

REMUNERATION REPORT OF ALIMAK GROUP AB 2023

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 2023. The report also provides information on remuneration to Alimak Group’s CEO and a summary of the Company’s outstanding share-based 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 in the annual report 2023. Information on the work of the remuneration committee in 2023 is set out in the corporate governance report available on pages 69-75 in the annual report 2023.

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 pages 71 and 73 in the annual report 2023.

Company performance in 2023

The CEO summarizes the Group’s overall result in his statement on pages 6-7 in the annual report 2023.

Application of the remuneration guidelines in 2023

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 60-61 and in note 7 in the annual report 2023.

During 2023, 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 2024.

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 (3)				Fixed	Variable
Ole Kristian Jørdahl	2023	5 640	514	1 835	0	2 760	10 749	74%	26%
	2022	4 952	479	1 722	0	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

3) During the year it was decided that the CEO's pension commitment shall be fulfilled through a cash salary supplement instead of through a pension insurance, to avoid double taxation in Norway and Sweden. The change was implemented from June. The cash supplement is included in the pension amount above.

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 2023, the criteria were linked to Earnings Per Share (EPS) on Group level. The target fulfilment was 70% which resulted in a variable pay of 2,760 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	2023	Change 2023/2022
CEO total remuneration	7 022	8 254	17,5%	9 268	12,3%	10 749	16,0%
Group Operating Profit	277 475	448 088	61,5%	546 116	21,9%	945 165	73,1%
Average full-time remuneration other employees in the Group (1)	494	536	8,5%	564	5,2%	643	13,9%

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

Share-based incentive plans

The annual general meetings 2021, 2022 and 2023 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 programs run over approximately four years and the subscription period is May 20 to June 20, 2025, 2026, 2027 respectively.

The exercise price was determined by an independent valuer when the call option programs were established. A recalculation of the terms for the 2021 and 2022 programs were carried out in 2023 following the 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.

For the program launched in 2023 the option price was SEK 7.57 and the subscription price SEK 80,35. The CEO acquired 110 000 options in this program.