

THE BOARD'S PROPOSAL FOR RESOLUTION ON CALL OPTION PROGRAM 2023

The Board proposes that the Annual General Meeting adopts a Call Option Program 2023 for the CEO, members of the group management, executive management in the Divisions and certain employees at the group functions. The call option program will comprise a total of 65 participants in the Alimak Group and the terms of the call options will be based on market terms following established principles at the time of issue.

The Annual General Meeting is proposed to authorise the Board to issue, until the next Annual General Meeting, call options for 1,075,000 shares maximum, corresponding to 1.0 percent of the total number of shares and votes at the time of issue of the notice to the Annual General Meeting 2023, i.e. based on the new number of shares after the recent rights issue.

The CEO will be offered a maximum of 110,000 call options. The remaining 965,000 call options will be offered to members of the group management, executive management in the Divisions and certain employees at the group functions. The total number of participants in this category is 64 and each participant may be offered to buy call options in the range 2,000 - 46,000. Each participant's individual allocation within the specified range is based upon criteria such as the respective participant's position, experience and competence.

If there are remaining call options following the initial subscriptions of the call options offered to the participants, the remaining call options may be distributed among the participants irrespective of category. However, participants may not be allotted more than twice the number of call options compared to the initial offered allotment. The total number of call options may however never exceed 1,075,000. The Board resolves on the final allotment.

The call option program does not involve any dilution for existing shareholders as it is based on call options in respect of shares already issued in the company.

The terms of the call options will be based on market terms following established principles at the time of issue. The option premium will be ten percent of the recorded volume weighted average share price during ten days prior to the date of issue. The call options will have maximum four years maturity from the date of issue and the subscription period will be May 20 – June 20, 2027. The exercise price per share will be determined by an independent valuer when the call option program is established and will always be an amount above the share price at the same time. The valuation will be performed using the Black & Scholes model.

At the time of the notice of the Annual General Meeting 2023, the company owns 742,611 repurchased shares, which refer to previous years' call option programs. This means that if the Call Option Program 2023 is fully subscribed, the company needs to buy back 1,075,000 shares in order to ensure delivery of shares for this program. Notwithstanding participation in the call option program, and due to that no new shares are issued, the company's share capital remains unchanged.

The purpose of the Board's proposal is that the call option program is expected to contribute to higher motivation and long-term commitment among the employees as well as strengthen the ties between the employees and the company. Furthermore, the Board assesses that the call option program will contribute to recruit and retain qualified and experienced employees. It is the Board's assessment that the call option program will benefit both the employees and the company's shareholders through increased share value.

The proposal is a part of creating a long-term incentive for important employees. The proposal is considered to be of reasonable scope for employees and Alimak Group's shareholders. It is the intention of the Board to return to similar propositions at coming Annual General Meetings. Since the program is based on market terms and since it entails a financial risk for the participants, it is not expected to generate social security costs for the company. The company will only have limited costs relating to advisors and administration of the call option program.

In order to ensure delivery of shares under the call option program it is proposed, by item 17 c on the agenda, that the Board shall have the right to transfer a maximum of 1,075,000 repurchased shares to the participants in the call option program. Should that proposal not be supported by the required majority, it is proposed that the Board shall be entitled to enter into so-called share swap agreements with third parties in order to fulfil the obligations under the call option program.

Alimak Group currently has two outstanding incentive programs in the form of call option programs (Call Option Program 2021 and Call Option Program 2022). The two call option programs were offered during 2021 and 2022 to the CEO, members of the group management, executive management in the divisions and certain employees at the group functions. The terms and conditions of the call options were established in accordance with the framework adopted by the Annual General Meetings held in 2021 and 2022. The number of shares that each option qualifies for and the exercise price for the shares has been recalculated following the recent rights issue. The recalculation has been made by an external valuer and it follows accepted principles.

Call Option Program 2021 had an option price of SEK 14 and the exercise price is SEK 118.50. Each option carries a right to buy 1.35 shares. The exercise period is May 20 – June 20, 2025.

Call Option Program 2022 had an option price of SEK 7.90 and have an exercise price of 63.90 for the participants that joined the program in September 2022. The two participants that joined the program in December 2022 had an option price of SEK 7.60 and an exercise price of SEK 60.00. Each option carries a right to buy 1.35 shares. The exercise period is May 20 – June 20, 2026.

The proposal has been prepared by the Remuneration Committee and was discussed at the Board meeting in March 2023.

Stockholm in March 2023
Alimak Group AB (publ)
The Board of Directors