of the division. The recruitment process to find a permanent EVP for BMU Division is in progress.

REPURCHASE OF OWN SHARES

The repurchase process started on 17 December, 2021 was finalised on 7 January, 2022. The main purpose of the repurchase is to ensure Alimak Group's commitments to deliver shares in accordance with the Group's call option programmes. In total 450,000 shares were repurchased according to the mandate of which 303,000 shares were repurchased in 2022. The average price per share was SEK 113.

STRATEGIC REVIEW OF THE WIND DIVISION

On 10 February, Alimak Group initiated a strategic review of the Wind division. To ensure the best possible conditions for the Group to efficiently execute on its strategy and to optimise shareholder value, the Board has decided on a strategic review of the Wind division, to explore future strategic alternatives for the Wind division, including a potential divestment.

The strategic review will be conducted in 2022. There is no certainty that the strategic review will result in any material changes for the company.

INFORMATION REGARDING THE SITUATION IN UKRAINE

The war in Ukraine is a human tragedy and our thoughts and concerns are with all those affected by this horrible situation. Alimak Group are continuously monitoring the developments and the implications this might have for the Group's employees, partners, customers and operation. December 31, Alimak Group had no significant assets, contracts or suppliers with connection to Ukraine or Russia. The Group has decided to stop all deliveries to Russia until further notice and are not pursuing any new sales in the area.



Parent Company Income Statements

Amounts in MSEK	Note	2021	2020
Revenues		12.4	20.9
Administration costs	A2, A3, A4	-35.6	-48.3
Operating loss		-23.3	-27.4
Financial income	A5	418.4	286.4
Financial expenses	A5	-38.7	-18.9
Profit after financial items		356.4	240.1
<i>Appropriations</i>			
Change in untaxed reserves	A7	-33.0	-15.9
Group contributions received	A2	130.0	75.0
Profit before tax		453.4	299.2
Income tax	A6	-21.5	-10.8
Net profit for the year		431.8	288.4

Parent Company Total Comprehensive Income

Amounts in MSEK	Note	2021	2020
Result for the period		431.8	288.4
Other comprehensive income		-	-
Total comprehensive income		431.8	288.4

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Amounts in MSEK	Note	31 Dec, 2021	31 Dec, 2020
ASSETS			
Non-current assets			
<i>Financial assets</i>			
Shares in Group companies	A8	1,898.4	1,898.4
Deferred tax assets	A6	4.2	3.1
Other long-term receivables		4.1	6.9
Total non-current assets		1,906.8	1,908.4
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		1,946.1	1,617.0
Other current receivables	A9	17.1	28.1
Total current assets		1,963.1	1,645.1
<i>Cash and bank balances</i>			
		67.6	11.0
Total current assets		2,030.7	1,656.1
TOTAL ASSETS		3,937.5	3,564.5

Amounts in MSEK	Note	31 Dec, 2021	31 Dec, 2020
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		1.1	1.1
Revaluation reserve		200.0	200.0
		201.1	201.1
<i>Unrestricted equity</i>			
Share premium reserve		1,750.6	1,750.6
Retained earnings		908.5	792.2
Net profit for the year		413.8	288.4
		3,090.9	2,831.2
		3,292.0	3,032.3
<i>Untaxed reserves</i>			
	A11	96.2	63.2
Long-term liabilities			
Long-term borrowings	A12	50.0	–
		50.0	–
Current liabilities			
Liabilities to Group companies		464.6	438.3
Other current liabilities	A10	34.7	30.7
		499.4	469.0
TOTAL EQUITY AND LIABILITIES		3,937.5	3,564.5

For information on the Parent Company's pledged assets and contingent liabilities, see Note A11.



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Amounts in MSEK	2021	2020
Operating activities		
Profit before tax	453.4	299.2
Adjustments for non-cash items	-97.1	-59.0
<i>Cash flow from changes in working capital</i>		
Increase(-)/decrease(+) in operating receivables	23.1	-21.4
Increase(+)/decrease(-) in operating liabilities	-6.1	7.1
Income tax paid	-2.9	-53.7
Cash flow from operating activities	370.3	172.2
Investing activities		
Purchase of financial assets	0.0	-
Cash flow from investing activities	0.0	-
Financing activities		
Proceeds from borrowings	150.0	90.0
Repayment of borrowings	-365.9	-436.3
Group contribution received	75.0	190.0
Purchase of Treasury shares	-16.4	-
Issued call options	5.1	-
Dividend paid	-161.6	-94.3
Cash flow from financing activities	-313.6	-250.6
Net change in cash and cash equivalents	56.6	-78.4
Cash and cash equivalents at beginning of year	11.0	89.4
Cash and cash equivalents at year-end	67.6	11.0

ADDITIONAL DISCLOSURES TO THE PARENT COMPANY CASH FLOW STATEMENT

Amounts in MSEK	2021	2020
Interest received/paid		
Interest received	41.9	36.3
Interest paid	-2.9	-8.7
Dividend received	350.0	250.0
Adjustments for non-cash items		
Group contributions received, not settled	-130.0	-75.0
Change in untaxed reserves	33.0	15.9
Adjustments for other non-cash items	-0.1	0.1
Total	-97.1	-59.0



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2020

Amounts in TSEK	Share capital	Revaluation reserve	Share premium reserve	Retained profit including net profit for year	Total equity
Opening balance, 1 Jan	1,083	200,000	1,750,627	886,443	2,838,153
Dividend	–	–	–	–94,256	–94,256
Repurchase of Treasury shares	–	–	–	–	–
Net profit for the year	–	–	–	288,426	288,426
Total equity, 31 Dec	1,083	200,000	1,750,627	1,080,613	3,032,323

2021

Amounts in TSEK	Share capital	Revaluation reserve	Share premium reserve	Retained profit including net profit for year	Total equity
Opening balance, 1 Jan	1,083	200,000	1,750,627	1,080,613	3,032,323
Dividend	–	–	–	–161,593	–161,593
Repurchase of Treasury shares	–	–	–	–16,292	–16,292
Net profit for the year	–	–	–	431,841	431,841
Share based payments	–	–	–	667	667
Issued call options	–	–	–	5,017	5,017
Total equity, 31 Dec	1,083	200,000	1,750,627	1,340,253	3,291,963



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Note A1. Accounting policies

INFORMATION ABOUT THE COMPANY

Alimak Group AB, org. reg. no. 556714-1857, operates in the legal form of a public limited company. Its registered office is in Stockholm, Sweden. The address of the Company's headquarters is Blekholmstorget 30, SE-111 64 Stockholm, Sweden.

The Parent Company applies the Swedish Financial Reporting Board's Recommendation RFR 2 Financial Reporting for Legal Entities. Alimak Group AB applies the exception from IFRS 16 allowed under RFR 2. Leases are accounted for as operational. Right-of-use assets and lease liabilities are not recognised in the balance sheet. The Parent Company otherwise applies the same principles as the consolidated Group. Any deviations receive separate comment.

GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS

Shareholders' contributions are taken directly to the equity of the receiver and are capitalised in the shares and participations of the donor, provided that there is no need for impairment.

Group contributions are recognised in the income statement as appropriations.

SHARES IN SUBSIDIARIES

Shares in subsidiaries are recognised in accordance with the historical cost method. Acquisition-related costs for subsidiaries are expensed in the consolidated financial statements and are included as part of the historical cost of participations in subsidiaries. The carrying amount for shares in subsidiaries is tested for impairment annually or when there is any indication of impairment.

Note A2. Intra-group sales and purchases

Of net sales, 100 % (100) relate to other Group companies. Of operating costs, 16 % (15) relate to purchases from other Group companies. Group contribution has been received from Alimak Group Management AB with MSEK 130.0 (75.0).

Note A3. Number of employees, employee benefits and remuneration to Board of Directors and Senior Executives

Average number of employees	2021		2020	
	Of whom, Number women, %	Of whom, Number women, %	Of whom, Number women, %	Of whom, Number women, %
Sweden	2	0	3	33

Proportion of women in Alimak Group's Board of Directors and management, %	2021		2020	
	women, %	women, %	women, %	women, %
Board of Directors	44		33	
Other senior executives	44		22	

Salaries, benefits, other remuneration and social welfare contributions	2021		2020	
	Board and CEO	Other employees	Board and CEO	Other employees
Salaries, benefits and other remuneration	9.2	3.2	7.8	11.0
(of which, bonuses etc.)	(1.7)	(0.2)	(0.5)	(0.4)
Social welfare contributions	3.4	1.7	4.2	5.9
(of which, pension costs)	(1.8)	(0.1)	(1.7)	(4.1)
Total	12.6	4.9	12.0	16.9

The year's cost for Board fees, as per the resolution of the 2021 AGM, was MSEK 2.8 (2.5), excluding social welfare contributions.

The CEO and former CEO are covered by a direct pension plan that is classified and recognised as a defined contribution plan. The Parent Company's outstanding commitment referring to this plan amounts to MSEK 20.0 (14.5). The direct pension plan is guaranteed via a pledged endowment policy owned by the Company.

For further information on remuneration to the Board members, the CEO and other members of Group Management, see Note 7 to the Consolidated financial statements.

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Note A4. Remuneration to auditors

	2021	2020
Ernst & Young AB		
Auditing assignment	1.3	1.2
Audit work outside the scope of the audit assignment	0.2	0.5
Total	2.1	1.7

Note A5. Financial income and expense

	2021	2020
Financial income		
Dividend	350.0	250.0
Interest income from Group companies	41.8	35.1
Interest income, other	0.0	1.3
Exchange gains	26.5	–
Total	418.4	286.4
Financial expense		
Interest expense to Group companies	–0.0	–0.8
Interest expense, credit institutions	–2.9	–7.9
Exchange losses	–26.4	–1.6
Other financial expense	–9.4	–8.6
Total	–38.7	–18.9

The interest income and expense relate to intern company financing. The balances and interest are managed via cash pools and intra group loans.

Note A6. Tax

	2021	2020
Income tax expense		
Current taxes	–22.7	–11.5
Deferred taxes	1.1	0.7
Total	–21.5	–10.8

	2021	2020
Reconciliation of effective tax		
Profit before tax	453.4	299.2
Tax expense at Swedish tax rate, 20.6 (21.4) %	–93.4	–64.0
Tax effect non-taxable income	72.1	53.5
Tax effect non-deductible expenses	–	–
Deferred tax previous years	0.5	–0.3
Current taxes previous years	–0.7	–
Income tax expense	–21.5	–10.8

	2021			2020		
Deferred tax assets and liabilities	Assets	Liabilities	Net	Assets	Liabilities	Net
Pensions and similar commitments	4.2	–	4.2	3.1	–	3.1
Total	4.2	–	4.2	3.1	–	3.1

Note A7. Change in untaxed reserves

	2021	2020
Change in tax allocation reserves	–33.0	–15.9
Total	–33.0	–15.9



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Note A8. Shares in group companies

	2021	2020
Accumulated historical cost		
Opening balance, 1 Jan	1,898.4	1,898.4
Closing balance, 31 Dec	1,898.4	1,898.4
Accumulated impairment losses		
Opening balance, 31 Jan	–	–
Impairment losses for the year	–	–
Closing balance, 31 Dec	–	–
Carrying amount at year-end	1,898.4	1,898.4

			2021	2020
Subsidiary/ Org. reg. no. / Registered office	No. of shares	Holding, %	Carrying amount	Carrying amount
Parent Company holding				
Alimak Group Management AB/556064-1739/ Stockholm, Sweden	6,378,000	100.0	1,898.4	1,898.4
Subsidiary Company holdings, dormant and holding companies excluded				
E W Cox Middle east LLC/521637/ Dubai, Arab Emirates			–	–
Alimak Group Australia Pty Ltd/ACN 005 538 947/ Victoria, Australia			–	–
Alimak Group Benelux N.V/0479.695.484/ Wommelgem, Belgium			–	–
Alimak do Brasil Elevadores Ltda/01.452.037/0001-13/ Sao Paulo, Brazil			–	–
Avanti Brasil Sistemas Eólicos Ltd/13.821.193/0001-93/ Sao Paulo, Brazil			–	–
Alimak Group Swiss AG/CHE-317.026.357/ Nänikon, Switzerland			–	–
Alimak Group Vertical Access Equipment (Changshu)Co/913205817855800000/ Changshu, China			–	–
Avanti Wind Systems Co. Ltd/91310000666001712P/ Shanghai, China			–	–
Avanti Wind Systems Co. Manufacturing Ltd/911201165864046420/ Tianjin, China			–	–
Cox Gomyi Shanghai Ltd/91310115717861932C/ Shanghai, China			–	–
Cox Gomyi Shenzhen Ltd/91440300550321829B/ Shenzhen, China			–	–
Alimak Group Deutschland GmbH/ HRB 229733 / Mammendorf, Germany			–	–
Alimak Group Denmark A/S/29215146/ Them, Denmark			–	–
Avanti Wind Systems S.L./B92721729/ La Muela (Zaragoza), Spain			–	–

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			2021	2020
Subsidiary/ Org. reg. no. / Registered office	No. of shares	Holding, %	Carrying amount	Carrying amount
Avanti Wind Systems Technology S.L./B99358095/ La Muela (Zaragoza) Spain			–	–
Avanti Wind Systems Instalaciones Servicios S.L./B99432767/ La Muela (Zaragoza), Spain			–	–
Cox Gomyl Operations S.A.U/ESA-79247433/ Madrid, Spain			–	–
Alimak Group France SAS/348 000 480/ Neuilly En Thelle, France			–	–
Alimak Group UK Ltd/00930125/ Rushden, Great Britain			–	–
Alimak Group HK Ltd/409200/ Hong Kong SAR, China			–	–
Manntech (HK) Ltd/923086/ Hong Kong SAR, China			–	–
Alimak Group India Pvt Ltd/U52341TG2008PTC070216/ Secunderbad, India			–	–
Avanti Wind Systems India Pvt Ltd/U45207TN2009PTC072550/ Chennai, India			–	–
Alimak Group Italy Srl/83514/ Colle di Val d'Elsa (SI), Italy			–	–
Alimak Group Korea CO. Ltd/134511-008266/ Seongnam-si, South Korea			–	–
CoxGomyl Macau Ltd/22994 SO/ Macau, SAR, China			–	–
Alimak Group Malaysia Sdn Bhd/199901025552 (500452-H)/ Bukit Kemuning, Shah Alam, Malaysia			–	–
Alimak Group Benelux BV/20094140/ Tillburg, Netherlands			–	–
Alimak Group Norway A/S/971171898/ Godvik, Norway			–	–
Alimak Group Rus Ltd/Moscow/771001001/ Moscow, Russia			–	–
Alimak Group Singapore Pte Ltd/199905041/ Singapore			–	–
Alimak Group Sweden AB/556033-7528/ Skellefteå, Sweden			–	–
Alimak Group US Inc /2018363415001/ Webster TX, USA			–	–
Carrying amount at year-end			1,898.4	1,898.4

Companies subject to disclosure exemptions:

In 2019 Alimak Hek GmbH and Avanti Wind Systems GmbH were merged into Manntech Fassadenbefahrssysteme GmbH which had its name changed to Alimak Group Deutschland GmbH, domicile in Mammendorf, Germany. This company is subject to disclosure exemptions pursuant to Sec. 264 para. 3 of the German Commercial Code ("HGB").



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Note A9. Other current receivables

	2021	2020
Tax recoverable	14.2	23.7
Other receivables	–	–
Prepaid expenses and accrued income	2.8	4.4
Total	17.1	28.1

Note A10. Other current liabilities

	2021	2020
Trade payables	0.7	2.3
Tax liabilities	21.8	11.5
VAT liabilities	1.3	1.9
Holiday pay	1.3	0.6
Other liabilities	2.0	2.6
Accrued wages	3.7	3.1
Accrued expenses and deferred income	4.0	8.7
Total	34.7	30.7

Note A11. Untaxed reserves

	2021	2020
Tax allocation reserves	96.2	63.2
Total	96.2	63.2

Note A12. Long-term borrowings

Maturity structure	31 Dec 2021			
	Carrying amount	<1 year	1 year–5 years	>5 years
Loans from financial institutions	50.0	0.4	50.5	–
Carrying amount at year-end	50.0	0.4	50.5	–

Maturity structure	31 Dec 2020			
	Carrying amount	<1 year	1 year–5 years	>5 years
Loans from financial institutions	–	–	–	–
Carrying amount at year-end	–	–	–	–

All loans were repaid during 2020. For 2021 proceeds from borrowings amounted to MSEK 50.0. Amounts maturing in less than one year relates to contractual interest payments.

Note A13. Assets pledged and contingent liabilities

	2021	2020
Assets pledged		
For direct pension commitments	20.0	14.5
Total	20.0	14.5

	2021	2020
Contingent liabilities		
Guarantee for subsidiaries' liabilities to credit institutions	654.7	833.8
Indemnity bonds for subsidiaries' guarantees	286.1	213.6
Total	940.9	1,047.4

The Group has a defined contribution direct pension plan for both the current CEO and the former CEO. The pension plan is guaranteed via a pledged endowment policy owned by the Company.

Note A14. Equity

PROPOSED APPROPRIATION OF PROFIT, SEK

The following amounts are available for distribution by the Annual General Meeting

Retained earnings	2,659,039,334
Net profit for the year	431,840,652

The Board of Directors proposes that the amounts are distributed as follows

Dividend of SEK 3.30 per share be paid to shareholders ¹	176,270,325
Repurchase of own shares January 2022	34,397,523
To be carried forward	2,880,212,138

1. The proposed record day for dividend payment is 9 May, 2022. The amount proposed as dividend corresponds to SEK 3.30 per share, based on the existing number of shares, 54,157,861 and excluding the 742,611 shares held by the Group.

Note A15. Events after the balance sheet date

For information on events after the balance sheet date, see Note 29 to the Consolidated Financial Statements.



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The undersigned declare that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting principles, and give a true and fair view of the financial position and earnings of the Group and the Company, and that

the Directors' Report for the Group and the Company give a fair overview of the development of the activities, financial position and financial results of the Group and the Company, and describe substantial risks and uncertainties that the Group companies face.

Stockholm, 16 March, 2022

Johan Hjertzonsson
Chairman of the Board

Helena Nordman-Knutson
Board member

Christina Hallin
Board member

Tomas Carlsson
Board member

Sven Törnkvist
Board member

Petra Einarsson
Board member

Örjan Fredriksson
Board member & Employee representative

Christina Lindberg Ghimpu
Board member & Employee representative

Ole Kristian Jødahl
President & CEO, Board member

Our Auditor's Report was submitted on March 18, 2022

Ernst & Young AB

Henrik Jonzén
Authorised Public Accountant



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To the general meeting of the shareholders of Alimak Group AB (publ), corporate identity number 556714-1857

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Alimak Group AB (publ) except for the corporate governance statement on pages 68–79 for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 52–120 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 68–79. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical respon-

sibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's

responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–51 and 125–129. The remuneration report for financial year 2021 also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

Valuation of Goodwill

Description	How our audit addressed this key audit matter
In the consolidated statements of financial position as per December 31, 2021 reported goodwill amounts to 2 362.0 MSEK, which equals 40% of the Company's total assets. As described in note 13 goodwill is reviewed for potential impairment whenever there is an indication that the current value may be impaired, or at least annually. Goodwill is allocated to cash generating units and if the book value of the unit exceeds the calculated recoverable amount the asset is impaired and written down to the recoverable amount. The recoverable amounts of the cash generating units are determined on the basis of value-in-use calculations. In note 13 it is described that the cash flow projections cover 5 years and is based on the Group's strategic plans approved by the top management and the Board of Directors with an assumed terminal growth rate of 2%. In note 13 it is further described that goodwill has been reallocated between the cash-generating units in 2021 due to the new divisional structure. Due to the assumptions and judgments needed to calculate the value in use we have assessed the valuation of goodwill as a key audit matter in the audit.	In the course of our audit, we have evaluated the Group's process for impairment testing of goodwill. We have audited how cash generated units are identified compared to set criteria and compared this with how goodwill is followed up internally. We have evaluated the Group's valuation methods and calculation models, assessed the reasonability of assumptions and sensitivity analyses over changes in assumptions with the assistances of our internal valuation specialists and made comparisons against historical results and the precision of prior projections. We have assessed the reasonability of the discount rate and the terminal growth rate for each of the cash generating units through benchmarking to market data and, where applicable, companies in the same industry. Moreover, we have audited this year's reallocation of goodwill. We have also audited the disclosures in the annual report relating to goodwill.

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Revenue Recognition

Description	How our audit addressed this key audit matter
In the Group's consolidated statements of comprehensive income for the period ended December 31, 2021 revenues amount to 3 727.8 MSEK. As described in note 2 revenues from goods sold are generally recognized at point in time when control of the good has been transferred to the customer. When the goods sold are highly customized and an enforceable right to payment is present, revenue is recognized over time using the proportion of cost incurred to date compared to estimated total cost. Revenue from services is recognized at point in time when the service is performed. Revenues from the leasing of the Group's self-manufactured equipment is recognized on a straight-line basis over the lease term. We have assessed that revenue recognition is a Key Audit Matter since the Group makes assessments through the interpretation of agreements and delivery terms as well as estimations when measuring progress towards complete satisfaction of a performance obligation for revenue recognized over time which affects the accounting period in which revenue should be recognized.	In the course of our audit, we have evaluated the Group's process for revenue recognition. We have performed analytic reviews, obtained and agreed terms to agreements, and sampled revenue transactions and verified correct cut-off, in connection to the year-end close of December 31, 2021, against customer agreements and delivery terms. For highly customized goods where revenue is recognized over time, we have for a sample evaluated management's estimation when measuring progress towards complete satisfaction of a performance obligation and on a sample basis tested that incurred cost such as invoices and hours spent are related to the highly customized goods. We have also audited the disclosures in the annual report relating to revenues.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as

they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a

high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF THE ADMINISTRATION AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Alimak Group AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.



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THE AUDITOR'S EXAMINATION OF THE ESEF REPORT Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Alimak Group AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Alimak Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 66–77 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Alimak Group AB (publ) by the general meeting of the shareholders on 6 May 2021 and has been the company's auditor since 3 October 2013.

Stockholm March 18, 2022

Ernst & Young AB

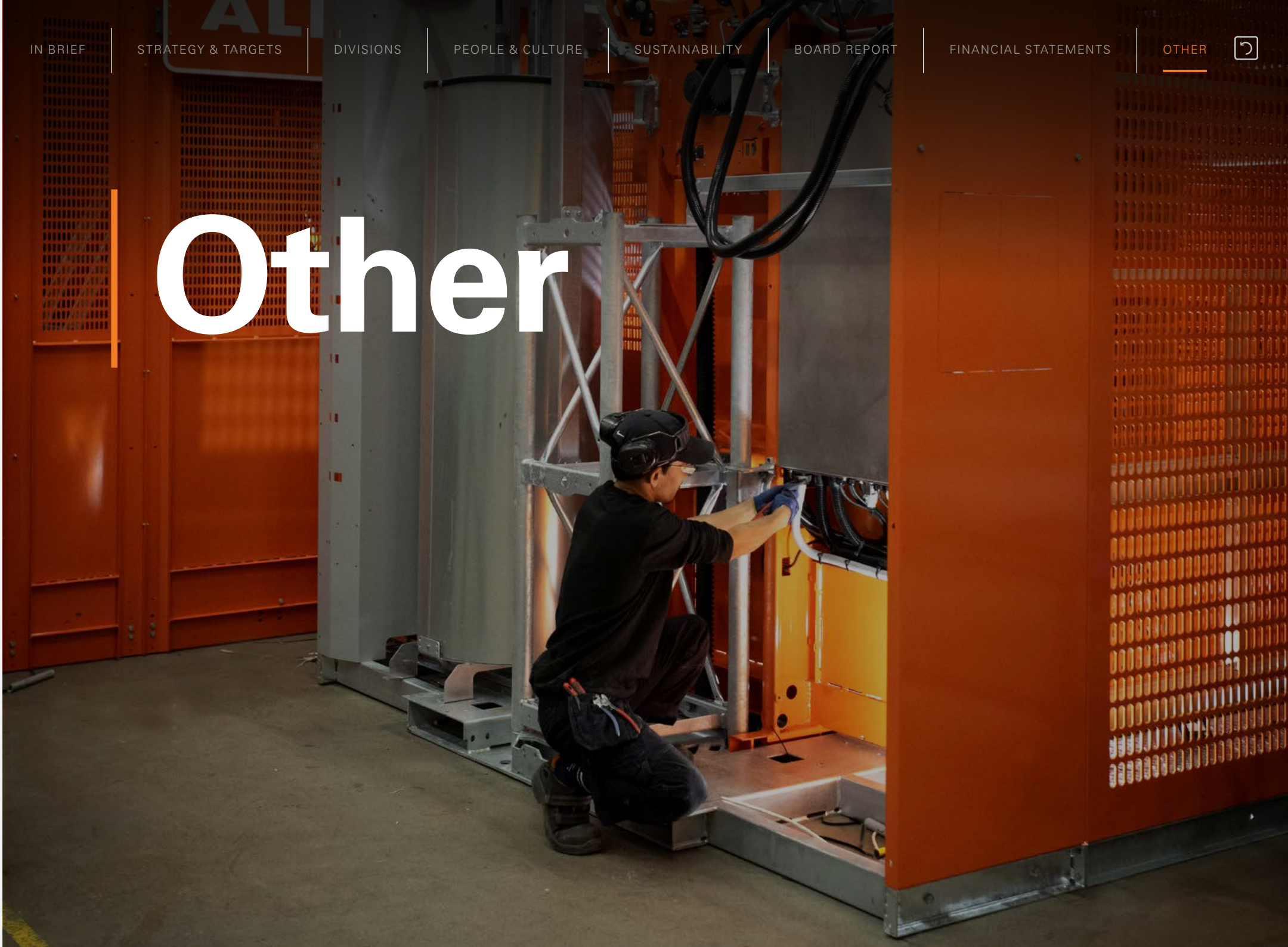
Henrik Jonzén

Authorized Public Accountant



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	2021	2020	2019	2018	2017
Order intake, MSEK	3,771.7	3,761.3	4,363.2	4,621.1	4,101.2
Revenue, MSEK	3,727.8	3,740.3	4,587.4	4,320.4	4,000.7
EBITDA, MSEK	614.2	456.4	762.2	557.5	529.4
EBITA, MSEK	482.8	318.9	608.2	490.5	464.7
EBITA margin, %	13.0	8.5	13.3	11.4	11.6
EBIT, MSEK	448.1	277.5	565.1	439.4	416.8
EBIT margin, %	12.0	7.4	12.3	10.2	10.4
Result for the period, MSEK	307.5	182.8	394.0	344.0	291.6
Total comprehensive income, MSEK	486.6	-62.5	447.3	447.0	208.4
Cash flow from operations, MSEK	645.9	505.1	502.1	239.9	335.4
Cash flow for the period, MSEK	103.7	-65.9	-55.5	1.2	114.8
Cash flow from operations/EBITDA	1.05	1.10	0.66	0.43	0.63
Number of shares, thousands	54,157.9	54,157.9	54,157.9	54,157.9	43,326.3
Average number of shares, thousands	54,157.9	54,157.9	54,157.9	54,157.9	51,130.9
Earnings per share, SEK	5.68	3.37	7.28	6.35	5.58
Cash flow per share, SEK	1.92	-1.21	-1.02	0.02	2.12
Equity per share, SEK	70.91	65.14	68.03	62.96	57.23
Total assets, MSEK	5,901.7	5,619.4	6,416.9	6,032.3	5,577.0

	2021	2020	2019	2018	2017
Cash and cash equivalents end of period, MSEK	348.5	225.6	313.6	355.6	341.3
Equity, MSEK	3,840.4	3,527.9	3,684.2	3,409.7	3,099.3
Capital employed, MSEK	4,178.7	4,208.3	4,691.5	4,276.5	4,009.0
Net debt, MSEK	338.3	680.4	1,007.3	866.7	909.7
Net debt excl. lease liability (IFRS 16), MSEK	152.4	465.8	740.3	866.7	909.7
Equity ratio, %	65.1	62.8	57.4	56.5	55.6
Return on equity, %	8.0	5.0	11.1	10.6	11.0
Return on capital employed goodwill excluded, %	24.7	15.1	26.4	23.4	33.5
Return on capital employed, %	10.7	6.2	12.6	10.6	12.8
Interest coverage ratio, times	26.87	8.46	9.31	15.63	5.0
Net debt/EBITDA ratio (Leverage)	0.55	1.50	1.33	1.55	1.72
Net debt excl. lease liability/EBITDA ratio	0.25	1.03	0.97	1.55	1.72
Number of employees	2,057	2,049	2,286	2,360	2,438



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Alimak Group shares were listed in June 2015 and are traded on the Mid Cap list of Nasdaq Stockholm. The Group's market capitalisation at year end was SEK 6.2 billion.

SHARE PRICE AND TRADING

The share's EPIC is ALIG and its ISIN code is SE0007158910. A trading lot is one share. During 2021, a total of 27,335,584 shares were traded for an amount of MSEK 3,548 on Nasdaq Stockholm. The average number of shares traded per trading day was 108,046 and the average number of trades 605.5 per trading day. The closing price at year-end was SEK 114.40, representing a market capitalisation of approximately SEK 6.2 billion. The highest share price, SEK 158.2, was recorded on August 31 and the lowest, SEK 105.6, on December 6. The volume weighted average price for the year was SEK 129.8.

OWNERSHIP STRUCTURE

At year-end, Alimak Group had 4,403 known shareholders. The largest shareholder was Investment AB Latour, with 29.6 %. The ten largest shareholders represented around 76 % of the total number of shares outstanding. At year-end, Swedish ownership accounted for approximately 62 % of the total. There are no restrictions on voting rights or authorisation to the Board.

SHARE CAPITAL AND VOTING RIGHTS

At year-end, Alimak Group's share capital totalled MSEK 1.1, represented by 54,157,861 shares. All shares carry the same voting entitlement and an equal share in the Group's profits and capital.

REPURCHASE OF SHARES

Since 2018, the Board has requested and received a mandate from the annual general meeting to repurchase and transfer Alimak Group shares. The aim has been, among other things, to secure the Group's undertakings in connection with its long-term incentive programmes.

The 2021 annual general meeting authorised the Board of Directors to acquire, during the period until the next annual general meeting, a maximum number of own shares to the extent the company's holdings of own shares in total amounts to no more than one tenth of all

shares in the company. The Board may not vote for any shares that Alimak Group has acquired, nor shall any dividend be paid to these shares. During 2021, Alimak Group repurchased 147,000 shares. At year-end, Alimak Group held 0.81 % of all its issued shares in treasury.

DIVIDEND

Alimak Group has a target of paying a dividend of approximately 40–60 % of its net profit for the current period to its shareholders. However, decisions on dividends shall take account of the Group's financial position, cash flow, acquisition opportunities, strategic considerations and future prospects.

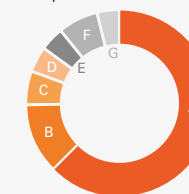
Subject to approval by the 2022 Annual General Meeting, the Board of Directors propose a dividend of SEK 3.30 (3.00) per share based on existing number of shares for the financial year 2021.

Largest Shareholders December 31, 2021

Shareholder	Number of shares	Capital, %	Votes, %
Investment AB Latour	16,016,809	29.6	29.6
Alantra EQMC Asset Management SGIC	6,630,091	12.2	12.2
Lannebo Fonder	5,295,079	9.8	9.8
Peder Pråhl	2,902,543	5.4	5.4
First Swedish National Pension Fund	2,590,775	4.8	4.8
Swedbank Robur Fonder	1,968,658	3.6	3.6
C WorldWide Asset Management	1,869,324	3.5	3.5
La Financière de l'Echiquier	1,466,316	2.7	2.7
Royce & Associates LLC	1,335,800	2.5	2.5
RBC Global Asset Management	1,277,025	2.4	2.4
Total shareholding – 10 largest	41,352,420	76.4	76.4
Other shareholders	12,365,830	22.8	22.8
Shares held by Alimak Group	439,611	0.8	0.8
Total number of shares	54,157,861	100.0	100.0

Shareholders by country

December 31, 2021
% of capital



A) Sweden	62.53
B) Spain	12.46
C) United States	5.74
D) France	4.31
E) Denmark	4.24
F) Others	7.03
G) Anonymous ownership	3.69



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Data per Share

SEK/share	2021	2020	2019	2018	2017
Earnings per share ¹	5.68	3.37	7.28	6.35	5.38
Dividend ¹	3.30 ²	3.00	1.75	2.75	2.30
Dividend, % of EPS ¹	58 ³	89	44	43	43
Cash flow from operations ¹	11,96	9,33	9,27	4,43	6,19
Share price at year-end	114.4	131.0	140.0	110.0	128.0
Highest share price	158.2	144.0	159.2	148.0	157.0
Lowest share price	105.6	65.7	107.6	106.6	106.3
Average number of shares outstanding, millions	54.2	54.2	54.2	54.2	51.1

1) Calculated based on the current number of shares outstanding, 54,157,861.

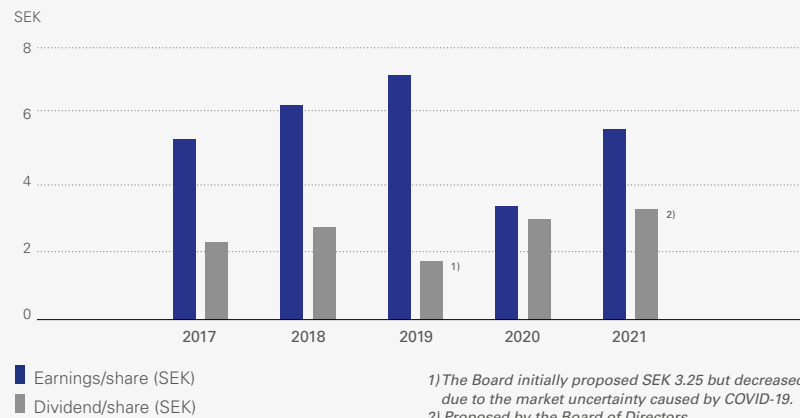
2) The Board of Directors propose a dividend of SEK 3.30 per share (3.00).

3) Based on the total dividend proposed, SEK 3.30.

Total Shareholder Return

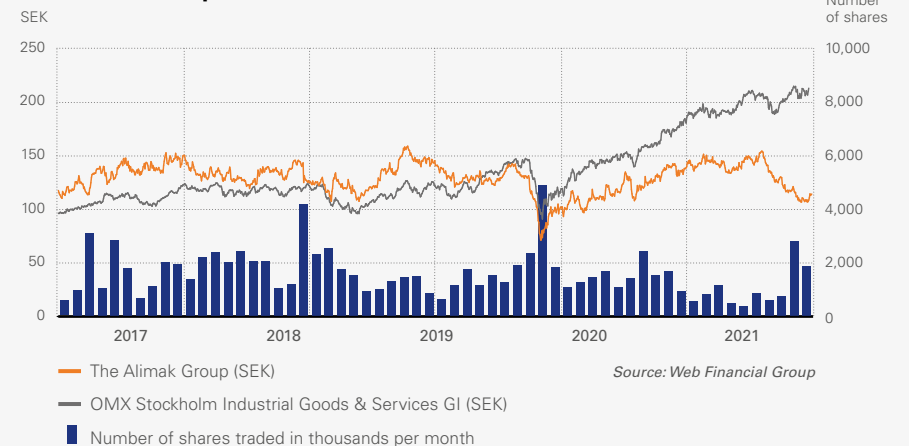


Dividend and Earnings per Share



1) The Board initially proposed SEK 3.25 but decreased due to the market uncertainty caused by COVID-19.
2) Proposed by the Board of Directors.

The Alimak Group and Share Turnover Last Five Years



Source: Web Financial Group



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The annual general meeting of Alimak Group AB (publ) will be held on Thursday, May 5, 2022.

NOMINATION COMMITTEE

The Nomination Committee shall prepare proposals for the 2022 Annual General Meeting regarding the Chair of the Meeting, number of Directors of the Board, fees to be paid to each of the Directors of the Board, election of Directors of the Board and Board Chair, remuneration to the auditor and election of auditor and, if necessary, proposal for changes in the instruction for the Nomination Committee. The Nomination Committee for the AGM 2022 comprises the following members:

- Johan Menckel, Latour, Chair of the Nomination Committee
- Francisco De Juan, Alantra EQMC Asset Management
- Johan Ståhl, Lannebo Fonder
- Erik Malmberg, representing the shareholding of Peder Pråhl
- Johan Hjertonsson, Alimak Group's Chair of the Board

DIVIDEND

May 9, 2022 is proposed as the record day. If the meeting approves this proposal, it is estimated that the dividend will be paid by Euroclear Sweden AB on May 13, 2022.

For more information, please contact investor@alimakgroup.com

FINANCIAL REPORTS ARE AVAILABLE ON REQUEST FROM ALIMAK GROUP

- Digitally at the Group's website: www.alimakgroup.com
- By telephone on: (Int.+46) (0)8-402 14 40
- Postal address: Alimak Group AB, Blekholmstorget 30, SE-111 64 Stockholm, Sweden



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In this report, alternative performance measures (APMs) are used, that is, key performance and earnings measures that are not defined in IFRS. APMs are used as guidance to both investors and management in their analysis of the Company's operations. The alternative performance measures used are described in the following.

R12M

Numbers for the last 12 months measured backwards from the reporting period.

Average number of shares

Weighted average number of shares outstanding during the period, plus potential additional shares.

Earnings per share

Earnings after tax in relation to the average number of shares basic and diluted.

EBITA

Operating profit before depreciation and amortisation of intangible assets.

EBITA adj

Operating profit before depreciation and amortisation of intangible assets. Items affecting comparability are added back.

EBITDA

Operating profit before depreciation and amortisation of property, plant and equipment and intangible assets.

Equity/assets ratio

Shareholders' equity as a percentage of total assets.

Equity per share

Shareholders' equity in relation to the number of basic shares outstanding at the end of the period.

Net debt

Interest bearing liabilities minus cash and cash equivalents.

Interest coverage ratio

EBIT in relation to interest expenses.

Non-recurring items

Nonrecurring income or cost items with a major impact on profit and of significance to an understanding of the trend of income.

Net debt/EBITDA ratio

Interest-bearing liabilities net (excluding shareholder loans) and assets, plus cash and cash equivalents.

Net debt/equity ratio

Net debt in relation to shareholders' equity.

Organic growth

Growth adjusted for acquisitions/divestments and currency effects.

Operating margin (EBIT %)

Operating profit (EBIT), as a percentage of revenue during the period.

Operating profit (EBIT)

Profit before financial items and tax.

Order intake

All orders where contracts have been signed and confirmed during the accounting period under review. Order intake generally cannot be used to accurately predict future revenues or operating performance. Orders can be cancelled, delayed or modified by the customer. Cancelled orders affect the reported order intake if cancellation takes place during the year the order was booked.

Return on capital employed

Operating profit (EBIT), rolling 12-month amount, as a percentage of average capital employed. Capital employed is the sum of net debt plus shareholders' equity plus shareholder loans.

Return on equity

Profit after tax for the period, rolling 12-month amount, as a percentage of the average shareholders' equity excluding shares without a controlling interest.

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