

Remuneration report 2024

Introduction

This report describes how the guidelines for executive remuneration of NCAB Group, adopted by the annual general meeting 2024, were applied in 2024. The report also provides information on remuneration to the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 9 (Employees and personnel costs) on page 55 in the annual and sustainability report 2024. Information on the work of the remuneration committee in 2024 is set out in the corporate governance report available on page 36 in the annual and sustainability report 2024.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annual by the general meeting and disclosed in note 9 on page 55 and in the corporate report available on page 37 in the annual and sustainable report 2024.

Key developments 2024

The CEO summarizes the company's overall performance in his statement on page 6 in the annual and sustainability report 2024.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration, but not necessary market leading. The remuneration shall reflect the individual's performance and responsibility and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long term development.

The guidelines are found on pages 43-44 in the annual and sustainability report 2024. During 2024, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on <https://corporate.ncabgroup.com/en/corporate-governance-reports> No remuneration has been reclaimed.

Table 1 – Total CEO remuneration in 2024 (kSEK)*

Name of Director (position)	Fixed remuneration		Variable remuneration****			Pension expense*****	Total remuneration	Proportion of fixed and variable
	Base salary**	Other benefits***	One-year variable	Share based remuneration	Extraordinary items			
Peter Kruk CEO	3 970	119	1 014	2 383	0	1 092	8 578	60/40

* Remuneration based on year 2024 only

** Inclusive holiday pay of kSEK 98

*** Car benefit

**** No remuneration extends over several years, 2024 only

***** Pensions expense (column 5), which in it's entirely relates to base salary and is premium defined, has been counted entirely as fixed remuneration

Share-based remuneration

The company currently has three ongoing share-award programs in 2024 (2022/2025), (2023/2026) and (2024/2027) for group management and key persons in the company. Subject to the employee having made an own investment in shares in NCAB (investment-shares), the employee has been awarded four performance-shares. In this plan, the CEO has invested in 40 000 investment shares and thus been awarded 160 000 performance-shares for 2024. The performance-shares have been awarded free of charge and are subject to a three-year vesting period and continued employment. Vesting of performance-shares is also subject to the satisfaction of performance conditions. The performance condition is measured as EBITA deducted by 12% interest on total capital employed year three compared to plan which is aligned with the company's financial targets. For information on the number of performance shares encompassed by the three ongoing programs in 2024, see note 26 on pages 60-61 of the Annual Report 2024.

Table 2 – Share based plan (CEO)

Name of Director (position)	Program	Performance- period	Award date	Vesting date	End of retention period	Share options awarded	Share options vested	Share options subject to performance condition
Peter Kruk CEO	2021/2024	2021 - 2023	2021-05-10	2023-12-31	2024-06-30	125 000	125 000	125 000
Peter Kruk CEO	2022/2025	2022 - 2024	2022-05-03	2024-12-31	2025-06-30	132 000	0	132 000
Peter Kruk CEO	2023/2026	2023 - 2025	2023-05-09	2025-12-31	2026-06-30	60 000	0	60 000
Peter Kruk CEO	2024/2027	2024 - 2026	2024-05-09	2026-12-31	2027-06-30	160 000	0	160 000
Total						477 000	125 000	477 000

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities have been taken into account.

Table 3 – Performance of the CEO in the reported financial year: variable cash remuneration

Name of Director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Performance to get maximum bonus award b) Measured performance and c) Actual remuneration outcome
Peter Kruk, CEO	Net Sales 2024 (excl. acquired revenue)	25%	a) 4 635 MSEK b) 3 614 MSEK c) 0 kSEK
	EBITA reduced with 20% internal interest on operative capital (excl. acquisitions)	40%	a) 549 MSEK b) 378 MSEK c) 0 kSEK
	Acquisition (discretionary)	20%	b) Great b) Great c) 726 kSEK
	Sustainability	15%	a) CO2 emissions (ton CO2e/MSEK), 100% audited factories, Ecovadis rating b) Not achieved, achieved, not achieved c) 181 kSEK

Comparative information on the change of remuneration and company performance

Table 4 – Change of remuneration and company performance over the last five reported financial years (RFY) (kSEK)

	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2024 vs 2023	RFY 2024
CEO remuneration (kSEK)	+790 (+18,4%)	+2 166 (+42,7%)	+568 (+7,8%)	-1 583 (-20,3%)	+2 353 (+37,8%)	8 578
Group operating profit (Mkr)	+20,6 (+12,7%)	+204,9 (+112,4%)	+159,2 (+41,1%)	+45,0 (+8,2%)	-205 (-34,7%)	386
Average remuneration on a full time equivalent basis of employees* of the parent company (kSEK)	+45 (+6,2%)	+95 (+12,3%)	+170 (+19,7%)	+162 (+15,7%)	-316 (-26,4%)	880

* Exclusive members of the group executive management