

Remuneration report for Systemair AB (publ) 2023/24

Introduction

This report describes how the guidelines for remuneration to senior executives of Systemair AB, adopted by the 2023 Annual General Meeting (the “**AGM**”), were applied in 2023/24. The report also contains information on remuneration to the Chief Executive Officer (the “**CEO**”). The report has been prepared in accordance 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.

For further information on executive remuneration, see Note 11 (Employees and personnel costs) on pages 85-86 of the 2023/24 Annual Report. Information on the work of the Remuneration Committee in 2023/24 can be found in the Corporate Governance Report on pages 50-55 of the 2023/24 Annual Report.

This report does not cover Directors' fees. Such fees are decided annually by the AGM and are disclosed in note 11 on page 86 of the 2023/24 Annual Report.

Developments in 2023/24

The CEO summarises the company's overall performance in his report on pages 6-7 of the 2023/24 Annual Report.

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

A prerequisite for the successful implementation of the company's business strategy and the safeguarding of its long-term interests, including its sustainability, is the ability to recruit and retain qualified employees. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. “Senior executives” refers to the President and other members of Group Management.

The system of remuneration shall consist of a fixed salary and pension, but may also include variable salary and benefits such as a company car. In addition to the above, special incentive programmes approved by the AGM may apply. Fixed salary and benefits shall be determined individually based on the aforementioned criteria and the specific competence of the particular executive.

Variable pay is based on the company's performance with the aim of promoting the company's strategy, long-term value creation and sustainability. The variable portion is paid as a proportion of the fixed salary and may amount to no more than 40 percent of the annual salary for the CEO, 25 percent for other senior executives and 15 percent to other key personnel.

As a principle, pensions shall be premium-based and shall not exceed 35 percent of the fixed salary. The size of the pension shall adhere to the same criteria as above and shall be based on fixed salary. The Board is entitled to depart from these guidelines if justified in any particular case.

The guidelines can be found on page 53 of the 2023/24 Annual Report. In 2023/24, the Company has complied with the applicable remuneration guidelines adopted by the General Meeting. No departures from the guidelines have occurred and no deviations have been from the decision-making process that the guidelines require to be applied to determine remuneration. The auditor's opinion on the company's compliance with the guidelines is available at the company's website (www.group.systemair.com). No remuneration has been reclaimed.

Table 1 - Total remuneration to the Chief Executive Officer in 2023/24 (SEK thousand)

Senior executive	1 Fixed remuneration		2 Variable pay		3 Extraordinary items	4 Pension cost	5 Total remuneration	6 Proportion of fixed and variable remuneration
	Basic salary *	Other benefits **	One-year	Multi-year				
Roland Kasper (CEO)	5,169	1,100	984	-	-	1,530	8,783	91/9

* Including holiday pay of SEK 281 thousand.

** Car benefit.

*** Pension costs (column 4), which relate entirely to basic salary and are defined contribution, have been fully reported as fixed remuneration.

Outstanding option program

In addition to remuneration, the CEO has the right to participate in Systemair's option program. Within the program, the CEO is offered the opportunity to acquire options on market terms. During 2023/24, Systemair had an outstanding option program that includes the CEO. No changes to the terms have taken place since its release.

The AGM 2023 resolved to issue warrants within the framework of the incentive program LTIP 2023. During the financial year Systemair issued a total of 362,500 warrants for Systemair shares to Senior executives within the company. Transfer of the warrants to the participants has been made at a price corresponding to their market value according to an external independent valuation with the application of an accepted valuation model (Black-Scholes). LTIP 2023 runs over four years and the last day for subscription is 30 September 2027. In 2021, 592,500 warrants were subscribed for by Senior executives within LTIP 2021 and in 2022, 520,740 warrants were subscribed within LTIP 2022. These programs also run over four years and the last day for subscription is 30 September 2025 and 2026 respectively.

The subscription prices amount to SEK 98,20 for LTIP 2021, SEK 58,30 for LTIP 2022 and SEK 77,50 for LTIP 2023.

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 selecting the performance criteria, the strategic objectives and short- and long-term business priorities for 2023/24 have been taken into account.

Table 2 - Performance of the Chief Executive Officer during the reported financial year: variable cash remuneration

Senior executive	1 Description of criteria related to the replacement component	2 Relative weighting of performance criteria	3 Measured performance (a) and actual award/remuneration outcome (b)
Roland Kasper (CEO)	Operating profit outcome in relation to budget 2023/24	70%	33%/SEK 459 100
	Decrease in net working capital 2023/24	20%	100%/SEK 393 600
	ESG	10%	67%/SEK 131 300

Comparative information on changes in remuneration and company performance

Table 3 - Changes in remuneration and the company's performance over the last two reported financial years (SEK thousand)

	2023/2024	Change	2022/23	Change	2021/22	Change	2020/21
Remuneration of the Chief Executive Officer	8 730	+24,9%	6 988	+16,8%	5 984	-6,6%	6 408
Consolidated operating profit, SEKm	963,0	-32,0%	1401,4	+82,0%	769,8	+13,8%	676,7
Sales per employee*	852	+3,1%	827	+6,5%	776	+1,6%	765

* Average remuneration based on the number of FTEs employed by the parent company (excluding members of the Group Management).

Skinnskatteberg, July 2024

Systemair AB (publ)

Board of Directors