

Remuneration report 2023/2024 for Addtech AB (publ)

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives, adopted by the Annual General Meeting 28 of August 2020 were implemented in 2023-2024. The report also contains information about the remuneration of Addtech's CEO. Finally, the report contains information about Addtech's outstanding incentive programs. The report has been prepared in accordance with the chapter 8, sections 53a-b of the Swedish Companies Act (2005:551) and the *Rules on remuneration to senior executives and on incentive programs* issued by the Swedish Corporate Governance Board.

Further information on remuneration to senior executives pursuant to chapter 5 sections 40-44 of the Swedish Annual Accounts Act is available in note 6 in the company's 2023/2024 annual report.

Information on the work of the Remuneration Committee in 2023/2024 is set out in the corporate governance report in the 2023/2024 annual report.

This report does not cover remuneration of the Board of Directors. Such remuneration is resolved annually by the general meeting and disclosed in note 6 in the 2023/2024 annual report.

Developments in 2023/2024

For more information regarding the company's performance in 2023/2024 please see the comments from the CEO in the 2023/2024 annual report.

The Company's remuneration guidelines: scope, purposes and deviations

A prerequisite for the successful implementation of the company's business strategy and the exploitation of the company's long-term interests, including its sustainability, require Addtech to recruit and retain qualified employees. This requires the company to be able to offer competitive total compensation, which these guidelines allow. The total remuneration shall be market-based and competitive and shall be in relation to responsibilities and powers. In accordance with Addtech's guidelines for remuneration to senior executives, remuneration shall consist of the following components: fixed salary, any variable salary under separate agreement, pension and other benefits. The variable salary shall be linked to one or more predetermined and measurable financial criteria established by the Board of Directors such as the Group's earnings growth, profitability and cash flow. By linking the remuneration of senior executives to the company's results, they promote the implementation of the company's business strategy, long-term value creation and competitiveness.

The guidelines for remunerations, adopted by the 2020 Annual General Meeting, can be found on pages 62-64 in the 2023/2024 Annual Report. In 2023/2024, the Board of Directors, with preparation in the remuneration committee, has deviated from the guidelines by deciding on an extra one-off bonus of SEK 8,100,000 (the amount is gross and is neither

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pensionable nor holiday-based) to CEO Niklas Stenberg to ensure and allow for the company's financial viability and long-term interests. Otherwise, the company has followed the applicable guidelines during 2023/2024.

The auditor's report regarding the company's compliance with the guidelines can be found on the Addtech website: <https://www.addtech.com/investors/corporate-governance/general-meeting>. No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, Addtech's annual general meetings have resolved to implement long-term incentive programmes.

Share-based remuneration

At the end of the 2023/2024 financial year, Addtech had four outstanding call option programmes (2020/2024, 2021/2025, 2022/2026 and 2023/2027) for Group Management and other executives in the Group. The incentive programmes provide participants with the opportunity to acquire call options at market prices on class B shares repurchased by Addtech. The employees have paid a market premium for call options on class B shares. The programme includes a subsidy so that the employee receives the same sum as the option premium paid in form of the cash payment, i.e. salary. This subsidy shall be paid two years after the issue decision, providing that the option holder is still employed in the Group and owns call options at the time. This subsidy and the associated social security costs are accrued as personnel costs over the vesting period. Addtech has no obligation to repurchase the options when an employee terminates employment. The holder may exercise the options regardless of continued employment in the Group. In outstanding programmes, the CEO has been given the opportunity to acquire 149,500 call options and has taken full advantage of these offers. A total of 149,500 call options have been allocated, corresponding to 211,000 shares, which corresponds to 0,1 % percent of the shares in the company.

During the 2023/2024 financial year, 208,700 options out of a total of 250,000 options in the 2020/2024 programme were exercised, corresponding to 834,800 class B shares. Of these, the CEO exercised 20,500 options, corresponding to 82,000 class B shares.

	Basic information on incentive programmes			Information regarding financial year 2023/2024				
				Opening balance	During the year		Closing balance	
	Outstanding programmes	Exercise period	Redemption price	Number of call options, beginning of year	Call options allotted	Call options exercised	Number of call options, end of year	Corresponding number of shares
Niklas Stenberg, CEO	2023/2027	7 Sep 2026 - 9 June 2027	221.00	0	40 000		40 000	40 000
	2022/2026	8 Sep 2025 - 10 June 2026	180.10	50 000			50 000	50 000
	2021/2025	9 Sep 2024 - 11 June 2025	214.40	39 000			39 000	39 000
	2020/2024	4 Sep 2023 - 5 June 2024	538.10	20 500		20 500	0	0
			Total	109 500	40 000	20 500	129 000	129 000

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Total remuneration for senior executives in 2023/2024

(KSEK)	Year	Fixed salary		Variable remuneration		Share		Pension cost	Total remuneration
		Basic salary	Other benefits	One year variable ¹⁾	Multi year variable	Fixed salary	Variable salary		
Niklas Stenberg, CEO	2023/2024	8845	201	11749	-	44%	56%	2556	23351

1) Includes subsidy for option plan

Variable compensation may be based on parameters such as the Group's growth in earnings, profitability and cash flow. Annual variable remuneration can be at most 40 percent of the fixed salary. In addition, an additional premium of 20 percent may be based on the received variable salary that has been used for the acquisition of shares in Addtech AB. Regarding the company's performance in 2023/2024, earnings growth amounts to 9 % (target >15 %) and profitability in the form of R/RK to 68 % (target >45 %). Operating cash flow amounts to MSEK 2,575 (previous year: MSEK 1,911). Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 40 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

During the financial year 2023/2024, the Board has decided to deviate from guidelines on one occasion, as stated above under the section "The company's remuneration guidelines: scope, purpose and deviations". In line with the guidelines, where there is possible to deviate from the guidelines partially or in full in an individual case and for specific reasons, the Board reached the decision at the extraordinary meeting held 12 September 2023 after preparation in the remuneration committee.

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Comparable information on remuneration trends and company performance

Annual change	2021/2022 vs 2020/2021	2022/2023 vs 2021/2022	2023/2024 vs 2022/2023	Remuneration 2023/2024
Remuneration to Chief Executive Officer				
Niklas Stenberg	28%	23%	69%	23351
The company's financial performance				
Net sales	24%	33%	7%	
EBITA	44%	41%	13%	
Profit for the period	53%	39%	9%	
Average remuneration for a full-time employee				
Average increase ¹⁾	3%	5%	7%	

1) Employees excluding CEO and other Group Management

Stockholm July 2024

Addtech AB (publ)

The Board of Directors