

REMUNERATION REPORT OF ALIMAK GROUP AB 2022

Introduction

This report describes how the guidelines for executive remuneration of Alimak Group AB (the “remuneration guidelines”), adopted by the annual general meeting 2022, were applied during 2022. The report also provides information on remuneration to Alimak Group’s CEO and a summary of the Company’s outstanding share-related incentive plans.

The report has been prepared in compliance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 7 pages 108-110 in the annual report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available on pages 81-88 in the annual report 2022.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed on page 83 in the annual report 2022.

Company performance in 2022

The CEO summarizes the Group’s overall result in his statement on pages 8-10 in the annual report 2022.

Application of the remuneration guidelines in 2022

Under the remuneration guidelines, remuneration of executive management shall be market competitive and shall consist of a balanced combination of the following components: fixed remuneration, variable remuneration, pension, and other benefits. The remuneration guidelines, adopted by the annual general meeting 2022, can be accessed at www.alimakgroup.com. A summary of the guidelines can also be found on pages 70-71 and in note 7 on pages 108-110 in the annual report 2022.

During 2022, the remuneration guidelines have been applied without deviation. There have been no deviations from the guidelines, nor from the procedure to determine remuneration in accordance with the guidelines.

No remuneration has been recovered by the company during the fiscal year.

In addition to remuneration covered by the remuneration guidelines, the annual general meetings of Alimak group AB have for a number of years resolved to implement share-related incentive programs.

The company’s auditor will make a statement on whether the remuneration guidelines have been complied with. The statement will be provided on the company’s website along with other documents relating to the annual general meeting 2023.

Total remuneration of the CEO

Table 1 below outlines the CEO's total remuneration (KSEK)

Name	Year	Fixed remuneration			Extraordinary remuneration	Variable remuneration	Total remuneration	Proportion	
		Base salary (1)	Other benefits (2)	Pension				Fixed	Variable
Ole Kristian Jødahl	2022	4 952	479	1 722		2 115	9 268	77%	23%
	2021	4 718	481	1 807	780	468	8 254	85%	15%

1) Including vacation pay

2) Allowance for travel expenses and double accommodation

Performance criteria for variable pay

The performance criteria for the CEO's variable pay have been selected to contribute to the company's long term and sustainable development. In 2022, the criteria were linked to Earnings Per Share (EPS) on Group level. The target fulfilment was 86% which resulted in a variable pay of 2,115 KSEK.

Comparative information

Table 2 below shows comparative information relating to the CEO's total remuneration, the Group's operating profit and the average remuneration to other employees in the Group (KSEK).

	2020	2021	Change 2021/2020	2022	Change 2022/2021
CEO total remuneration	7 022	8 254	17,5%	9 268	12,3%
Group Operating Profit	277 475	448 088	61,5%	546 116	21,9%
Average full-time remuneration other employees in the Group (1)	494	536	8,5%	564	5,2%

1) Based on the number of full time equivalent employees in the Group (excluding the Group leadership team and Tractel)

Share-related incentive plans

The annual general meetings 2021 and 2022 resolved on share-based incentive programs in the form of call option programs. The programs were launched during the respective year and was offered to CEO and senior executives, management in the Divisions and some key positions in group functions.

Participation in the programs required a personal investment in call options. The price of the options corresponds to 10% of the recorded volume-weighted average share price during ten days prior to the date of issue. The subscription period is May 20 to June 20, 2025 for the program launched in 2021 and May 20 to June 20, 2026 for the 2022 program.

The exercise price was determined by an independent valuer when the call option programs were established. A recalculation of the terms was carried out in 2023 following the recent rights issue. The recalculation was made by an external valuer following accepted principles.

For the program launched in 2021 the option price was SEK 14 and the exercise price SEK 118.50. For the 2022 program, the option price was SEK 7.90 and the exercise price SEK 63.90. Each call option gives the right to buy 1.35 shares. The CEO acquired 55,000 call options in each program.