

## **Remuneration report 2024**

### **Introduction**

This report describes how the guidelines for executive remuneration of Bufab AB (publ), adopted by the annual general meeting 2024, were implemented in 2024. The report also provides information on remuneration to the CEO and the vice CEO a summary of the company's outstanding share- related and share price-related incentive plans. 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 6 (Employees, personnel expenses and fees paid to directors and auditors) on pages 68-70 in the annual report 2024. Information on the work of the remuneration committee in 2024 is set out in the corporate governance report available on page 98 in the annual report 2024.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 6 on page 69 in the annual report 2024.

### **Key developments 2024**

The CEO summarises the company's overall performance in his statement on page 6-7 in the annual 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. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits, other benefits and in special cases additional variable cash remuneration. The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. The criteria shall primarily relate to the company's results and may be individual. Furthermore, the criteria shall relate to the overall progress of the group, although criteria related to specific business areas may occur. The criteria shall be designed to contribute to the company's business strategy and long-term interests.

The guidelines in summary are found on page 50 in the annual report 2024. The complete guidelines are available at the company's homepage on the tab investors/corporategovernance/remuneration [Bufab's remuneration guidelines](#). In 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://www.bufabgroup.com/en/investors/general-meetings/archive>. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share- related incentive plans.

### Total CEO and vice CEO remuneration in 2024 (mSEK\*)

| Name of director (position) | Time of employment | Fixed remuneration | Variable remuneration | Extraordinary items***** | Pension expense | Total remuneration | Proportion if fixed and variable*** |
|-----------------------------|--------------------|--------------------|-----------------------|--------------------------|-----------------|--------------------|-------------------------------------|
|                             |                    | Base salary**      | Other benefits*<br>** | One year****             |                 |                    | **                                  |
| Erik Lundén (CEO)           | January-December   | 5.4                | 0.1                   | 1.2                      | 1.6             | 9.8                | 88%/12%                             |
| Johan Lindqvist (Vice CEO)  | January-December   | 3.3                | 0.2                   | 0.5                      | 1.0             | 5.2                | 90%/10%                             |
| <b>Total</b>                |                    | <b>8.7</b>         | <b>0.3</b>            | <b>1.7</b>               | <b>2.6</b>      | <b>15.0</b>        | <b>89%/11%</b>                      |

\* The table reports remuneration earned in 2024. Multiyear variable remuneration is not paid.

\*\* Paid and expensed base salary including holiday pay.

\*\*\* Health insurance, car benefit.

\*\*\*\* Variable remuneration earned in 2024 in accordance with the fulfilment of the performance criteria that follows of the table below.

\*\*\*\*\* Pension expense (column 4), which in its entirety relates to base salary and is premium defined, has been reported entirely as fixed remuneration.

\*\*\*\*\*Reserve for gross salary compensation regarding the call option.

## Application of performance criteria

The performance measures for the CEO and vice CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior 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 for 2024 have been taken into account.

### *Performance of the CEO and vice CEO in the reported financial year: variable cash remuneration*

| Name of director (position) | Time of employment | 1. Description of the criteria related to the remuneration component             | 2. Relative weighting of the performance criteria | 3. a) Measured performance and b) actual award/remuneration outcome |
|-----------------------------|--------------------|--|---|---|
| Erik Lundén (CEO)           | January - December | 1. Increase Bufab's Earning per share 2024 vs 2023                               | 30%   | a) 0%<br>b) 0 mSEK  |
|                             |                    | 2. Bufabs operating margin 2024  | 35%   | a) 23%<br>b) 0,25 mSEK  |
|                             |                    | 3. Cash conversion 2024  | 25%   | a) 100%<br>b) 0,68 mSEK   |
|                             |                    | 4. Reduction in Bufab Groups carbon dioxide emissions 2024 vs 2023               | 10%   | a) 100%<br>b) 0,27 mSEK   |
| Johan Lindqvist (Vice CEO)  | January - December | 1. Increase Bufab's Earning per Share 2024 vs 2023                               | 15%   | a) 0%<br>b) 0 mSEK  |
|                             |                    | 2. Region Europe North & East operating margin 2024                              | 50%   | a) 0%<br>b) 0 mSEK  |
|                             |                    | 3. Region Europe North & East cash conversion 2024                               | 25%   | a) 100%<br>b) 0,4 mSEK  |
|                             |                    | 4. Reduction in Region Europe North & East carbon dioxide emissions 2024 vs 2023 | 10%   | a) 60%<br>b) 0,1 mSEK   |

### Longterm share-based incentive programs

The company have under 2024 had four share option programs outstanding (2021/2024, 2022/2025, 2023/2026 and 2024/2027) for the executive management and other key employees within the group. Participants in the programs have been given the opportunity to invest in call options at a price corresponding to the market value, which has been determined through a Black & Scholes valuation. Each call option entitles to the acquisition of one share in the company for a period of approximately six months, which for each program begins three years after the implementation of the program. The purchase price for shares corresponds to 115 per cent of the volume-weighted average price for the company's share on Nasdaq Stockholm during five trading days in connection with the implementation of each program. The redemption period in the call option program 2021/2024 was during May 2024 - November 2024, which means that the program has ended. Further information about the call option programs can be found on page 78-79 in the annual report for 2024.

#### *Erik Lundén (CEO)*

During 2024, Erik Lundén acquired, within the framework of the call option program 2024/2027, 12,000 call options in the company at a price of SEK 90.87 per call option. As of December 31, 2024, Erik Lundén held a total of 63,000 call options in the company, distributed over the following programs:

| Incentive program             | Allocation period | Exercise period                | Price of the call options acquisition | Redemptions price, share | Holding of call options, December 31, 2024 |
|-------------------------------|-------------------|--------------------------------|---------------------------------------|--------------------------|--|
| Call option program 2024-2027 | 27 May 2024       | 15 May 2027 - 15 November 2027 | 90.87                                 | 436.17                   | 12 000                                     |
| Call option program 2023-2026 | 15 May 2023       | 12 May 2026 - 15 November 2026 | 92.9                                  | 407.49                   | 25 000                                     |
| Call option program 2022-2025 | 12 May 2022       | 11 May 2025 - 15 November 2025 | 60.84                                 | 331.96                   | 26 000                                     |
| <b>Total</b>                  |                   |                                |                                       |                          | <b>63 000</b>                              |

*Johan Lindqvist (vice CEO)*

During 2024, Johan Lindqvist did not acquire any call options, within the framework of the call option program 2024/2027. The call option program 2021/2024 ended during May 2024 – November 2024 and Johan Lindqvist required under the redemption period 7,500 shares in the company at the price of SEK 261.25 per share.

| Incentive program             | Allocation period | Exercise period                | Price of the call options acquisition | Redemptions price, share | Holding of call options, December 31, 2024 |
|-------------------------------|-------------------|--------------------------------|---------------------------------------|--------------------------|--|
| Call option program 2023-2026 | 15 May 2023       | 12 May 2026 - 15 November 2026 | 92.9                                  | 407.49                   | 2 000                                      |
| Call option program 2022-2025 | 12 May 2022       | 11 May 2025 - 15 November 2025 | 60.84                                 | 331.96                   | 5 000                                      |
| <b>Total</b>                  |                   |                                |                                       |                          | <b>7 000</b>                               |

## **Comparative information on the change of remuneration and company performance**

*Changes in remuneration and company performance during the last five financial years (RFY) (mSEK)*

|  | RFY 2024<br>vs RFY<br>2023 | RFY 2024 | RFY 2023 | RFY 2022 | RFY 2021 | RFY 2020 |
|--|----------------------------|----------|----------|----------|----------|----------|
| <b>CEO remuneration (total)</b>  | 21%                        | 9.8      | 8.1      | 8.1*     | 8.2***   | 5.6****  |
| <b>Vice CEO remuneration (total)</b>   | 6%                         | 5.2      | 4.9      | 1.80**   | -        | -        |
| <b>Group operating profit (EBITA)</b>  | -8%                        | 959      | 1043     | 990      | 695      | 482      |
| <b>Average remuneration on a full-time equivalent basis of employees of the group's Swedish companies*****</b> | 7%                         | 0.59     | 0.55     | 0.55     | 0.54     | 0.52     |

\* Johan Lindqvist for the period Jan-Aug 2022 and Erik Lundén for the period Sep-Dec 2022.

\*\* Johan Lindqvist for the period September-December 2022.

\*\*\* Jörgen Rosengren for the period Jan-Aug 2021 and Johan Lindqvist for the period Sep-Dec 2021.

\*\*\*\* Jörgen Rosengren for the entire fiscal year.

\*\*\*\*\* Excluding member in the Groups Executive Management Team.