ALIMAK GROUP

Annual & Sustainability Report 2022

Moving people, material, and businesses safely to new heights.

This is an interactive, clickable pdf.

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Calendar

The Annual General Meeting (AGM) for the 2022 financial year will be held on May 4, 2023.

The Interim Report for the period January–March 2023 will be published on May 3, 2023.

The Interim Report for the period January–June 2023 will be published on July 20, 2023.

The Interim Report for the period January–September 2023 will be published on October 24, 2023.

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In the event of any discrepancies between the Swedish and the English versions of the Annual Report, the Swedish version shall take precedence.

On the cover: Several Alimak Scando 650 and Alimak Mammoth construction hoists – Newfoundland Tower, Canary Wharf, London UK.

Alimak Group in Brief

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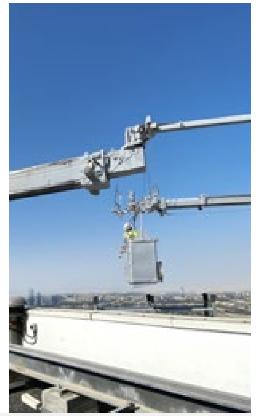
Alimak Group is a global provider of sustainable vertical access and working at height solutions, listed on Nasdaq OMX Stockholm. With a presence in more than 120 countries, the Group develops, manufactures, sells and services vertical access and working at height solutions with a focus on adding customer value through enhanced safety, higher productivity and improved cost efficiency.

Alimak Group´s products and solutions are sold under the brands Alimak, Tractel, CoxGomyl, Manntech, Avanti and Scanclimber.

Founded in Sweden in 1948, the Group has its headquarters in Stockholm and approximately 3,100 employees around the world.

FACADE ACCESS DIVISION

The division offers permanently installed equipment and systems that enable regular access to the facace of buildings. Typically the equipment is used to provide a permanent means of access to the facade of buildings and structures for maintenance purpose, which include cleaning and replacing damaged facade panels, lights and windows etc. The permanent access solutions are also used on infrastructure such as stadiums, airports, hospitals, bridges and industrial installations for the same purposes.



Share of Group revenue[1] **32%**

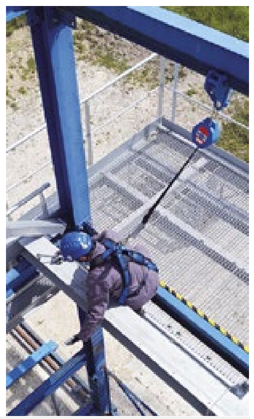
CONSTRUCTION DIVISION

Under the Alimak brand, Construction develops, manufactures, sells, services and provides rentals of a wide range of construction hoists, platforms and mast climbing work platforms for temporary use in construction and renovation projects globally. We also offer sales of the Group's recycled construction products, mainly derived from its own rental fleet. It also offers services like assembly, disassembly, maintenance, operating assistance, transportation and insurance.

Share of Group revenue[1] **25%**

HEIGHT SAFETY & PRODUCTIVITY SOLUTIONS DIVISION

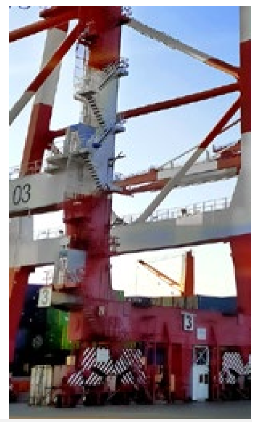
The division represents our Tractel brand, a world-leading specialist manufacturer of reliable, innovative, high quality lifting and fall protection equipment and services. The division has customers in the industrial, construction, energy, telecoms and infrastructure segments. All customers are supported with comprehensive service and support solutions. Tractel is world-renonewned for wire rope hoists.



Share of Group revenue[1] **18%**

INDUSTRIAL DIVISION

Under the Alimak brand, Industrial offers a wide range of lifts and platforms for permanent use across a broad spectrum of industries and harsh environments, including ports and shipyards, as well as power, oil & gas and cement. By working closely with customers and as we are represented in all our geographical regions, both in sales and service, we can offer our clients new equipment, and a complete solution customised for their specific environment and needs for up to 30 years.



Share of Group revenue[1] **17%**

WIND DIVISION

Wind offers access solutions for safe work in wind towers worldwide, onshore and offshore. Under the Avanti brand, it sells products such as service lifts, vertical ladders and fall protection systems. Besides providing highly skilled services, Wind also offers training courses for safe use and maintenance. Its footprint in all major wind markets allows an efficient supply chain for tower manufacturers and OEMs, as well as flexible and fast services for the utilities.

Share of Group revenue[1] **8%**

1) The divisions share of the total Group revenue as if Tractel was acquired January 1 2022. The numbers have not been reviewed by the company's auditors.

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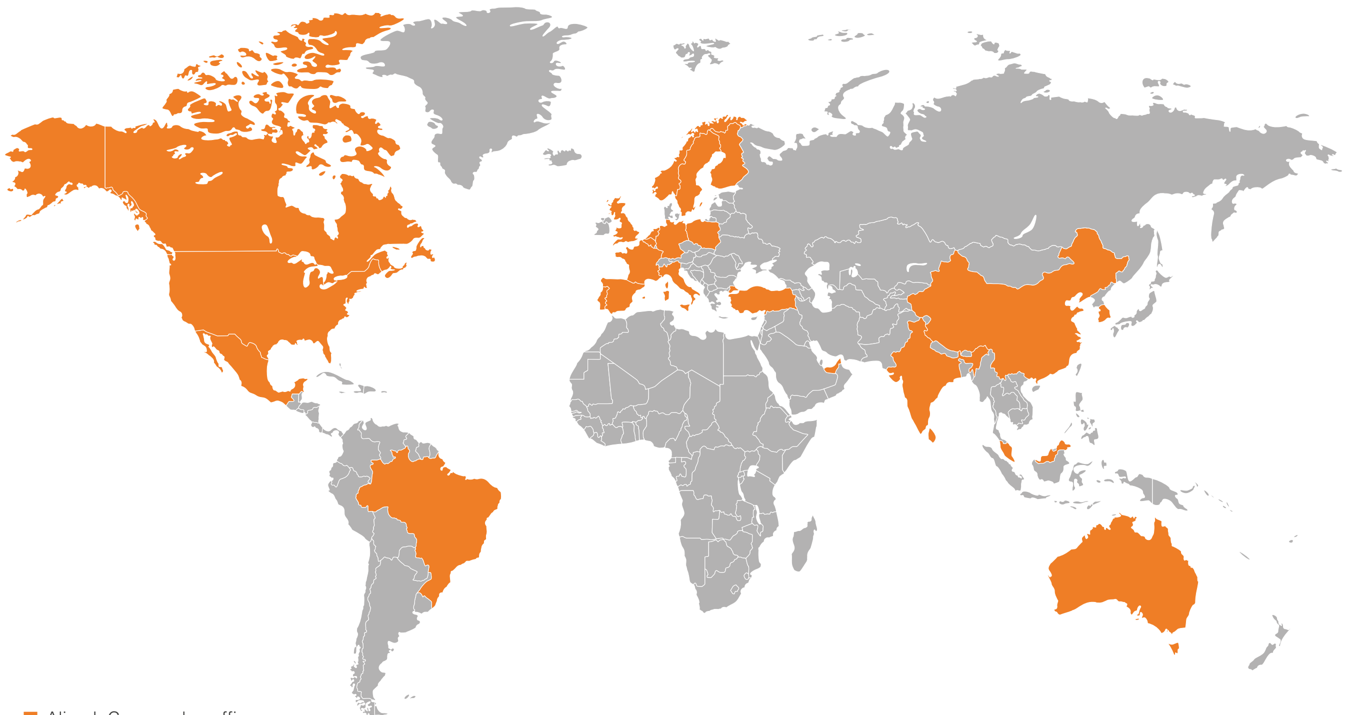
Alimak Group has sales in 120+ countries



■ Alimak Group sales office

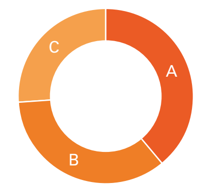
Alimak Group has a global network of sales offices and distributors, reaching over 120 countries. The global organisation puts Alimak Group close to its customers and ensures good knowledge of their business as well as long-term relationships. It also benefits the customers through a unique combination of international and local service and support.

Revenues, MSEK

4,512

Revenue per Region, %

A) Europe, 40
B) APAC, 33
C) Americas, 27
D) ROW, 0

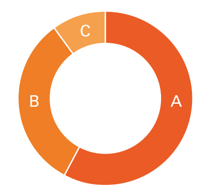


Employees as of December 31 2022

3,100

Employees per Region, %

A) Europe, 62
B) APAC, 24
C) Americas, 14
D) ROW, 0



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Important Events 2022

On November 21st, Alimak Group completed the acquisition of Tractel and the integration started.

A new group structure was established with five divisions: **Facade Access**, **Construction**, **Industrial**, **Wind** and the new division **Height Safety and Productivity Solutions**.

In 2022, Alimak Group continued to execute on the New Heights Programme delievering accelerated profitable growth with record high order intake and EBITA margin.

In 2022, we continued our product development and delivered several exciting products and service solutions, such as the CoxGomyl 4000 series that offers a lighter weight product for facade access that contributes to a reduced environmental footprint, and the ME marine elevator that became the first elevator in the world to be approved to the DNV-ST-0495 standard. With the service lift Barracuda XL, we will be able to manage a new generation of offshore wind towers.

On July 18th Alimak Group announced the acquisition of Tall Crane Equipment LTD – a Canadian hoist and crane rental sevices provider. The acquisition provides a good foundation to expand Alimak Group's new and used product offering and adds a wholly owned footprint in Canada.

Order Intake, MSEK

4,784

EBITA, MSEK

603

Cash Flow from Operations, MSEK

501

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On August 2nd, Alimak Group announced the acquisition of Tractel, a world leading height safety specialist. The acquisition is transformational, accelerating Alimak Group's profitable growth strategy, creating a highly profitable global provider of sustainable vertical access and working at height solutions with a aggregated annual revenue of over SEK 6,5 billion.

Strategic review of Wind Division was closed. With the increased demand for renewable energy and the opportunities identified through the acquisition of Tractel, the Board decided to continue develop the division as part of Alimak Group.

On September 2nd, an Extraordinary General Meeting was held resolving to authorize the Board of Directors to resolve to issue new shares equivalent to issue proceeds of a maximum of BSEK 2,5 to enable and create flexibility to optimize the Company's capital structure and strategic initiatives.

In October Alimak Group entered a strategic partnership with OO Software. By using their product Service Protocol, a web-based tool for field service management, we can further improve our service business based on real time data while also automating back office work.

Sylvain Grange   Philippe Gastineau   Johnny Nylund

Changes to Group Leadership team. Sylvain Grange, former CFO of Tractel, was appointed new CFO of Alimak Group and Philippe Gastineau, former CEO of Tractel, was appointed Senior EVP for Facade Access and for Height Safety & Productivity Solutions. Further, Johnny Nylund, was appointed Chief Communication Officer entering his new position on January 9, 2023.

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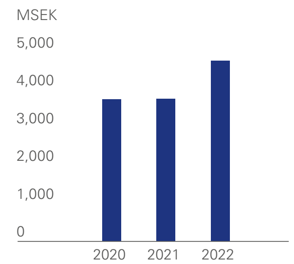
Key figures

	2022	2021	2020	2019	2018
Order intake, MSEK	4,784	3,772	3,761	4,363	4,621
Revenue, MSEK	4,512	3,728	3,740	4,587	4,320
Operating profit adj* (EBITA adj), MSEK	616	483	396	629	555
Operating profit adj* (EBITA adj), %	13.6	13.0	10.6	13.7	12.8
Operating profit (EBITA), MSEK	603	483	319	608	491
Operating profit (EBITA), %	13.4	13.0	8.5	13.3	11.4
EBIT, MSEK	546	448	278	565	439
Profit for the period, MSEK	382	307	183	394	344
Earnings per share , SEK	7.04	5.68	3.37	7.28	6.35
Cash flow from operating activities, MSEK	501	646	505	502	240
Dividend, SEK	3.65[1]	3.30	3.00	1.75[3]	2.75
Leverage (Net Debt/EBITDA)*	8.00[2]	0.55	1.50	1.33	1.55

1) Proposed by the Board of Directors based upon number of outstanding shares as of year end 2022.
2) EBITDA in leverage calculation only include 5 weeks from Tractel
3) Lowered due to the market uncertainty caused by COVID-19. The Board's previous proposal was a dividend of SEK 3.25 per share.
** Alternative perfomance measure*

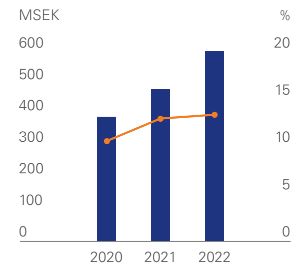
Order intake



Order intake

Order intake increased by 27% compared with last year, with 9% organic increase, to MSEK 4,784.

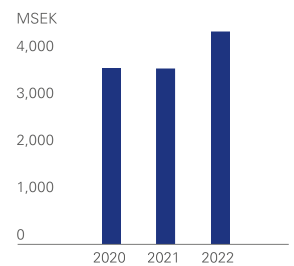
Profitability



EBITA
EBITA margin

EBITA increased to MSEK 603, with a margin of 13.4%.

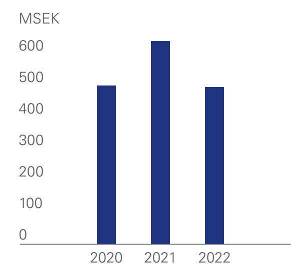
Revenue



Revenue

Revenue increased with 21% compared with last year, increased 3% organically, to MSEK 4,512.

Cash flow



Cash flow from operations

Cash flow from operations was MSEK 501.

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CEO Letter 2022

2022 was a very good and important year for Alimak Group, as we continued to successfully drive our initiatives for profitable growth in line with the New Heights Programme. The customer centric, decentralised, cost-efficient and people-focused organization resulted in record high order intake and operating margin. We also welcomed approximately 1,100 highly competent employees to Alimak Group through the acquisitions of Tractel and Tall Crane.

It is satisfying to conclude that we were able to deliver on our New Heights Programme during the year. The programme was launched in October 2020, and after successfully completing the first two steps – establishing the base and securing margin improvements – we entered into 2022 with focus on the third and final phase: profitable growth.

We were able to reach the financial target set out for the year, with record high order intake and operating margin. The result proves that the strategic direction set out in the New Heights Programme has been right and that our operating model, based on a decentralized and customer centric way of working, ensures that we understand the needs of our customers and better can develop and deliver the products, solutions and services that they need.

DIGITALISATION AND SUSTAINABILITY AT THE CORE OF INNOVATION

During the year, we continued our product development and delivered several exciting products and service solutions, such as the CoxGomyl 4000 series that offers a lighter weight product for facade access that contributes to a reduced environmental footprint, and the ME marine elevator that became the first elevator in the world to be approved to the DNV-ST-0495 standard. With the service lift Barracuda XL, we will be able to manage a new generation of offshore wind towers.

Continued product and service development is important to secure technology leadership and to ensure future profitable growth opportunities. Going into 2023, we have several exciting updates and launches that will be communicated during the year.

Access to the right information at the right time is vital for our customers to make the best use of their products. In 2022, we launched the first pilots of customer portals where technical manuals, real time data, and service information can be accessed. Our products have a lifetime of 20 to 30 years, and by our unique global service organization, combined with a digital offering, we can optimise the value for our customers through the entire life of our solutions. With more intelligent machines, access to real time data, customer portals, on-line manuals and smart service tools, we will not only create additional customer value but also improve the possibility to reduce scope 3 emissions.

During the year, we made good progress towards our sustainability target to reduce our CO_2-footprint with 30% cross our value chain by 2025. In 2022 we also arranged – for the first time – a global sustainability week. The event aimed to engage and inspire all employees get to know and contribute to the Group strategy. The result was very positive, and we will continue with similar efforts going forward. I am proud that our efforts have gained recognition as Alimak Group was listed on place 19 among the most sustainable listed companies in Sweden (ranking made by Lund University and the leading Swedish business publication Dagens Industri). During the year, we acquired 45% of the shares of OO Software,

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"It is satisfying to conclude that we were able to deliver on our New Heights Programme during the year and that we continued to successfully drive our initiatives for profitable growth"

a software company in Borås, Sweden. By using their product Service Protocol, a web-based tool for field service management, we can further improve our service business based on real time data while also automating back-office work.

THE ACQUISITION OF TRACTEL IS TRANSFORMATIONAL

On 21 November, we closed the acquisition of Tractel, our largest acquisition ever and with a strong strategic and cultural fit with Alimak Group. The acquisition of Tractel further strengthens our global market position, expands our product and solution offering and broadens our customer base. The acquisition is transformational and accelerates our journey towards capturing the full value potential for the Group. The integration is well underway, and I am very pleased to see the engagement and ownership throughout the organisation.

I am convinced that the acquisition of Tractel will create significant shareholder value over time. Tractel is a high-performing organization with a resilient business model, delivering stable high margins for more than fifteen years. The acquisition brings commercial synergies which we have started to execute on.

We warmly welcomed the more than 1,000 highly competent employees from Tractel that joined Alimak Group in 2022. I am very pleased that the leadership team from Tractel have taken on key positions within the Group. Together we are already well on our way to take the company to new heights.

In 2023, we will update our divisional strategies and financial targets to fully utilize the business potential, based on the new expanded Group.

Another important acquisition was Tall Crane Equipment LTD – a Canadian hoist and crane rental services provider that will add a wholly owned footprint in Canada with significant growth opportunities.

ACCELERATED PROFITABLE GROWTH

In a challenging macro environment, Alimak Group delivered good organic growth and increased profitability in 2022. The adjusted EBITA for Alimak Group for the full year increased by 28 percent to 616 million SEK, corresponding to a margin of 13.6 percent compared with 13.0 percent in 2021, with earnings improvements in all divisions. The order back log at the end of the year was record high and we entered 2023 with good momentum.

Looking into the performance of our five divisions, Construction delivered good growth and stable margins during the year, despite increased market uncertainty. Tractel's temporary access rack & pinion business, Scanclimber, is now part of the division and broadens our solutions portfolio. The addition of their mast climbing work platforms and other products, makes our product range more complete and strengthens our global market position further.

Industrial had solid order intake and revenue throughout the year, in all regions. The development of our customer and segment focused approach is clearly having an effect on growth. We continued to see sustained demand across key segments, both regarding new equipment and services.

Facade Access also showed solid growth during the year, although we were not able to lift the margins in line with our ambitions. The main reasons were raw material cost hikes and supply challenges, as a consequence of the war in Ukraine. Tractel's permanent access organisation, a highly profitable, resilient, and successful business, is now part of the Facade Access division and brings the opportunity to establish a global market leading position through the expanded customer base and aggregated portfolio. Increasing the division's profitability to targeted levels will take some time but we know what to focus on. It is also reassuring that the division is led by the former Tractel CEO, Philippe Gastineau.

In the Wind division our focus on decreased costs, increased product development and improved margins during 2022 was successful, and we are now very well positioned for 2023. A strategic review of the Wind division was initiated in February 2022, with the conclusion to develop the division as part of Alimak Group, based on the opportunities identified through the expected increased demand for renewable energy and cross-selling oppurtunities through the acquisition of Tractel.

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"The acquisition of Tractel is transformational and accelerates our journey towards capturing the full value potential for the Group. The integration is well underway, and I am very pleased to see the engagement and ownership throughout the organisation."

The new division, Height Safety & Productivity Solutions was formed in November, after the closing of the Tractel acquisition. The division is highly profitable, focusing on attractive market niches globally. The solutions are mainly sold through a global network of distributors. We are excited about the opportunities to further expand the division's product and service range, explore cross-selling opportunities and to grow this business.

OUR PEOPLE ARE OUR MOST IMPORTANT ASSET

At Alimak Group, we strive to be an attractive employer that attracts, develops and retains qualified and motivated employees. By working close to our customers, with a high degree of responsibility and being close to the business, we offer an exciting workplace with considerable development opportunities. Alimak Group is a workplace where people with different backgrounds and experience come together, and I am proud of what the organization has managed to deliver during the year. We have supported our customers with the solutions they depend on and taken significant steps on our profitable growth journey.

During 2023, we foresee continued macroeconomic and geopolitical uncertainty. We are well prepared to navigate through the challenging business environment, in close cooperation with our customers and business partners, and to continue to execute on our sustainable profitable growth agenda. Our business is supported by mega trends, of which urbanisation, sustainability, more building at height and increased investments in health, safety and productivity are important drivers.

2022 was a successful year for Alimak Group. I want to thank all our employees for their dedication and efforts during the year. Together we will continue to reach new heights.

Ole Kristian Jødahl
President & CEO

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MARKET GROWTH SUPPORTED BY GLOBAL TRENDS
Our business is supported by mega trends, of which urbanisation, sustainability, more building at height and increased investments in health, safety and productivity are important drivers. Alimak Group has favourable opportunities to take advantage of these trends in both established and growth markets.

EFFICIENT AND LEAN ORGANISATION
Our people are our most important asset. By working close to our customers, with a high degree of responsibility and being close to the business, we ensure that projects are managed in efficient and lean ways. With a decentralised organization and full P&L responsibility, we ensure constant improvement and development to find the best and most efficient solutions that benefit our customers.

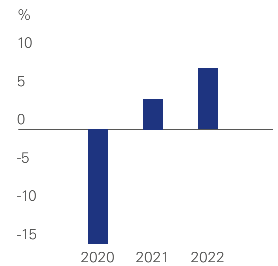
LONG HISTORY OF PROFITABILITY AND CASH GENERATION
Alimak Group has a long history of healthy profitability and strong cash generation thanks to the Group's cost-efficient production operations, sound financing and high share of revenue from aftermarket services. During 2022, Alimak Group continued to deliver on the New Heights Programme, aimed at capturing the Group's full value creation potential, and made significant steps on our profitable growth journey.

GLOBAL MARKET POSITION AND STRONG BRANDS
Alimak Group is a global provider of sustainable premium height solutions with well-established and reputable brands, in-depth knowledge about the market and an installed base with a global footprint. The market leadership position, broad geographic representation in all industry segments and a well-diversified portfolio of products and services creates stability and resilience to the business.

ATTRACTIVE BUSINESS MODEL WITH STABLE AFTERMARKET REVENUE
The Group's operations span the entire value chain from product development, manufacturing, marketing, distribution and sales to aftermarket services, which contributes to stable revenue and healthy profitability. Alimak Group's broad range of aftermarket services, which are primarily targeted at the Group's installed base, is an important contributing factor to its cash flow stability and contributes to improved customer utilisation through the extended product lifetime.

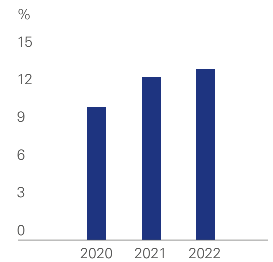
ACQUISITION OF TRACTEL ACCELERATES PROFITABLE GROWTH STRATEGY
The acquisition of Tractel is transformational for Alimak Group's profitable growth strategy. The combination offers significant commercial synergies and growth opportunities, including a substantially wider customer base, an expanded product portfolio and a strengthened global service organization. It also enables the delivery of even higher customer value with safe, sustainable, and efficient solutions for both temporary and permanent access needs.

Revenue growth



Revenue increased by 21% compared to last year. Acquisitions had a positive impact of 8%. The organic growth was 3%.

EBITA margin



The margin increased by 0.4 percentage points to 13.4%.

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Strategy and Targets

Business environment, trends and driving forces

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Mega trends affecting the business environment are driving and impacting Alimak Group's market. Material global trends that form the basis of market growth are urbanisation, digitalisation and sustainability. Alimak Group has favourable opportunities to take advantage of these trends in both established and growth markets, and to be part of the solution for a more sustainable world.

MEGA TRENDS

Urbanisation

The world's growing population and continued urbanisation are driving the trend towards densification in megacities and the emergence of so-called "15-minute cities*" that are dominated by high-rises. The emergence of these cities is generating increased investments in infrastructure and increased activity in the construction and industrial sectors, boosting demand for vertical access solutions.

HOW ALIMAK GROUP IS RESPONDING TO THE TREND

Alimak Group, which has a presence in more than 100 countries, develops, sells and provides service for sustainable vertical access and working at height solutions for professional use, with a focus on adding customer value through greater safety, increased resource efficiency and higher productivity. By offering product upgrades and refurbishment as part of our service offering, we can extend the lifetime of every solution, leading to long-term value for customers, owners, environment and society.

**The concept is based on the notion that a city's population should be able to reach service and industry within 15 minutes.*

Digitalisation

Industry 4.0, automation and big data are creating opportunities for new and improved products and services, including connected service and support, with the aim of increasing productivity and sustainability for product owners.

HOW ALIMAK GROUP IS RESPONDING TO THE TREND

By offering digital solutions, Alimak Group is improving the customer experience, service efficiency and the daily use of Alimak Group's solutions, and creating the prerequisites for a reduced climate impact. With building information modelling (BIM), the planning phase of a new construction or industrial project can be carried out in a more efficient way. With more intelligent machines, access to real time data, customer portals, on-line manuals, smart service tools we will be able to provide a more competitive offering and also improve the possibility to reduce Scope 3 emissions by improving customer operations, enabling more service to be performed remotely, thus reducing travel, improving the capability to have the right spare parts available to avoid air freights etc.

This contributes to reducing the total cost of ownership (TCO) and providing more proactive and sustainable solutions. A high digitalisation rate also enables continued efficiency enhancements and operational developments.

Sustainability

In the wake of climate change and other global challenges such as those linked to health and safety and human rights, the insight that significant measures need to be taken to ensure sustainable development is increasing. Customer and stakeholder expectations and requirements with respect to responsible sustainability efforts are growing. In addition to this, stricter regulatory requirements with respect to improved resource efficiency, reduced climate impact as well as health and safety requirements are driving companies to secure sustainable operations throughout their value chains.

HOW ALIMAK GROUP IS RESPONDING TO THE TREND

Based on our materiality analysis we are focusing our sustainability efforts where we have the biggest impact on economy, environment, and people. Safety always comes first for Alimak Group. An increased safety focus as well as growing demand for resource and energy-efficient access solutions that reduce customers' climate footprints are driving demand for Alimak Group's services and products. Alimak Group strives to maintain high business ethics and ensure sustainable operations throughout the value chain. The Group has defined clear sustainability targets including the target to reduce its carbon footprint by 30% by 2025 throughout the entire value chain (Scope 1, 2 and 3).

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The New Heights Programme – strategic roadmap for profitable growth

During 2022 Alimak Group continued to execute on the strategy delivering accelerated profitable growth, and completed strategic acquisitions of Tractel and Tall Crane Equipment. The acquisition of Tractel is accelerating Alimak Group's profitable growth strategy and creating a global provider of safe and sustainable premium height solutions, with robust profitability and annual revenue of more than SEK 6.5 billion.

The New Heights Programme consists of the following three steps:

1. ESTABLISHING THE BASE

During 2020, a reorganisation took place as the first step of the New Heights Programme. The Group is organised into four customer-centric divisions: Construction, Facade Access, Industrial and Wind. The new organisation came into effect as of 1 January 2021.

In 2021, a new Group function was formed for People & Culture. A strategy was developed to ensure excellence in developing the Group's most important asset – our people. For more information, see page 44.

In 2022, in conjunction with the acquisition and integration of Tractel, a reorganisation was carried out, and a new fifth customer-centric division, Height Safety & Productivity Solutions, was formed. For more information, see page 29.

Alimak's organisation is based on responsibility, accountability and a mandate to act with a broad customer-centric mindset. The divisions are responsible for the full customer journey: asset lifecycle, original equipment, spare parts and service – supported by lean corporate functions. All divisions maintained a strong customer focus during the year and continued to develop dedicated sales organisations and more efficient and sustainable solutions. This led to increased customer value in the form of greater safety, increased resource efficiency and higher productivity.

2. SECURE MARGIN IMPROVEMENTS

Step two, to secure margin improvements, was a high priority in 2022. All divisions had a strong focus on improving profitability during the year and defining what to develop and grow. Through active price management, healthy cost control and a continued focus on continual efficiency enhancement, the divisions have largely offset cost increases related to high inflation, disruptions in the supply chain, and macroeconomic and geopolitical uncertainty. Despite a challenging business environment in 2022, Alimak Group delivered solid profitable growth and higher margins year-on-year.

3. PROFITABLE GROWTH

Step three is Alimak Group's core assignment for 2022–2025 with a focus on driving strong profitable growth, both organically and through acquisitions. The divisions' strategies for profitable growth, which were announced at the Capital Markets Day in June 2021, support the Group's overall strategic plan. Read more about the divisions' strategies on pages 18–39.

Since the New Heights Programme was launched, a decentralised, cost-efficient customer and employee-oriented organisation has been established. The divisions' continued strong customer focus during the year and efforts to implement the strategic plan generated profitable growth and record high margins in 2022.

Alimak's acquisition strategy is aimed at driving profitable growth through acquisitions of well-run, profitable enterprises with stable business models that contribute to a broader product offering or customer offering and/or the establishment in new geographical markets. Acquisition activities were intensified during the financial year.

In the fourth quarter, the strategic acquisition of Tractel was completed, one of the leading global companies in working-at-height safety. The company delivers innovative, reliable and cost-efficient solutions and services under strong brands. Tractel is a high-performing company with strong profitability and a stable business model. The acquisition of Tractel is accelerating Alimak Group's profitable growth strategy and creating a global provider of safe and sustainable premium height solutions, with annual revenue of SEK 6.5 billion and robust profitability. Read more about the acquisition on page 15.

Through the acquisition of Tall Crane Equipment, which was consolidated in the Construction Division in August, a wholly owned business was established in Canada. Tall Crane is a licensed elevator contractor that provides elevator and crane rental services, qualified licensed personnel, and repairs and maintenance on site and off site. The acquisition creates opportunities to expand further within both Construction and permanent industrial equipment. Read more about the acquisition on page 15.

Business environment, trends and driving forces
The New Heights Programme
Group Targets and Progress 2022

CASE: ACQUISITION

Landmark acquisition signals step change for Alimak Group

The acquisition of leading height safety specialist Tractel, announced in August 2022, is transformational for the Alimak Group. It creates a highly profitable provider of safe and sustainable premium height solutions with an annual revenue of more than SEK 6.5 billion and establishes considerable opportunities for future growth.

The transaction adds a new vertical to the Alimak Group: Height Safety & Productivity Solutions, which provides significant synergies for cross-selling, opens new segments, and adds large numbers of customers and a global network of distributors. It also strengthens the portfolios in the Construction, Facade Access, and Wind divisions, and significantly increases the potential for growth in our service business.

Tractel provides innovative and cost-effective working-at-height solutions and services. The company has quality solutions and brands in combination with a well-established reputation and track record. The business is well run and respected in a range of applications and industries, including industrial, construction, energy, telecoms and infrastructure projects where we see considerable growth potential.

Tractel's after-sales business model generates recurring revenues from inspection and maintenance services for permanent access equipment, workshop maintenance and general overhauls of mechanical equipment, and training and rental services.

Tractel's revenue for full year 2022, amounted to MSEK 2,030 with an EBITA margin of 20%. Tractel has subsidiaries in 19 countries. It employs approximately 1,100 people and has customers in some 120 countries and more than 10,000 distributors globally.

Tractel and the Alimak Group share core values and cultures, with a strong focus on delivering customer value, high-quality, safe and sustainable solutions, and a safe and inclusive work environment. The organisations also have similar views on product development and technology.

Tractel acquisition in brief:

- Strong strategic fit for the Alimak Group
- Adds a new vertical to the Alimak Group, (Height Safety & Productivity Solutions)
- Strengthens the Construction portfolio, complements range of construction hoists, transport platforms and mast climbing work platforms
- Gives Alimak Group the opportunity to establish a global market leading position in Facade Access
- Creates attractive growth opportunities in Wind

Tall Crane acquisition establishes footprint in Canada and creates growth opportunities

In July 2022, the acquisition of Canadian hoist and crane rental services provider Tall Crane Equipment Ltd. was announced. The transaction adds a wholly owned footprint in Canada for the Alimak Group and creates opportunities for further expansion in the construction and permanent industrial equipment segments, as well as in services offerings.

Tall Crane Equipment is a licensed elevator contractor that provides hoist and crane rentals, qualified licensed personnel, and repairs and maintenance on- and off-site. Revenues for the full year 2021 amounted to SEK 130 million. Tall Crane's rental business provides a firm foundation to expand new and used product offerings and its integration into the Group will contribute positively to EBITA margin.

Furthermore, having been a customer for more than 30 years, Alimak Group knows the company very well, and its operations has been integrated in Alimak Group's Construction division.

Group Targets and Progress 2022

Business environment, trends and driving forces
The New Heights Programme
Group Targets and Progress 2022

Alimak Group has taken a solid first step in the profitable growth journey despite a challenging macro environment. The Group delivered an organic growth of 8.6% on order intake, increased EPS with 24% and made two acquisitions with Tall Crane equipment and Tractel.

The Group's current targets were launched in June, 2021.

- Total annual revenue growth of 5–7% per year.
- EBITA-margin in the range of 14–16%.
- Net debt/EBITDA 2.0x.
- Dividend policy 40–60% of net income.

In addition, the Group launched a sustainability target to reduce the company's carbon footprint across the value chain, by 30% by 2025, compared to 2019.

DEVELOPMENT IN 2022

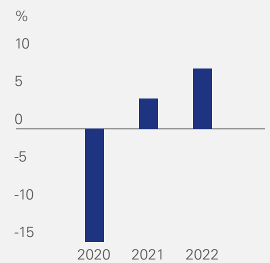
Order intake increased during the year by 27% to MSEK 4,784 (3,772) with an organic increase of 9%. Revenue increased by 21% to MSEK 4,512 (3,728) with an organic increase of 3%. The organic increase was driven by growth in Facade Access, Construction and Industrial. Revenue decreased in Wind due to lower backlog reflecting a challenging market.

Financial targets

Revenue growth, %	EBITA margin, %	Leverage (Net Debt/EBITDA)	Dividend policy, %
5-7	14-16	2.0x	40-60

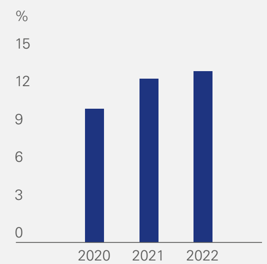
Progress

Revenue growth



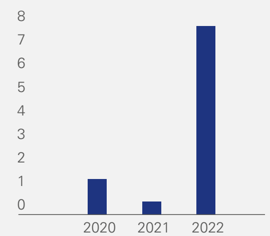
Revenue increased by 21% to MSEK 4,512. Acquisitions had a positive impact of 8%.

EBITA margin



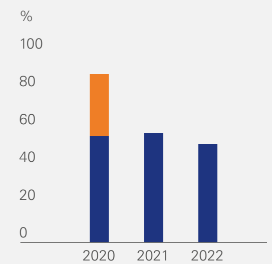
The margin increased by 0.4 percentage points to 13.4%.

Leverage



Leverage (Net debt/EBITDA) increased to 8.00, due to the acquisition of Tractel. EBITDA only include 5 weeks for Tractel.

Dividend payout ratio



Extra dividend
Ordinary dividend

The Board of Directors propose an dividend of SEK 3.65 (3.30) per share based on number outstanding shares at year end.

Business environment, trends and driving forces
The New Heights Programme
Group Targets and Progress 2022

"The cash generative business model and the strong management focus on cash flows are expected to significantly contribute to deleveraging, a key short-term priority for Alimak Group. Over time, we still see M&A as a strong value creation driver"

Sylvain Grange, *Chief Financial Officer*

Climate target, reduce carbon footprint by 2025 compared to 2019

–30%

MARGIN IMPROVEMENT

EBITA for the year amounted to MSEK 603 (483), corresponding to a margin of 13.4% (13.0), including items affecting comparabilty of MSEK –13 (0) mainly transaction related costs of MSEK –46 and positive impact from US government COVID-19 grant of MSEK 33. The margin improved due to the impact of the Tractel acquisition and profitability improvement in the Wind division. Construction and Industrial divisions continued to be on a high margin level.

EPS increased to SEK 7.04 (5.68), an EPS growth of 24% where the increase mainly relates to the higher operating result.

LEVERAGE IMPACTED BY ACQUISITION

The leverage (net debt/EBITDA) was 8.00 (0.55) as of December 31, 2022. The increase is due to the acquisition of Tractel including a long-term loan and a bridge loan facility whilst the EBITDA includes five weeks of Tractel trading only. The bridge loan facility is intended to be repaid with proceeds from a new share issue of MSEK 2,500 with pre-emptive rights for Alimak Group's shareholders. Looking forward, Tractel's strong profitability will mechanically lift the last 12-mongh EBITDA. Combined with the lower net debt implied by the expected share issue, the leverage is foreseen to come down strongly. Furthermore, the cash generative business model and the continuous focus on optimizing cash flows are expected to significantly contribute to the deleveraging.

CAPITAL ALLOCATION PRIORITIES

Deleveraging, funding the profitable growth (working capital, organic capital expenditure, R&D) and applying the dividend policy are and will be the priorities.

M&A activities are still regarded as a strong value creation driver for Alimak Group but come as a second short-term priority versus deleveraging.

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Industrial Division
Wind Division

Divisions

Divisions – Year in Brief

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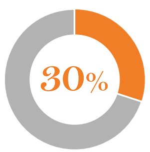
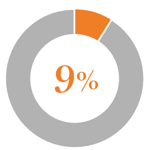
Facade Access

- **Increased order intake**, up 36% to MSEK 1,389 (1,023) with increased demand in most geographies.
- **Revenue increased** by 29% to MSEK 1,372 (1,063) driven by solid development in both equipment and services and positive effect from the acquisition of Tractel.
- **EBITA margin increased** to 4.1% (3.2) with positive impact from the acquisition of Tractel.

Share of Group Revenue



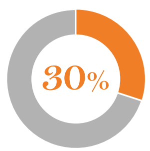
Share of Group EBITA



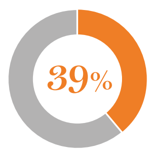
Construction

- **Strong order intake** increase of 27% to MSEK 1,466 (1,156) driven by strong sales in most goegraphies.
- **Revenue increased** by 22% to MSEK 1,346 (1,104) with solid development in new equipment, services and rental.
- **EBITA margin in line with last year** 18.1% (18.1) driven by higher volumes and good cost control, offset by supply chain challenges and increased raw material and energy prices.

Share of Group Revenue



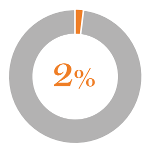
Share of Group EBITA



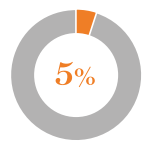
Height Safety & Productivity Solutions

- **Order intake** was MSEK 111. The Height Safety & Productivity Solutions division was consolidated since November 21, 2022 and therefore 2022 only includes five weeks for the division.
- **Revenue** was MSEK 111.
- **EBITA margin of 27.2 %** contributing positivly to the Group's EBITA margin.

Share of Group Revenue



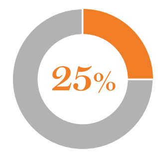
Share of Group EBITA



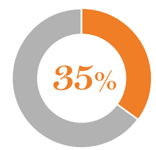
Industrial

- **Strong order intake,** an increase of 30% to MSEK 1,303 (999) driven by increased demand in most geographic regions, for both new equipment and service.
- **Revenue increased** by 29% to MSEK 1,140 (885) driven by the increased global demand and our dedicated organization with a customer and segment focused approach.
- **EBITA margin decreased** to19.0% (21.0) driven by higher material costs.

Share of Group Revenue



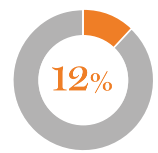
Share of Group EBITA



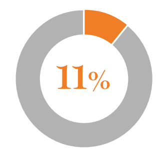
Wind

- **Order intake decreased** by 13% to MSEK 514 (594) due to a continued challenging market environment.
- **Revenue decreased** by 20% to MSEK 542 (676), mainly impacted by the decrease in number of wind towers installed worldwide and partially impacted by the decision to exit tower internals.
- **EBITA margin increased** to 12.8% (9.3) driven by cost out activities and robust price management focus.

Share of Group Revenue



Share of Group EBITA



The data only includes Tractel as from November 21 2022. The divisions Industrial and Wind are not affected by the acquisition of Tractel.

Facade Access Division

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Facade Access continued to focus on serving its customers in 2022 by developing its portfolio of solutions and improving operational efficiency. The division achieved strong order intake and revenue growth, despite a challenging business environment. The consolidation of Tractel's profitable and well-performing permanent access business in the fourth quarter strengthens the Facade Access solutions portfolio, expands its customer base and creates growth potential.

The Facade Access division provides permanent building maintenance systems and facade access solutions for a wide variety of buildings and structures. It conducts design, manufacture, testing, commissioning, and installation of a broad range of customized solutions and services under the Manntech, CoxGomyl and Tractel brands. Other services include maintenance programs, inspections, certifications, spare parts, renovations, equipment replacement, training, digital remote monitoring, and resource management.

The division offers equipment and systems for permanent installation that enable regular access to building facades, known as Building Maintenance Units (BMUs). The division's equipment is used to provide permanent access to buildings and structures for maintenance, including cleaning, repairing, and replacing damaged facade panels, lighting and windows. Permanent access solutions are also used for infrastructure such as airports, hospitals, bridges, railways, stadiums, museums, and industrial installations for similar purposes.

MARKET AND COMPETITORS

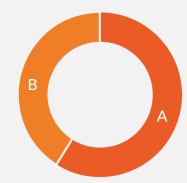
The demand for BMU solutions for facade access and service is driven by the continued increase in urban settlements and the need to safely access the outside of buildings and structures for maintenance and inspection. CoxGomyl, Manntech and Tractel are market leaders in their niches. Major customers include government authorities, property owners, construction companies and facility management businesses.

Alimak Group has presence in all major markets and is the leading player in most regions. The BMU facade access market is fragmented with competition primarily coming from several smaller and locally based suppliers in various regions, particularly in Asia and the Middle East.

VALUE CREATION

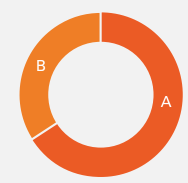
The division provides reliable and efficient access solutions that are based on proven technologies and that ensure exceptional performance, while meeting the strictest safety and quality requirements and regulations. Facade Access has a large footprint and offers a complete and broad portfolio of access solutions under the Manntech, CoxGomyl and Tractel brands, providing optimal building maintenance systems worldwide for all types of structures, from low complexity to medium and high complexity. Manntech, CoxGomyl and Tractel are pioneers and innovators in the industry and have approximately 200 years of experience combined. The highly skilled service team provides support throughout the entire lifecycle of equipment, estimated to be about 25 years, performing routine maintenance, repairs, renovations, refits, and replacements.

Order Intake Split 2022, %



A) Equipment, 59
B) Service, 41

Revenue Split 2022, %



A) Equipment, 66
B) Service, 34

FACADE ACCESS DIVISION

	2022	2021	2020
Order intake, MSEK	1,389	1,023	975
Revenue, MSEK	1,372	1,063	962
EBITA, MSEK	56	34	–34
EBITA margin, %	4.0	3.2	–3.5

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DEVELOPMENTS IN 2022

The market for facade access solutions continued to recover in 2022 with increased business activity in most regions. The overall business environment remained challenging, however, with high-cost inflation, continued supply chain disruption, and geopolitical and macroeconomic uncertainty. COVID-19 continued to have a degree of impact on the construction sector, and lockdowns impacted scope to provide on-site service and project deliveries in certain regions.

PERFORMANCE IN 2022

Facade Access continued to focus on serving customers, developing its solutions portfolio and improving operational excellence, growing the services business, and expanding its range of low-complexity products.

Tractel's profitable and well-performing permanent access business became part of the Facade Access division on 21 November. Tractel's business strengthens the division's solutions portfolio, expands its customer base and creates growth potential. The integrated offering creates opportunities to establish a global market leading position in permanent access solutions through an expanded customer base and a comprehensive portfolio that extends to all categories of buildings and structures, including complex projects and high rises, standard BMUs and mid-rises davits, and simpler access systems for low-rises. The integration of Tractel's permanent access business into the division is progressing as planned, with the Tractel leadership team taking on key positions within Alimak Group. From 21 November, the Facade Access division is led by former Tractel CEO, Philippe Gastineau. Read more about the acquisition of Tractel on page15.

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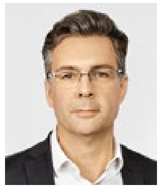


"Facade Access has a strong position to leverage its strengthened solutions portfolio and expanded customer base with a solid market position to enhance profitable growth."

Philippe Gastineau, *Senior EVP Facade Access Division*

Market activity was good throughout the year, with strong order intake in all regions, especially Asia. Annual order intake increased 36% in 2022, of which 11% was organic. The growth contribution from Tractel was 30% in the fourth quarter. Facade Access service order intake continued to grow in line with our strategy. In the second half of the year, activity increased in the US, with strong sales in this key market driven by growth in service orders.

Revenues improved in all regions driven by robust order intake in Asia and improved service revenues in all regions, with particularly strong service revenues in Europe. Earnings were lower compared to 2021 mainly due to higher raw material and energy costs that were not fully compensated by price increases due to extended projects lead times impacting margins.

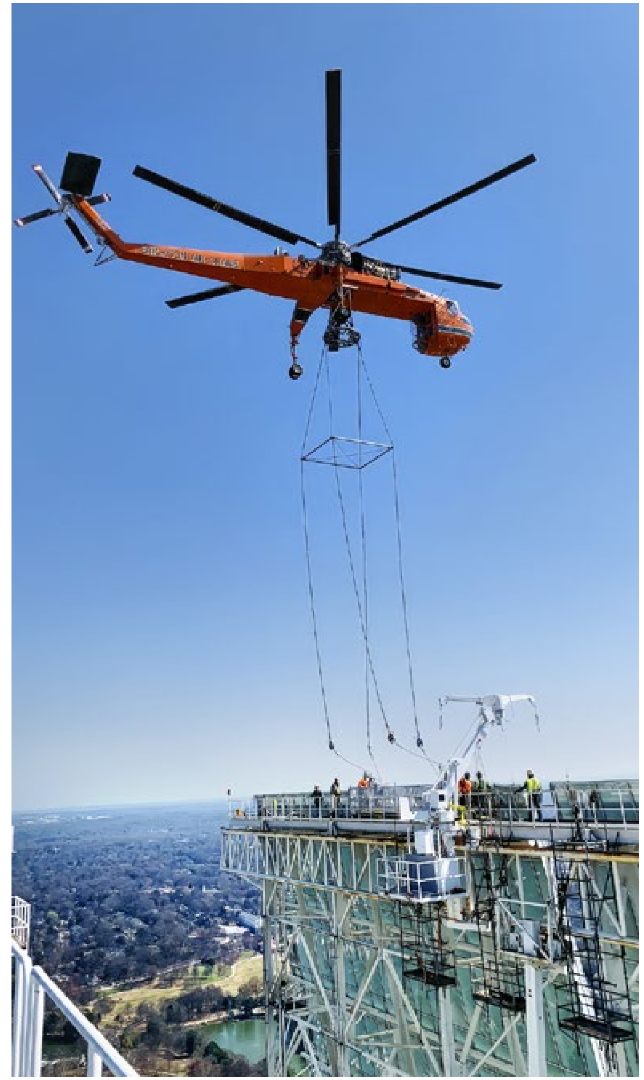
Aggregated revenue for the Facade Access division for the full year 2022, as if Tractel was acquired 1 January, 2022, was MSEK 2,085, adjusted EBITA was MSEK 206, corresponding to an adjusted EBITA-margin of 9,9%.

Operational efficency initiatives

The division took several initiatives throughout the year to enhance operational efficiency which included an extensive LEAN Manufacturing program that resulted in cost reductions. Work to further improve internal processes continued, which helped mitigate a number of macro supply chain issues and further enhanced the quality of our products. The division continued to invest in R&D to improve cost efficiency and accelerate the digital transformation of our product range. The division also strengthened commercial terms of engagement, which improves profitable growth and reduces business risk.

Expanded product range

The division continued to expand the product range in 2022. The CoxGomyl 4000 series, a lighter weight, less complex standardized machine, was launched. The series has been developed to service the mid-complexity residential markets of the Middle East and Hong Kong. Less complex, lighter weight products provide an attractive offering as they require less reinforcement on buildings to support the equipment and are less expensive. They generally also require less maintenance due to their simplicity, thus contributing to a reduced environmental footprint. The introduction of the CoxGomyl 4000 series generated a good level of order intake during the year, particularly in Hong Kong, India and the Middle East. The BMU 1000 series was also expanded in 2022, which is a new product range developed for buildings with simple architecture and heights of up to 200 meters. This unlocks growth opportunities by creating greater penetration of the standard product market.



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The division's manufacturing facility in Dubai reopened in the first quarter of 2022 as part of an initiative to broaden the division's addressable market. The new cost-efficient facade access solution, the CoxGomyl 4000, along with the 1000 series range are produced in Dubai, which enhances the division's cost competitiveness in the Middle East, Africa and India markets. Proximity to customers in their markets contributes to a more efficient supply chain and distribution network and reduces carbon footprint. It also drives growth enabling a flexible and fast response for services.

New major projects

During the year the division was awarded a major standard equipment project for the Guggenheim Museum in Abu Dhabi, which will underpin facilities production volume in 2023. In the fourth quarter Tractel won a major BMU project for a residential development in Canada consisting of four towers, and a stand-out order in France for seven BMUs for the much-talked about Tour Triangle development, a new iconic structure in Paris. The CoxGomyl brand also performed strongly, with for example a BMU solution in the US that included a telescopic mast and boom, and a commercial high-rise application in Nashville for a fixed BMU incorporating multiple terraces.

Continued focus on service sales and sustainability

Throughout the year the division continued to focus on increasing service sales to drive profitable growth. Aftermarket services will continue to be a key focus area for the division, targeting the installed combined base of existing facade maintenance equipment.

The division also had continued focus on sustainability initiatives and during the year, key resources were allocated to develop and implement sustainability initiatives to achieve the Alimak Group's strategic sustainability targets. Measures and initiatives included processes to reduce the weight of equipment to reduce material use; local sourcing to reduce material transports, and reduced business travel.

STRATEGIC PRIORITIES FOR 2022–2025, FACADE ACCESS DIVISION

1. Operational efficiency
Continue to improve our internal operations and processes in our factories and sales offices. Continue to work with lean manufacturing, total quality management systems and project management.

2. Replacement and refurbishment
Address the emerging opportunities of replacement and refurbishment of aged assets in mature markets. This will start with older units currently signed to our service contracts.

3. Expanded product range
Expand the product range with light solutions to create a comprehensive solution. Development of the existing product range with connected machines to enable remote monitoring and preventive maintenance.

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CASE: HONG KONG'S LARGEST BUILDING

Alimak Group delivers Hong Kong's largest building maintenance unit for Airside development

THE AIRSIDE, located in the former Kai Tak airport in Hong Kong, represents an extensive infrastructural development within the new Central Business District 2.0. The 47-storey mixed-use commercial building opened in 2022 and features Grade-A office spaces and a unique retail precinct encompassing an interconnected underground shopping street. Tenants and guests can also benefit from abundant public and green spaces, including a rooftop garden designed for urban farming.

With its more than 60 years of experience in designing end to end building access solutions for the world's most complex architectural structures, Manntech was deemed the ideal partner by the client. To protect the building, Manntech was chosen to provide an advanced engineered facade access system encompassing three Type 6 Building Maintenance Units consisting of two 4-stage telescopic jibs system and one parallelogram system to achieve an outreach of 38 metres. As the future largest BMU in Hong Kong, the 93-tonne stationary crane type BMU features a 300kg cradle weight with1,000 kg glass replacement unit loading capacity and is anchored onto the roof. The Airside building's facade features both positive and negative slopes designed to provide large urban spaces, thus requiring a sophisticated access solution. The Type 6.4 BMU was chosen for its ability to suit the needs of high complexity buildings.

Manntech's commitment to sustainability is aligned with the principles Airside is built on. Thanks to extensive architectural planning to exceed standards in sustainability, the building was the recipient of the under-construction, Grand Award in the Hong Kong Green Building Awards in 2019.

Construction Division

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The Construction division continued to execute on its strategic priorities to drive profitable growth. Despite challenging market conditions, the division reported strong order intake and earnings in 2022.

The Construction division offers construction hoists, elevators and platforms used for limited periods during construction and refurbishment projects. Under the Alimak brand, the division develops, manufactures, sells, services and provides rentals of a wide range of construction hoists, platforms and mast climbing work platforms for temporary use in construction and renovation projects worldwide. The product range includes basic to large customised high-speed solutions, such as rack-and-pinion operated construction hoists for people and materials, transport platforms and hoists for vertical transportation of people and materials, and mast climbing work platforms.

The division conducts analysis of customer needs, identifies solutions and products and offers on-site customer training. The division also performs important services such as assembly, disassembly, maintenance, operating assistance, transportation and insurance.

The option to rent equipment is offered in selected markets including Canada, Australia, Benelux, Germany, France, and Switzerland. Further, the division also provides the Group's used construction products for sale, which mainly come from its own rental fleet.

The Alimak brand is well-established and respected in the construction sector and in many regions, it is synonymous with the term construction hoist. Alimak has been a market leader for more than 70 years and is a pioneer in the industry.

MARKET AND COMPETITORS

The underlying drivers of demand for construction installations are global and regional construction activities on commercial, high-, mid-, and low-rise, and residential buildings.

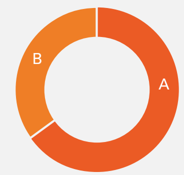
The Alimak brand is present globally in a relatively fragmented market where the competitive environment varies between different regions. In most developed markets, the Alimak brand has a leading position and is among the leading players in many emerging markets. Alimak has a strong position in the construction hoist segment, and considerable growth opportunities exist in the platform segment.

In some markets, customers have historically been more likely to rent equipment rather than buying it, and smaller construction companies are generally more likely to rent equipment. Alimak is a leading equipment rental player in a small number of selected markets where it provides rental options. Competitors are mainly other manufacturers of construction hoists and platforms, as well as some general rental companies and a number of small, specialised rental companies.

VALUE CREATION

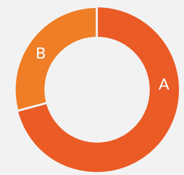
The Construction division creates value by providing products and solutions designed for a variety of applications, where work safety, reliability, versatility, and price are key requirements. The use of a modular design as a base for further adaptation reduces assembly time and maintenance costs for the customer. Products are often designed to function under extreme conditions and in corrosive environments while offering reliability, efficiency and a long lifecycle of up to 30 years.

Order Intake Split 2022, %



A) Equipment, 65
B) Service, 35

Revenue Split 2022, %



A) Equipment, 71
B) Service, 29

Construction

	2022	2021	2020
Order intake, MSEK	1,466	1,156	1,088
Revenue, MSEK	1,346	1,104	1,008
EBITA, MSEK	243	200	121
EBITA margin, %	18.1	18.1	12.0

The rental option gives customers greater flexibility, as the use of the equipment is project-based during a limited period of time. Renting equipment means lower risk, greater cost control and is also less capital intensive for the customer.

In addition, the division offers sales of the Group's used construction products. Used products provide customers with an attractive alternative to new equipment when market conditions and use allow for more basic equipment – especially in emerging markets.

The Construction division contributes to safer working environments at construction sites by offering quality tested vertical access solutions, as well as continuous services providing operational assistance and advice on the proper use of equip-

Divisions – Year in Brief
Facade Access Division
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Industrial Division
Wind Division

ment. This also contributes to improved logistics and productivity at construction sites, enhancing safety and efficiency as well as contributing to a reduced carbon footprint.

By developing and providing services related to our products that are based on collected operational data, the division can deliver added value and knowledge to users. Data can be transformed and processed for customers and users to help them to improve safety, productivity and sustainability. Through the digital transition, the Construction division also helps to provide value to a larger part of the construction sector's eco-system.

DEVELOPMENTS IN 2022

The global construction market continued to recover in 2022 and underlying demand in the construction industry increased in all regions. However, the overall business environment was challenging in all regions, with supply chain disturbances, high-cost inflation, and macroeconomic and geopolitical uncertainty. Throughout 2022, COVID-19 also continued to have an impact on the construction sector, and lockdowns impacted the possibility of on-site service and project launches in Southeast Asia and the Pacific.

PERFORMANCE IN 2022

The Construction division continued to execute on its strategic priorities, resulting in strong order intake and earnings in 2022. The division improved order intake in all markets during the year, with strong equipment sales in the US and in Southeast Asia, and stable rental sales in Europe. The increase in earnings was supported by higher volumes, steps to mitigate supply chain cost increases, and proactive price management.

Expanded geographical footprint and product portfolio

M&A activities intensified during the year with the ambition of driving profitable growth. The acquisition of Tall Crane Equipment, completed in August, established a wholly owned footprint in Canada with attractive business – creating opportunities to further expand in construction equipment. This strategic acquisition also enables the division to get closer to customers in the markets they operate, thereby driving further growth. Tall Crane's rental services business also provides a solid base to expand the new and used product offerings. Read more about the acquisition on page 15 and 123. The Tractel acquisition, closed in November, strengthens the Construction division's solution portfolios and increases growth potential for the services business. Tractel's temporary access rack and pinion brand, Scanclimber, a leading provider of mast climbing work platforms, has become part of the Construction division in connection with the integration of Tractel. This will expand the customer base and unlock significant cross-selling opportunities through a broadened solutions portfolio. Read more about the acquisition on page 15 and 123.

Strengthened sales organization and geographical footprint

During 2022, the division continued to develop its global sales structure, aligning resources to drive profitable growth. A dedicated sales and production team was formed to drive further growth in the transport platforms segment. The Construction division also strengthened its footprint in Europe by the introduction of the manufacturing and R&D facility in Spain. To get closer to customers in the markets they operate drives growth and enables a more flexible and responsive services offering. It also contributes to a more efficient supply chain and distribution network enabling a reduced carbon footprint.

Digital portal developed – improving sustainable solutions adding customer value

During the year the product and services offering was further expanded, based on the connected assets and digitalisation strategy. In the third quarter, the new Scaffold Transportation System was successfully introduced in additional markets.

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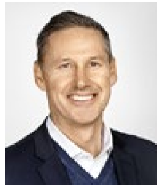

"With a diversified portfolio, solid global market position, and a diversified and large geographical footprint close to customers, the Construction division is well positioned to continue to drive profitable growth."

David Batson,
EVP Construction Division

The innovative scaffolding transportation system offers a range of features that provide customers with added value. It contributes to improved productivity and efficiency for customers and creates a safer, smoother and an overall improved scaffolding working environment.

Digital portal adding customer value

The development of the "My Alimak" digital portal was finalised during 2022 and will be launched in the first quarter of 2023. The portal provides customers with added value by enabling access to operational data to optimise productivity and enhance safety and efficiency. The digital solution also meets growing customer demand to find ways to improve productivity and logistics at construction sites to improve efficiency and reduce environmental impact. These digital service management tools contribute to more sustainable solutions and opportunities to penetrate the installed base globally, increasing service revenue further.

Enhanced sustainability work

The Construction division enhanced its sustainability work during the year and saw positive effects of improvement measures, for example reduced carbon dioxide emissions through evaluation of the supply chain and logistics associated with the transport of goods and materials during and after R & D projects. In addition, the division continues to implement its refurbishment and used equipment initiatives that support circularity as outlined in its strategy. Action plans were also developed during the year to achieve the Alimak Group's strategic sustainability targets. Read more about the Group's sustainability work on page 40.

ACQUISITION OF TALL CRANE EQUIPMENT LTD

Tall Crane Equipment is a licensed elevator contractor, providing hoist and crane rentals, qualified licensed personnel, and repairs and maintenance on and off site. Including the addition of a wholly owned footprint in Canada, this acquisition creates opportunities to further expand in Construction and in Permanent Industrial equipment. Tall Crane's revenue for the previous year amounted to approximately MSEK 130 (MCAD 16) and contributed positively to the Construction division's EBITA margin. The acquisition was completed on August 24, 2022. Read more about the acquisition on page 15 and 123.

STRATEGIC PRIORITIES FOR 2022–2025, CONSTRUCTION DIVISION

1. Expand geographical footprint
Strengthen our own sales companies and distribution model through geographical expansion into markets where we see growth potential through new, used parts, services and rental.

2. Broaden our customer offering
Expand the product portfolio and service offerings enabling circular economy. Refurbishment, application engineering and management, installation, dismantle service, service and preventative maintenance, spare parts, operator and technical training and asset management solutions.

3. Digitalisation
Provide our customers with added value through a digital experience that utilises the My Alimak web portal, enabling access to important data, documentation and service touchpoints for customer assets. The Construction division is engaged in a digitalisation project with key stakeholders as the industry is transforming the way it uses data to improve construction efficiency.

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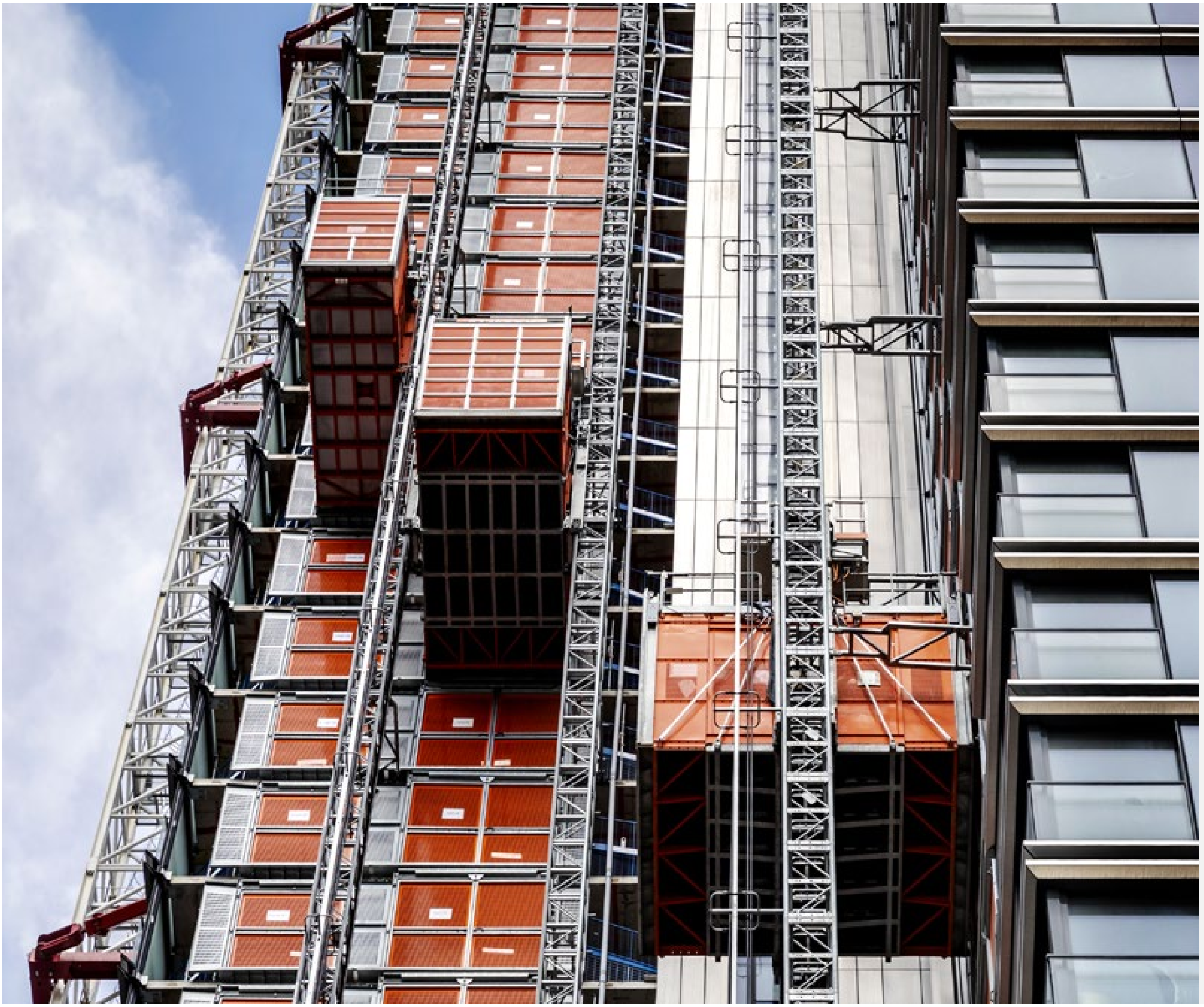
CASE: LAUNCH OF THE MY ALIMAK PORTAL

My Alimak – one portal, access anytime, anywhere



MY ALIMAK IS A CUSTOMISED WEB-BASED portal developed by Alimak Group to enhance the safe and efficient use of Alimak construction products. The remote monitoring portal provides users with up-to-date information on their Alimak construction equipment.

The portal displays a wide variety of operational information, with data collected and displayed in an easy-to-read format. Information such as the number of starts and hours in operation provides owners with an accurate analysis of how the equipment is utilised. The benefit of this data is immense to support the overall asset management for owners by anticipating necessary maintenance and repairs as required, enhancing safety, ensuring maximum product uptime, and minimizing downtime due to repairs.

The My Alimak portal provides access to:

- Information – General specifications for your hoist, such as serial number, product type, performance data and temperature.
- Status – View a wide variety of operational information and data of your hoist in real time.
- Alarms – Facilitates troubleshooting, detecting up-to-date error messages for easy remote diagnostics and problem solving, to keep down-time to a minimum.
- Location – Map with current positioning of you hoists.
- Documents – All technical documentation, manuals and certificates related to your hoist easily accessible in one place.
- Statistics – Extended operational data presented in an easy-to-read format, provide an accurate analysis of utilisation of your hoists, to enhance construction logistics and sustainability.
- AliCalc – Advanced online tool to calculate reaction forces, saves time and enhances safety.
- Building Information Modelling (BIM) object files – allow you to compare and select the most suitable hoist solution for your needs.
- Support – Easy access to personal support.

Height Safety & Productivity Solutions Division

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The Height Safety & Productivity Solutions division was created in November 2022 with the acquisition of Tractel, a global specialist manufacturer of innovative lifting and fall protection equipment and services.

Tractel is world-renowned for wire rope hiosts used for man-riding and material lifting applications and a broad range of associated lifting equipment. The division also offers a globally recognized and respected fall protection portfolio including Personal Protection Equipment (PPE), confined space access and rescue equipment, and installed systems such as safety ladders, guardrails, and lifelines.

The Tractel brand is global, built on excellence in engineering and manufacturing, and has a strong track record for quality, reliability, and enhanced safety for more than 75 years. The division also has a strong after-sales business model with workshop maintenance of mechanical equipment and training. The majority of its manufacturing activities are conducted in Europe and North America. These facilities are supported by dedicated centers of excellence in R&D and engineering.

MARKET AND COMPETITORS

Demand is primarily driven by macro trends such as industrialization, urbanization and improved safety standards for industrial and commercial applications.

The Tractel brand is present worldwide in markets and niche segments where the competitive environment varies significantly. The division´s customer base is highly diversified, with applications in a wide variety of segments such as energy, construction, industry, infrastructure and telecom.

The division differentiates itself with high-quality durable products combined with a high level of customer support, and focuses on profitable segments and aims for leadership positions in these target segments.

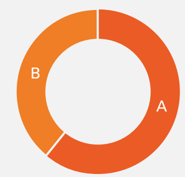
End-customers are in construction and virtually all industrial segments. With customers in 120 countries the main route to market is by distributors around the world, aligning with the Alimak Group's strategy of establishing global reach with local presence.

VALUE CREATION

The division creates customer value by providing robust innovative and cost-effective lifting and working-at-height solutions and services. It develops premium, high-quality brands with proven track records that ensure safety at height and improve productivity. New products and innovation are developed in close co-operation with end-users and distributors. Customers are supported with comprehensive service and support solutions, including maintenance and training.

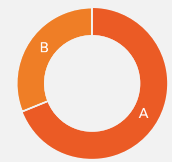
The Height Safety & Productivity Solutions division is a new business area for the Alimak Group. It creates significant synergies for cross-selling of solutions and accelerates the Group's profitable growth strategy. It adds a large number of new customers, unlocks new market segments for the Group, and provides an extensive global network of distribu-

Order intake split 2022, %



A) Equipment, 83
B) Service, 17

Revenue split 2022, %



A) Equipment, 83
B) Service, 17

Wind

	2022	2021	2020
Order intake, MSEK	111	–	–
Revenue, MSEK	111	–	–
EBITA, MSEK	30	–	–
EBITA margin, %	27.2	–	–

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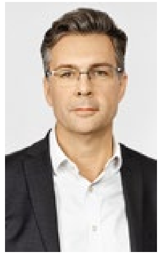

"The division's well established and profitable business, with a global and diversified customer base and in house manufacturing capacity, forms a solid platform for profitable growth."

Philippe Gastineau, *Senior EVP Height Safety & Productivity Solutions*

tors. The business is also well respected in a range of industries and applications with growth potential, including energy, telecoms, and infrastructure. The formation of the division also creates value by broadening Alimak Group's product and service offering and creating synergies and knowledge exchange between divisions.

DEVELOPMENTS IN 2022

The market for height safety and productivity solutions was good in 2022, with increased business activities in most regions. The overall business environment was nevertheless challenging, with continued supply chain disruption and geopolitical and macroeconomic uncertainty, including high-cost inflation.

PERFORMANCE IN 2022

In 2022, Tractel focused on continued development of its solutions portfolio and meeting customer demand. Order intake was strong, and margins were supported by higher volumes, proactive price management, operational efficiency, mitigating supply chain costs and high-cost inflation during the year.

The new Height safety & Productivity Solutions division was formed, following the closing and consolidation of the acquisition of Tractel as of November 21. The division reported financial results as part of the Alimak Group for the first time for the fourth quarter of 2022.

Order intake during the period November 21st, 2022, to December 31, 2022, was MSEK 111. Revenue during the period amounted to MSEK 111. EBITA was MSEK 30, corresponding to a margin of 27.2%. Aggregated revenue for the division for the full year 2022, as if Tractel had been acquired January 1, 2022, was MSEK 1,266, adjusted EBITA was MSEK 253, corresponding to an adjusted EBITA-margin of 20.0%.

The division won several major projects in 2022, including the first major project with Tracrod – a specialist lightweight confined space access solution. A number of successful product launches were also introduced during the year, including the Davitrac and Davimast product ranges in the Confined Space and Rescue segment that combines the division's strengths in fall protection and material lifting.

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CASE: HEIGHT SAFETY & PRODUCTIVITY SOLUTIONS DIVISION

Captures growth opportunity within safety ladders for telecom market

THE IMPLEMENTATION of 5G technology paves the way for a significant increase in the number of telecom masts worldwide. To capture the growth opportunities, work was conducted together with key market players to test our FABA A12 safety ladders. These robust at-height safety solutions have now been introduced as anti-fall equipment for telecom masts.

Initial focus was on the Italian market, with successful implementation beginning in 2021 and continuing into 2022. The Height Safety & Productivity Solutions division is now capturing the growth opportunity by broadening the scope of this activity into other geographies, primarily in Europe.

Industrial Division

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The Industrial division delivered strong increases in order intake in all regions and solid earnings in 2022 as a result of a dedicated customer-oriented organization and increased sales activities.

The Industrial division offers a wide range of elevators and platforms for maintenance and accessibility purposes across a broad spectrum of industries such as Ports, Power, Cement, Warehousing, Oil & Gas, and Marine. The product and solution offering includes permanently installed rack-and-pinion and traction elevators, which often must comply with strict regulations. Service is an important part of the customer offering with industry-leading product and customer support. The division offers a full range of service solutions, including service packages, preventive maintenance and repairs, inspections, refurbishments, genuine replacement parts and customer training. These solutions are designed to manage the entire lifecycle of equipment, thereby optimizing total cost of ownership and sustainability. The majority of the division´s revenue comes from customised products where vertical transport solutions constitute a smaller part of large, complex investments that include planning, procurement and construction. The industrial elevators are often customised to suit specific customer applications and requirements, in terms of size, load capacity, height, safety and speed. The division's products have a long lifecycle of average 25–30 years and beyond. Services such as maintenance, spare parts, repairs and refurbishments can account for about 75 per cent of potential lifecycle revenues.

MARKET AND COMPETITORS

The demand for permanently installed industrial elevators follows the general level of investment of end-user industries. The market for industrial rack-and-pinion elevators is consolidated to a few larger players with Alimak as the industry leader.

The market for traction elevators is more fragmented as industrial applications are supplied by large commercial manufacturers and small local companies. For the Alimak Group, this is a growth opportunity.

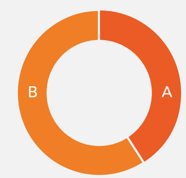
VALUE CREATION

The Industrial division creates value for its customers by delivering reliable and high-quality products and services that enhances safety, efficiency and productivity. The solutions are provided by professionals who are close to customers' businesses and understand their specific needs. Products are based on the Group's extensive technical experience and are in many cases designed to be used in extreme conditions and in corrosive environments, while ensuring reliable and efficient operation and a long service life. Alimak provides the end customer with best-in-class service globally in all segments.

DEVELOPMENTS IN 2022

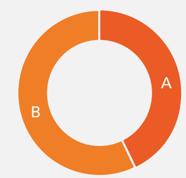
The global market for the Industrial division was relatively strong in 2022, with underlying demand increasing in all regions. However, the business environment continued to be challenging in all regions, with high-cost inflation, supply chain disruption, and geopolitical and macroeconomic uncertainty. COVID-19 also continued to have an impact throughout the year, and lockdowns impacted scope to provide on-site service in China.

Order Intake Split 2022, %



A) Equipment, 41
B) Service, 59

Revenue Split 2022, %



A) Equipment, 43
B) Service, 57

Industrial

	2022	2021	2020
Order intake, MSEK	1,303	999	867
Revenue, MSEK	1,140	885	917
EBITA, MSEK	217	186	150
EBITA margin, %	19.0	21.0	16.4

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"The division's dedicated customer oriented organization, large geographical presence close to customers and strong position worldwide creates a solid platform for profitable growth."

Salomeh Tafazoli, *EVP Industrial Division*

PERFORMANCE IN 2022

The division's continued development of segment- and customer-focused solutions during the year, together with increased sales activities generated solid results. The Industrial division reported strong order intake in all regions and solid earnings for 2022. Order intake for equipment and services improved in all markets. Earnings were supported by higher volumes and steps to mitigate supply chain cost increases and by proactive price management throughout the year. However, cost inflation impacted the division's EBITA margin due to the lead time on new equipment from order intake to delivery.

Increased customer focus driving growth

The division continued to refine sales channels and increase focus on customer needs in each segment capturing growth opportunities. The relaunch of the marine traction elevator for the growing Marine segment was a success. The division's increased strategic focus on traction elevator sales generated increased order intake for traction elevators in Western Europe, with strong order intake for marine traction elevators. Order intake was also especially strong for equipment in "general Industry" such as Power segments in the US and Europe.

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Since many of the Industrial division's customers need rack-and-pinion and traction elevators, there are further growth opportunities to increase sales by penetrating the installed base of rack-and-pinion elevators as well as traction elevators globally.

Enhanced focus on service sales and digital solutions
The Industrial division also saw a positive effect during the year of the division's strategic global focus on service sales with an increased order intake in all regions. The division won its largest service contract to date in North America in the Power segment and was awarded strong refurbishment orders in APAC in the Ports segment. Service management tools offer further growth opportunities through increases in service revenue based on the penetration of the globally installed base. The division's continued development of digital solutions also supports sustainable profitable growth. Digital solutions provide customers with added value by enabling access to operational data to optimise equipment utilisation, enhance safety and productivity, and reducing environmental impact.

Improved sustainability efforts
Sustainability efforts were improved during the year, resulting in, for example, continued reductions in the division's carbon footprint. The digital service planning tool was implemented, which generated better plan service visits and thereby reduce travel, among other improvements. Furthermore, work on developing action plans to achieve the Alimak Group's strategic sustainability targets continued during the year. Read more about our sustainability work on page 40.

STRATEGIC PRIORITIES FOR 2022–2025, INDUSTRIAL DIVISION

1. Segment focus – customer-centric perspective
Continue to develop our global segment offering by focusing on customers' needs in each industrial segment.

2. Leverage in mature markets and expansion in emerging markets by:
- Futher refine the sales channels strategy.
- Initiating local plans to target existing units and plants for replacement and after sales opportunities, e.g., service and refurbishments.
- Expanding traction competence to be closer to customers and exploit opportunities in segments and geographical areas where we see growth potential.

3. Best-in-class service
Develop service packages and service sales. Enhance local service presence with service hubs to be closer to customers. Increase remote monitoring and preventive maintenance to drive sustainability.

CASE: EDDA WIND

Industrial marine elevators maximises productivity on offshore wind service vessels

EDDA WIND provides purpose-built Service Operation Vessels (SOV) and Commissioning Service Operation vessels (CSOV) for the global offshore wind sector, enabling their clients to generate renewable energy to meet the world's growing energy needs.

Edda Wind focuses on minimising carbon footprint when designing its vessels. All seven vessels in its current newbuild programme are zero-emission-ready. They deliver all aspects to the operation and crewing of the vessel in a safe, predictable, and sustainable way.

Alimak is supplying marine elevators for all seven of the vessels. The elevators are designed to Edda Winds requirements, with a strong focus on reliability and energy efficiency. Elevators are vital equipment for wind service technicians that provide stepless access between the vessel and the gangway. They are exposed to extreme weather conditions, making the use of the most hard-wearing materials necessary. Other key factors are the size of the elevator shaft and car floor area. The Alimak solution includes a positive drive system, which does not require an additional travelling counterweight. The winch allows for precise control of the stopping distance and minimises the number of components involved, thereby simplifying maintenance and maximising reliability as well as reducing environmental footprint.

The solution also incorporates a flexible vertical access solution which will serve two distinct purposes and where separate elevators would otherwise be required. It will provide access to the gangway bridge when required and operate as a standard elevator for transport between vessel decks. The dual functionality saves space – a key consideration for marine vessels – and increases ride comfort for crew members.

Wind Division

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Despite challenging market conditions in 2022, the Wind division increased earnings and continued to broaden its vertical access solutions and safety products and service offerings, thereby providing added value to customers.

The Wind division offers safe and competitive vertical access solutions for onshore and offshore wind turbines worldwide under the Avanti brand. The division provides highly reliable products and solutions, such as service lifts, vertical ladders and fall protection systems.

The division also provides highly skilled services and training courses for maintenance and safety work. Avanti service lifts meet evolving and varied customer needs in the renewable energy sector regarding total cost of ownership, reliability, quality and delivery performance. The offering covers a wide range of vertical access solutions, all of which are focused on maximising safety served by three technologies: wire-guided, rack-and-pinion, and ladder-guided service lifts.

The division's large geographical presence close to customers provides flexible and responsive services and an efficient and more sustainable supply chain.

MARKET AND COMPETITORS

The demand for high-quality safety products and solutions for wind turbine towers, where the Avanti brand holds a market leading position, correlates with global investments in wind energy. One of the key drivers behind the growth in renewable energy such as wind is the trend towards clean, affordable and reliable energy. The wind turbine market has consolidated in recent years, and Avanti´s main customers are currently western OEMs such as Vestas, SGRE, GE and Nordex, and most Chinese wind turbine manufacturers. Manufacturers of towers, transition pieces, foundations, developers, utilities, retail and service companies complete the customer portfolio, and competitors are mainly regional niche players.

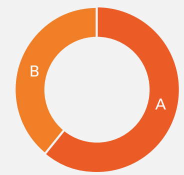
VALUE CREATION

The division creates value by offering high-quality safety products and solutions that contribute to safe and efficient work environments at offshore and onshore wind turbines. The division's durable products are designed for use in extreme conditions and corrosive environments and ensure reliable operation during the life cycle of wind turbines.

The division offers quality tested access solutions and services close to customers providing operational assistance and training on the proper use of the equipment. This contributes to improved productivity and safer working environments. The Wind division thereby helps to make customers´ business and wind energy more competitive.

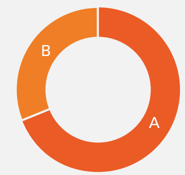
The division has installed more than 40,000 service lifts globally and has provided safety training to more than 30,000 service technicians.

Order intake split 2022, %



A) Equipment, 61
B) Service, 39

Revenue split 2022, %



A) Equipment, 69
B) Service, 31

Wind

	2022	2021	2020
Order intake, MSEK	514	594	831
Revenue, MSEK	542	676	854
EBITA, MSEK	69	63	82
EBITA margin, %	12.7	9.3	9.6

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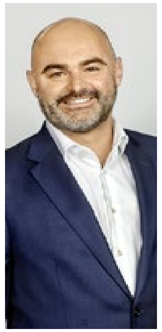

"In the short term, the wind energy sector continues to face challenges. However, long-term prospects driven by increased need for investment in renewable energy are attractive. With a strong global position and a large geographical footprint on the wind energy market, the Wind division is well positioned."

José Maria Nevot, *EVP Wind Division*

DEVELOPMENTS IN 2022

The overall business environment in 2022 was characterised by high inflation, supply chain disruption and increased geopolitical and macroeconomic uncertainty. The market continued to be challenging for the Wind division, especially in China where the wind power market continued to slow following a reduction in governmental investment support in wind energy and in the rest of the world due to the issues related to permitting process and existing sectorial investment uncertainties.

PERFORMANCE 2022

Despite challenging market conditions in 2022, the Wind division increased earnings and continued to broaden its vertical access solutions and safety products offering, thereby providing added value to customers. The decrease in order intake compared to the previous year was mainly due to continued low market demand in China and delays in some projects due to COVID-19 restrictions. Investment activity in the US market increased during the year after Inflation Reduction Act from Biden Administration, and the Wind division improved order intake for new ladders systems. In the European market, the Wind division reported stable order intake in equipment and services during the year, although investment activity decreased due to increased geopolitical and macroeconomic uncertainty. Increased earnings were driven by continued cost reductions, lean manufacturing, measures to improve efficiency and profitability, and proactive price management throughout the year.

Growth opportunities captured

To further adapt to local demands in the Chinese market, a new and modern manufacturing facility was introduced, and a new portfolio of products and service was developed and launched to meet local market demands in China. Growth opportunities were captured in the US market by starting a niche business that meets new demands for specific ladder solutions that secure cables within wind towers. The new niche business resulted in improved order intake for ladders systems and creates a firm foundation for new equipment for ladder production at the wind division facility in the US.

Increased customer value with new solutions

During 2022, the Wind division continued to develop new vertical access solutions that improve safety and efficiency, thereby adding value for customers. Several solutions were developed, including a large service lift for offshore towers, a ladder guided service lift for people and tools for onshore hybrid towers for the Chinese market, a lift for onshore towers to meet new, more demanding regulations that apply from 2023 for western companies, and a new price-competitive

Safe service work inside a wind turbine.

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ladder system fitted with lights. In addition, a new optimised service range for lifts was deployed to decrease the maintenance cost to customers, while keeping the safety and reliability level.

Intensified digital and sustainable solutions

The development of more efficient and sustainable generation of lifts for wind towers, equipped with digital and innovative technologies was intensified in 2022. Digital solutions drive sustainable growth and offer customers added value. The solutions enable access to operational data to optimise the utilisation of equipment, enhancing productivity and safety, and enabling reduced environmental impact by remote predictive maintenance. The digital service management tools also contribute to opportunities to penetrate the installed base globally, increasing the service revenue further.

Broader offering in services

Service and training activities remained strong in most markets during the year. A broader offering in services within lifetime extension, safety kits and remote training and inspections was successfully introduced, as was a new catalogue for Personal Protective Equipment.

Acquisition of Tractel strengthens the solutions portfolios

The Alimak Group's M&A activities accelerated in 2022, with the aim of driving profitable growth. The strategic and transformative acquisition of Tractel, in November, strengthens the Wind solution portfolios and increases growth potential for the services business. The Tractel relevant product range has been shared with the Wind division and could be a perfect fit with the Wind division and the Avanti portfolio in particular. The integration broadens scope and opportunities for safe and efficient access and lifting and handling solutions for wind towers. It improves the division's value proposition to OEMs and end customers by increasing uptime and reducing total cost of ownership, thereby expanding the portfolio and widening the customer base. Read more about the acquisition on page 15 and 123. Furthermore, the Wind division started to explore different technologies and partners in wind turbine blade inspection and repair during the year.

Increased focus on emissions generated significant reductions

The Wind division continued to develop its sustainability work during the year and increased its focus on emissions reduction. These improvement measures have resulted in significant reductions of factory and office emissions. Travel emissions related to activities have also decreased over the past four years, approximately two thirds of which is related to reduced car travel and one third to air travel. Furthermore, several projects have been initiated to reduce the CO_2 footprint, especially regarding emissions related to products, which occur in materials, transports and maintenance phases, and are material when it comes to the division's total emissions. Action plans were also developed during the year to achieve the Alimak Group's strategic sustainability targets. Read more about our sustainability work on page 40.

STRATEGIC PRIORITIES FOR 2022–2025, WIND DIVISION

1. Leadership in core business
Lead the step forward to a more efficient and sustainable generation of lifts for wind towers, equipped with digital and innovative technologies. Enlarge the product range with new products that meet local market demands.

2. Growth in safety and services
Broaden the range of safety products and lift upgrades for safety and life extension. Bring new advanced services closer to customers worldwide.

3. Review of potential expansion in renewables
Explore opportunities to expand services to other activities and sectors within renewables, to increase the efficiency and profitability of green electricity production through breakthrough technologies.

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CASE: WIND

New ladder solutions for wind towers that drive growth in the US wind energy market

IN 2022 AVANTI WIND SYSTEMS captured growth opportunities in the US market by launching a business to meet demand for a completely new niche ladder solution that holds cables inside wind towers. In most markets, climbing and cable ladders are less than half a meter width. As wind turbines become more powerful, with longer blades, towers are made higher. As a result, some OEMs prescribe wider cable ladders instead of trays to support more and larger cables.

Developing the cable ladder segment within US wind market

The Wind division experienced increased demand in the US market from a leading OEM for cable ladders with a width of up to 1,000mm. Doubling the standard width of cable ladders was a challenge that involved the skills and experience of the entire Wind division from a technical, R&D and manufacturing point of view. Avanti's factory in China already had experience of developing and producing ladders wider than 490 mm. Based on excellent teamwork and knowledge sharing across Alimak, the division made calculations, conducted testing, sourced and established a new operational approach with new machines and a supply chain for market launch in a matter of months.

Firm foundation for further growth in new equipment for ladder production

Following the market launch of the new ladder solution in October, the Wind division received orders for more than one hundred towers. This new niche business resulted in improved order intake for ladders systems in the US market for the year and creates a firm foundation for further growth in new equipment for ladder production at the wind division facility in the US.

The Wind division captured growth opportunities in the US market in 2022 by meeting new demands for niche wind tower ladder solutions.

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Working to improve our sustainability footprint from an environmental, social and governance perspective has an important role in our strategy and is an integral part of our daily work. During the year, we have strengthened the internal organization, improved policies and guidelines, and updated the materiality analysis to ensure we focus our work on the issues with the biggest impact.

For over 70 years, Alimak Group has been the industry leader and delivered state-of-the-art solutions to address customer needs of moving people, material, and businesses to new heights. Our solutions meet the demands of a growing global population, continued urbanization and the emergence of new cities and societies with needs for new infrastructure, smart housing and more renewable energy solutions. Health and safety, productivity, and efficiency have always been at the core of our business to manage the impacts of our operations and create sustainable value for our stakeholders.

Global warming is one of our era's greatest societal challenges. According to research, the average temperature of the earth has already increased by more than 1°C. In working to achieve the more stringent target of the Paris Agreement to limit global warming to 1.5°C, it is vital to limit the effects of global warming on the planet. We have already witnessed these effects today in the form of extreme temperatures, droughts, melting of the sea ice in the Arctic and a higher average sea level. This is the reason why Alimak Group has made a commitment to reduce our carbon footprint by 30% by 2025, compared to 2019.

Sustainability represents a catalyst for innovation with respect to product design, business models and service solutions, which can further strengthen value creation for our stakeholders while bolstering our competitive position.

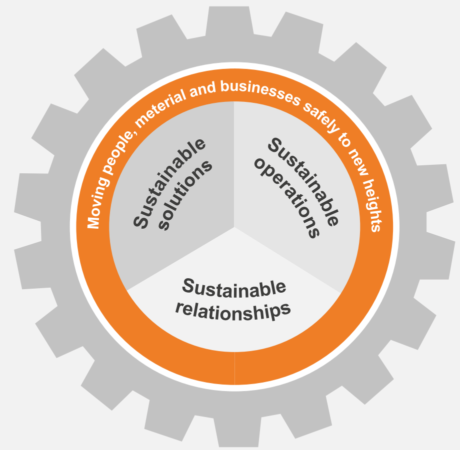
As one example, Alimak Group has been carrying out lifecycle assessments (LCA) of product lines since 2021 to create the right prerequisites for our operations to develop products and solutions with as little climate impact as possible. To date, 30 LCAs have been completed. These assessments show huge potential to reduce the carbon footprint by using metals with a lower climate impact, extending the product lifespan through effective services and a transition to circularity.

As a manufacturing company with global operations, we are also exposed to sustainability risks. The identified risk areas are climate related risks, health and safety risks, respect for human rights and the risk of bribery and corruption. Read more about these risks and how we manage and mitigate them on page 72.

Simultaneously, it is important to be an attractive employer by focusing on what matters to our current and future employees, including but not limited to safe and engaging working environment, innovative company culture, non-discrimination, diversity, and ethical business practices.

For increased clarity, we have grouped and organised our efforts into three focus areas:

- Sustainable Relationships – who we are.
- Sustainable Solutions – what we deliver.
- Sustainable Operations – how we work.



THE FRAMEWORK IS ORGANISED INTO THREE FOCUS AREAS:

Sustainable Relationships – who we are. *Se page 44*
Sustainable Solutions – what we deliver. *Se page 48*
Sustainable Operations – how we work. *Se page 52*

ABOUT THIS REPORT

Pages 41–65 make up the Group's statutory Sustainability report in accordance with the Swedish Annual Accounts Act (ÅRL).

Alimak Group is a signatory to the UN Global Compact, an initiative aiming to make human rights, fair labour standards, environmental responsibility and anti-corruption core parts of the participating companies' operations. These pages also constitute Alimak Group's Communication on Progress.

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MATERIALITY ANALYSIS PROVIDES DIRECTION FOR OUR EFFORTS

To provide direction for our sustainability efforts, we conduct a continuous dialogue with our stakeholders, engage in the ecosystem connected to our industry and view it as our duty to contribute to sustainable societal development. In 2020, we conducted a comprehensive and targeted dialogue with our customers, employees and investors. This laid the foundations for a materiality analysis that has governed our sustainability efforts in the past two years.

In autumn 2022, a review was conducted of the materiality analysis to generate a clearer focus on the sustainability issues where we have the greatest impact in the value chain and ensure that we address our sustainability risks and opportunities in the best way. The materiality analysis covers forteen different topics that has been classified from a compliance, operational and strategic perpective.

FOCUS AREAS FOR 2022

Besides the renewed materiality analysis, during 2022, we also appointed a global Health, Safety and Social Lead to support and drive this area across the Group. The focus during the year was to update the current policy and strategy ensuring that a robust health and safety culture is embedded within the organisation. We also confirmed our zero-harm safety vision and set targets to reduce our LTIFR and TRIFR by 25% respectively compared to the previous year.

In addition to this, we continued quality assuring our processes for climate data collection from our own operations (Scope 1, 2 and business travel in scope 3), a prerequisite for being able to adopt effective measures going forward. Changes were made to the group KPIs to collect relevant

Materiality analysis 2022

	Sustainable relationship	Sustainable solutions	Sustainable operations
Strategic	Motivated and engaged employees	User safety Energy and resource efficient solutions	Innovative culture – for new business, products, services
Operational	Diversity and non-discrimination	High quality products and services	Safe end engaging working environment Cyber Security Resource efficient operations
Compliance	Ethical business practices Corporate governance	Safety regulations	Fair and decent employment practices Responsible supply chain

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information about carbon equivalent emissions. We also intensified our work with life cycle assessments of key product groups in 2022 to create the first overview of how our Scope 3 is distributed on upstream and downstream activities. Altogether, this enables us to effectively work towards our target to reduce our emissions cross our own operations and the full value chain by 30% by 2025 compared to 2019., i.e. Scope 1, 2 and 3.

Furthermore, the group improved its policies and procedures with regards to supplier evaluation from an ESG-perspective. A revised version of Alimak Group's supplier code of conduct was published during the year and a self-assessment questionnaire was designed and tested. The new governance process, including new KPI's, were launched in January 2023.

To measure the progress of our sustainability work, we have decided for 2022 and onwards to measure the following KPIs:

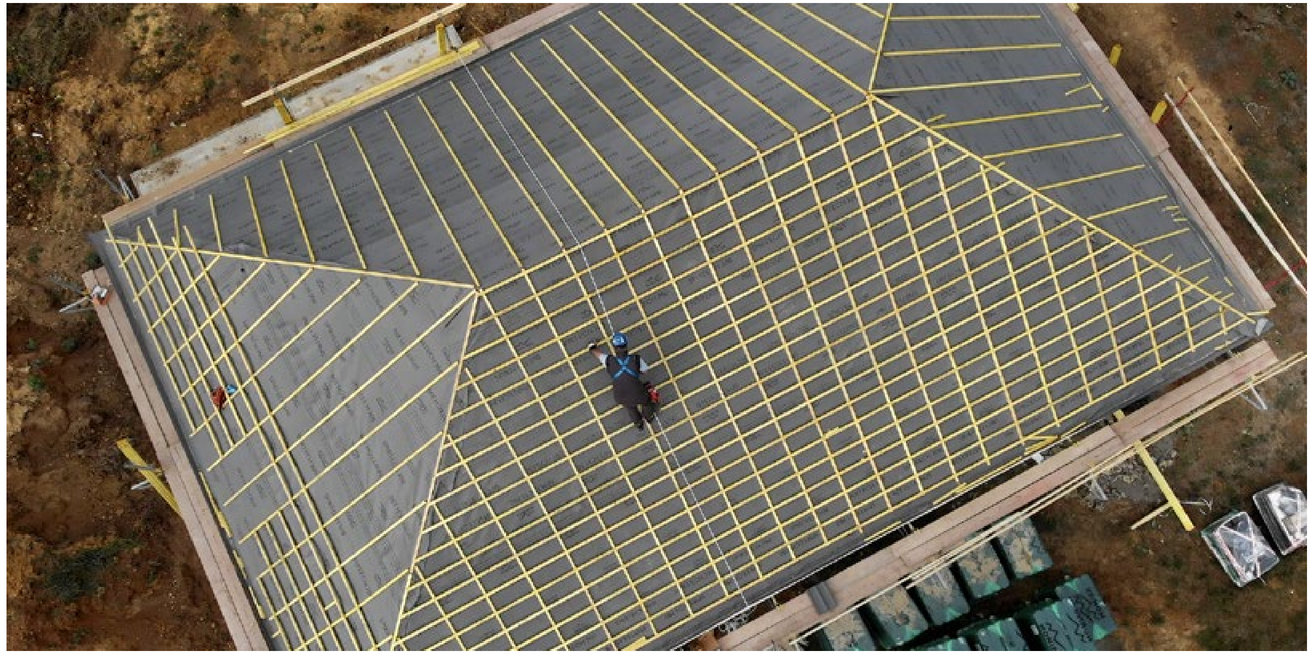
Environmental*
- Energy use MWh/ Revenues MSEK
- CO_2 footprint ton/ Revenues MSEK
- Share of product range covered by LCA studies, %

Health & Safety*
- LTIFR
- TFIFR´

Employees*
- E-NPS

**For definitions of the KPIs please see page 58.*

For information on our sustainability performance 2022, please see page 58.



ACQUISITION OF TRACTEL

On November 21 2022, Alimak Group acquired Tractel to accelerate the growth and strengthen the portfolio of solutions of working at heights in a safe and effective way. Tractel launched an ESG strategy in 2022, very much in line with the ESG strategy of Alimak Group. During 2023, we will integrate Tractel with Alimak Group and ensure alignment of the sustanability stategy across the new Group.

The 2022 Annual & Sustainability report does not cover any part of the ESG work of Tractel.

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Sustainable Relationships

With over 3,000 employees and a presence in more than 120 countries, Alimak Group commands a strong position to drive innovation and sustainable development. These efforts are carried out together with our ecosystem of stakeholders, locally and globally.

Our employees are our most important asset. Together, we work every day to meet our customers' needs and facilitate working at height to develop buildings and infrastructure for energy solutions and cities of the future. At the same time, sustainable change can only be achieved by collaboration across many parties of the value chain. By engaging with our stakeholders, we can break new ground and contribute to innovations as well as more sustainable solutions improving both profit, people, and the planet. Conducting our business responsibly is an important starting point for these efforts and we expect our business partners to do the same. Our core values act as guiding principles for our employees in their day-to-day decision making and behaviour and are instrumental in defining our corporate culture. For more information about our sustainability governance throughout our value chain, see page 48.

MOTIVATED AND ENGAGED EMPLOYEES

Our People & Culture function plays an important role in promoting engagement in Alimak Group and forging an inclusive culture that allows each individual to develop and reach their full potential. We strive to be an attractive employer that attracts, develops and retains qualified and motivated employees. As a leading global company with some of the world's most spectacular buildings and projects in our customer portfolio, Alimak Group offers an exciting workplace with considerable development opportunities. The company's focus on innovative and high-quality vertical access and working at height solutions, with sustainability as one of its cornerstones, adds even greater significance to learning and motivation at work.

In 2022, we introduced a new global employee survey, The Voice, to gain greater insight into how our employees view Alimak Group as a workplace. Engagement was measured based on individual, team-based and organisational driving forces. Compared with previous surveys, The Voice is more focused, and the results of the survey can be seen in real time, enabling rapid responses to team or business improvements. Follow-up takes place both locally and aggregated on a global level. The Voice was conducted on three occasions in 2022, and the goal is to carry out the survey three to four times per year.

The aggregated response rate for 2022 was 90%. The results demonstrate that we have successively strengthened engagement among our employees. The long term goal is to continuously improve and achieve an eNPS above the general benchmark of our industry. The first Employee Net Promoter Score (eNPS) of the year was -2, the second was +7, and the third eNPS was +13. One area of strength in The Voice was employee understanding of Alimak Group's targets and strategy, and another was employee perception of their personal work as meaningful. The survey also demonstrated the positive effect of the performance and development conversations introduced in 2021. Areas that can be improved include the approach to learning, development potential, and rewards and acknowledgement. In 2022, we began implementing

OUR CORE VALUES BUILD OUR CULTURE

By living our values, all our employees can be part of and contribute to sustainable relations both within Alimak Group and with our business partners and suppliers. The core values are brought up during performance reviews and are also part of our employee targets. In addition, the Voice employee survey measures how we live up to our shared corporate values.

Take Ownership
- We deliver the results we promise.
- Our colleagues and customers can rely on us.
- We are fully accountable for our work.

Move Fast
- We get things done in the most efficient way.
- We are responsive to customer needs.
- We push development.

Challenge the Limits
- We go outside of our comfort zones, but never compromise on safety.
- We strive for continuous improvements.
- We are curious and look for alternative perspectives.

Be Inclusive
- We embrace diversity and differing perspectives.
- We ensure everyone is being treated fairly.
- We collaborate effectively.

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a new model for talent inventories and succession planning, which led to more internal appointments and individual career plans.

Our employees are based in different countries and time zones. Our intranet has played an increasingly important role for internal communication and dialogue. The company frequently shares news, themed articles and video footage. During the year, the global intranet was complemented with local intranets for our divisions. Use of Yammer also increased considerably during the year. The channel is a highly appreciated platform where it is natural for our employees to share knowledge and experience across geographical, departmental and cultural borders.

To maximise the number of employees who become good ambassadors for Alimak Group, work is ongoing to strengthen, enrich and modernise every aspect of the employee lifecycle. This cycle begins with recruitment or a takeover of an employment through acquisition. From the important onboarding phase, the employee experience progresses throughout the term of employment. Skills development, encouragement, reward, feedback and colleagues are all highly important factors contributing to the total experience. In 2022, we focused on developing a more standardised process for the final stage of the cycle when employment is terminated. In this phase, it is important to ensure an efficient exchange of knowledge, receive feedback from the employee and, in particular, to part as friends and to become each other's ambassador and potential future partner.

Total Employee Experience

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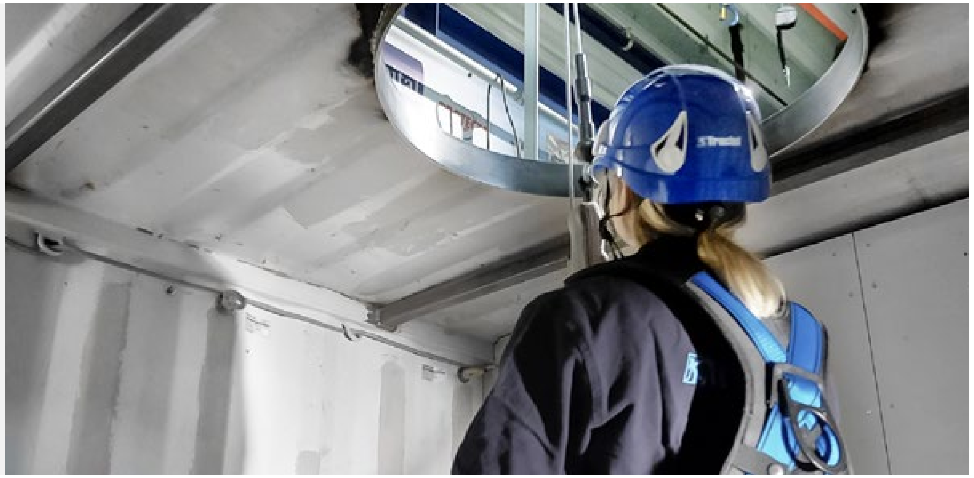
"Alimak Group is working to ensure equal employment opportunities for all qualified individuals, without distinction or discrimination due to race, religion, skin colour, sex, national origin, disability, age or any other status protected under applicable laws."



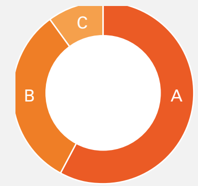
DIVERSITY AND NON-DISCRIMINATION AT THE WORKPLACE

It is vital to create an inclusive workplace that combats discrimination. We are convinced that diversity makes us stronger. Each entity within Alimak Group is working to ensure equal employment opportunities for all qualified individuals, without distinction or discrimination due to race, religion, skin colour, sex, national origin, disability, age or any other status protected under applicable laws.

The proportion of women in the Group at the end of the year was 14% (15). The gender balance of the global Leadership Team was 44% women (40), a result that contributed to Alimak Group remaining on the Allbright Foundation's green list in the 2022 Allbright Report. Allbright is a politically independent, non-profit foundation that promotes equality and diversity on the executive business level in Sweden. The proportion of women on the Board of Directors was 44% at the end of December (44).

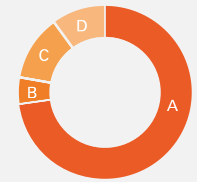
Achieving a more equal gender balance among employees takes time, and this trend should be seen in terms of the industry as a whole, which has traditionally been dominated by men. Nevertheless, diversity is a decisive factor for innovation and competitiveness. To promote diversity and inclusion, we launched a global internal network of female employees in the Alimak Group in 2021. The network is called "Women Lifting Women" and is used to share experiences and increase collaboration between sites in the Group. During 2022, four digital meetings were held covering several different topics including strategy, career development and sustainability. Almost 100 female employees participated in these popular network meetings. The target for 2023 is to further strengthen this network and to welcome all women of Tractel.

Employees by region, %



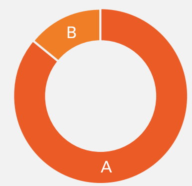
A) Europe, 58
B) APAC, 32
C) Americas, 10
D) ROW, 0

Employees by work category, %



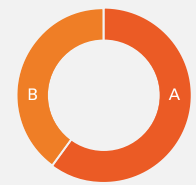
A) Production and services, 73
B) R&D, 5
C) Sales, 12
D) Administration, 10

Employees by gender, %



A) Men, 86
B) Women, 14

Group Leadership Team by gender, %



A) Men, 56
B) Women, 44

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ECOSYSTEM INTERACTION ENABLES PROGRESS

Alimak Group's market-leading position and broad geographical coverage create opportunities for exciting industrial and academic collaboration to develop new standards and technologies to improve safety, productivity, and sustainability in our sectors. By participating in innovation platforms based on the triple helix principle many good ideas can be generated that later can result in product innovations. One example of this is the collaboration with Linköping University, where we have identified several areas where we can have an impact to further reduce the climate footprint of our solutions. Read more on page 48.

During 2022, we have participated in Latour's sustainability group for portfolio companies. Benchmarking with other industrial companies is critical to evaluate new ideas, get inspiration for new ways of working as well to faster reach results.

Academic and industrial collaboration takes place in all major markets in which Alimak Group operates. Below are a few additional examples of the collaborations we are active in:

- Scaffcalc – a collaborative project with the start-up company Scaffcalc AB to integrate our transport platforms into Scaffcalc's application for safe scaffolding installations.
- Digital construction industry –part a European based collaboration project to evaluate future technologies for the construction industry.
- Production 2030 – A strategic innovation programme to drive the development of new technologies for a competitive and resilient manufacturing industry.
- Smart Built Environment – A strategic innovation programme to digitalise the construction industry to increase productivity and sustainability.
- Mistra REES – An R&D programme to help industrial companies move to circular business models.

"The real competitive advantage for us is our people and their expertise. Their experience and commitment continue to drive our achievements every day. My mission is to improve the organisational effectiveness and to ensure people have clear targets, the opportunity to learn and grow, and that engaged employees are inspired by the company's journey ahead."

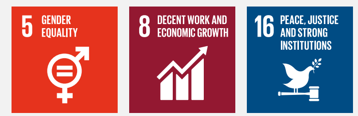
Annika Haaker,
Chief People & Culture Officer

In addition, we also frequently lecture at universities and colleges. In Sweden, for example, we held lectures on the green transition of the industry during the year.

We also have a partnership with the volunteer organisation Engineers Without Borders Sweden to further strengthen our sustainability ambitions. Engineers Without Borders Sweden is a non-governmental volunteer organisation striving to make a long-term impact by addressing challenges linked to the UN Sustainable Development Goals. Together with Engineers Without Borders Sweden and their partner Build Up Nepal, we arranged a case challenge in 2022 as part of the internal theme week for sustainability that took place during the autumn. Build Up Nepal focuses on providing more people in Nepal with access to earthquake-proof brick houses. Five international teams from Alimak Group participated in the case challenge with the aim of improving the mixing process for the manufacturing of bricks with a reduced climate impact.

AGENDA 2030

As part of our efforts to build sustainable relations we have identified three goals in the UN's Agenda 2030 where we see that we have the greatest opportunity to contribute: Goal 5 - Gender Equality, Goal 8 – Decent Work and Economic Growth and Goal 16 – Peace, Justice and Strong Institutions.



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To be one of the leading companies in vertical access we must continuously develop our solutions to meet current and future customer demands. Over the past years the demands no longer only cover areas like high performance and quality, but now also user friendliness, ergonomics, and a reduced climate footprint.

Continuously developing and creating new, tailored offerings meeting customers' future needs is a prerequisite for strengthening the customer experience and to enhance our future competitiveness. Each division within Alimak Group is responsible for their offering to the market and that it fulfils all demands from functionality, cost, and environmental perspectives.

CO_2 EMISSIONS UPSTREAM AND DOWNSTREAM OF OUR OWN OPERATIONS

To explore the possibility of reducing the climate impact from our solutions upstream and downstream of own operations, we have been conducting Life Cycle Assessments (LCAs) since 2021. The initial assessments were carried out in collaboration with Linköping University for some of the Group's major product lines and included development of a tool which the group could use for further LCAs. Since the beginning of 2022 Alimak Group has continued with the assessments which are performed in line with the ISO standards 14040 and 14044. Up to now, the Group has completed 30 cradle to grave LCAs which relates to approximately 50% of all the major product lines of the Group. The LCAs cover everything from raw material extraction, refining, supplier activity, transportation, installation, maintenance, usage, and end of life. The LCAs are based on data from Ecoinvent (a life cycle inventory database).

As a first attempt to estimate the Groups Scope 3 of carbon emissions, i.e. upstream and downstream of our own operations, we have matched the conducted LCAs outcomes with sales information from each division. Though the analysis does not yet cover all product lines and is largely based on industry averages, rather than supplier data, we still consider the results to provide a good initial picture of where each division needs to focus their future efforts to reduce CO_2 emissions related to Scope 3.

During 2023 we will both increase the coverage of LCA studies and increase our use of real supplier data to further improve the accuracy of the LCAs and our means to reduce Scope 3 emissions.

The carbon emissions of our own operations are listed in a table on page 58.

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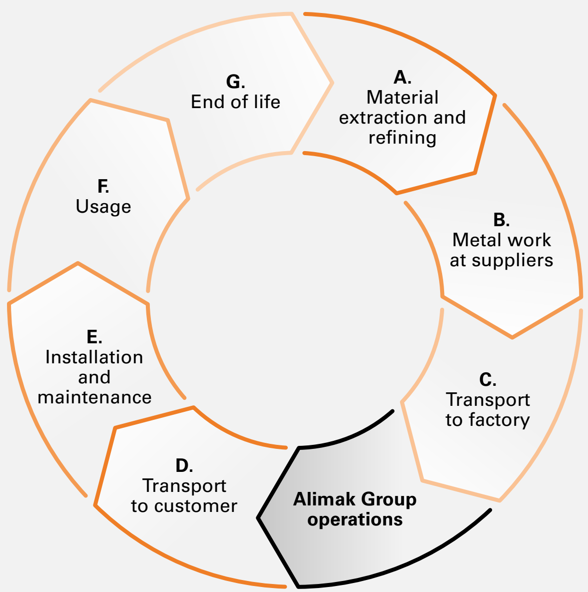
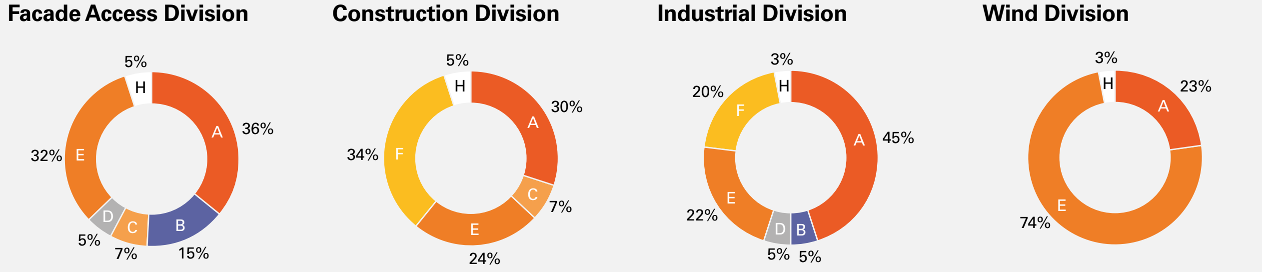
Up- and Downstream activities of Alimak Group Operations



Estimated distribution of Scope 3: Up and Downstream of Alimak Group Operations, %



Facade Access Division

The division deliver and service Building Maintenance Units used to access the façade for various tasks – like cleaning, maintenance etc. About 60% of the carbon footprint is based on areas upstream our own operations. Most of the BMUs are large and bulky machines why the material used building the machines is the largest contributor to the carbon footprint, in particular the steel. Maintenance is also a large part of the climate impact, this is mainly due to transportation of the spare parts and technicians to site.

Construction Division

About 40% of the carbon footprint is based on areas upstream our own operations. The division products are critical components of a logistic chain at construction sites why the use phase is the largest contributor to the carbon footprint. Further, materials used in building the machine is the second largest, in particular the making of Iron ore into different steel alloys and for some product ranges aluminium alloys.

Industrial Division

The division offers industrial lifts and elevators for permanent installations at mining, power, cement, bridges, etc. About 50% of the carbon footprint is based on areas upstream our own operations. The biggest contributor is the material used in making the machine in particular the steel and aluminium alloys. Other areas for improvements are maintenance including spare part manufacturing.

Wind Division

The division produces solutions enabling a safe and efficient service of the wind turbines. About 75% of the carbon footprint is based on areas downstream our own operations as the wind turbines must be turned off during maintenance of our service lifts for safety reasons[1]. Reducing the maintenance time of the lift is thus crucial to make sure that as much wind energy as possible is being produced, both from an environmental point of view and to reduce the total cost of ownership.

1) Note that these emissions are classified as avoidable emissions according to the GHG protocol and not a direct part of our scope 3.

A) Material extraction and refining	B) Metal work at suppliers	C) Transport to factory	D) Transport to customer
E) Installation and maintenance	F) Usage	G) End of life	H) Other

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USER SAFETY ALWAYS IN FOCUS

Alimak Group continuously focuses on improving the safety, efficiency, ease-of-use, and service life of its products through structured quality control systems and processes – deployed throughout the engineering and manufacturing processes. Case studies from challenging installations, demonstrating best-in-class solutions, are distributed among existing and potential customers to share knowledge of improved and safe solutions.

The development of digital solutions also increases value creation in terms of safety. One example is the BIM Gallery providing customers and others to download BIM models of products and accessories from the Façade Access, Construction, and Industry divisions. The BIM Gallery was launched in 2020, and more than 4,000 BIM models have been downloaded by customers all over the globe. The benefits of BIM models are:

- Early Visualization in a common platform, together with customer and the wider construction contractors.
- Enhanced customer support offering, solving problems for the customer in our design
- Improved productivity and efficiency in initial design period and throughout the project

Another example is Alicalc, the first web-based solution making it easy for customers to calculate the mechanical forces of our construction machines on the ground and the building. The industrial standards define the limits of forces allowed, to ensure safe installation and operation of the machines. A first version of the tool has been tested by three major US customers with very positive results. Alicalc will be launched for a broader customer base in 2023.

"During 2022 we have continued the work with life cycle assessments allowing us to estimate the carbon footprint upstream and downstream of our own operations. This expands our understanding of our value chain and enables our divisions to focus on areas where they can significantly reduce their environmental impact."

Max Bäck, *Lead Engineer Sustainability*

With the acquisition of Tractel, we are further strengthening our offering of safe solutions. The company is one of the leading global companies specialising in working-at-height safety and providing reliable, innovative and cost-effective solutions and services. The portfolio comprises height safety protective equipment, load measurement and control, lifting and handling, temporary and permanent access hoists and platforms and BMUs. Read more about Tractel on page 15.

Following up on industry-related incidents, regardless of manufacturer or cause, is vital to ensure that experience and lessons learned are incorporated into our own procedures and contribute to the development of new solutions. Local regulations often require regular inspections by certified staff, which Alimak Group offers as part of its services.

The Group also actively contributes to improved standards by participating in several industry associations to set standards for safer equipment and their usage. Product safety measures include design risk assessment, design failure mode and effect analysis (DFMEA), compliance with different product standards and performance levels, external certifications by third parties, product documentation for end users as well as product training for users, installers, and service personnel.

EXTENDED PRODUCT LIFETIME AND PROGRESSIVE DEVELOPMENT TOWARDS MORE CIRCULAR BUSINESS MODELS

Many of our products are used in harsh environments in terms of heat, cold, vibrations, corrosion and dust. Guaranteeing and extending a product's expected lifetime requires correct, efficient and professional service. With over 450 professional service engineers, we provide qualified services, repairs, spare parts and refurbishments to enable safe operation and extend the lifetime of our products.

The rental business within the Construction division represents a step towards more circular business models where we offer a solution instead of selling products. The offering is available in markets such as Germany, the Netherlands,

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France and Australia. In these markets, we can provide our customers with the best solutions for each specific project based on both a performance and a sustainability perspective.

In 2022, an organization was put in place to further develop our offering of used products, where we buy back products from customers, rebuild them and sell them onward. In many developing countries, where simpler, manual, and less safe equipment has been used to move people and goods vertically, Alimak Group's products and solutions can make a major change for the better.

A large share of the metals used in our products can also be recycled. This is regulated locally based on local laws. In Europe and the US, an average of over 95% of metals in the types of machines that Alimak Group manufactures are recycled.

INTELLIGENT SOLUTIONS
TAKING SUSTAINABILITY TO THE NEXT LEVEL

Access to data how the Groups products and solutions are being used during their lifetime is critical to improve product usage and productivity and thereby address the downstream part of Scope 3. With the acquisition of Dataline i Borås AB in 2019, we got access to a competence centre to continue the path to increase the intelligence of our products by software-based controls. In 2022, we further strengthened our competence base by acquiring 45% of OO Software, a SAAS company in Borås. OO Software provides a web-based tool for field service management to make field service work easier and more efficient using digital tools while automating back-end administration like scheduling and invoicing. The combination of these two acquisitions provides a powerful platform for machine learning and future predictive maintenance which is critical to address the downstream part of Scope 3 emissions.

Access to right information at the right time is also important for our customers to make the best use of the machines – from delivery, installation, operation, and maintenance. In 2022 we have launched the first pilots of customer portals where both technical manuals, real time data, service information can be accessed. The feedback from the pilots is very positive, and will be used to develop next versions of the portals.

With more intelligent machines, access to real time data, customer portals, on-line manuals, smart service tools we will not only be able provide a more competitive offering but also greatly improve the possibility to reduce Scope 3 emissions, e.g:

- Improving customer operations.
- Reducing the amount of paper-based technical information sent with machines.
- Enabling more service to be performed remotely, thus reducing travel.
- Improving the capability to have the right spare parts, etc. available to avoid air freight.

In 2023, we will continue this development going from pilots to official launch of customer portals – My Alimak, My BMU, My Avanti, etc – as well improving our ability to assist our customers to minimize the CO_2 footprint using products from the Group.

AGENDA 2030

As part of our efforts to develop sustainable solutions we are also striving to support selected goals in UNs Agenda 2030: Goal 7 – Affordable and Clean Energy, Goal 9 – Industry, Innovation and Infrastructure and Goal 11 – Sustainable Cities and Communities.

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For a global manufacturing company with sales, services and factories all around the globe, quality and safety are at the core of our business. We also strive to minimize the climate impact of our operations and to increase resource efficiency. Ensuring the continuous development of our employees' skills is key to maintain our competitive edge.

BUILDING A SUSTAINABLE VALUE CHAIN

Alimak Group's value chain span from research and development to manufacturing, sales and service of our products. Working at height makes safety a systemic issue that impacts all of Alimak Group's processes – from internal development work to the solutions we offer the market and how we conduct service during the products' lifetimes.

Our product development focuses on improving and developing our offering to customers and is integrated with marketing, sales and production to maximise customer benefits. We also develop new production technology and processes as well as new IT solutions. Evaluation of our opportunities to support sustainable development is one of several key criteria in the development of new products and solutions. Altogether, our research and development (R&D) operations have about 100 employees, many of which work in close collaboration with our customers. The annual R&D budget amounts to approximately MSEK 100.

Alimak Group has 10 production and assembly facilities in 8 countries. The acquisition of Tractel added another 15 production facilities in 11 countries. Distribution takes place to more than 100 countries through our own sales and service network and distributors. The manufacturing process mainly involves assembly, but also includes activities such as welding, cutting, machining, and painting. Special treatments, such as galvanisation, are mainly carried out by suppliers. Our production and assembly facilities are certified according to the ISO14001 standard to ensure proper environmental management in all areas of the organisation as well as with stakeholders. The implementation of energy-saving technology that reduces the use of consumables is part of our daily work to reduce the environmental impact. LEAN projects are implemented to improve and optimise our processes.

Alimak Group has a large number of suppliers around the world. Our aim is to be a reliable business partner and to build long-term business relationships with all key suppliers in order to be able to secure our customer deliveries.

FOCUS ON REDUCING OUR CLIMATE FOOTPRINT IN OUR OWN OPERATIONS

Having access to qualitative data is a prerequisite for being able to follow our progress and adopt the right measures to reduce the environmental and climate impact of the Group's operations. In 2022, we continued the review and quality assurance of our internal processes for the collection of climate-related data from our own operations.

In scope 1 most of our emissions come from the use of company cars by service technicians and the use of fossil powered equipment on site such as forklifts and gas heaters. Due to increased use of electric cars and more fuel-efficient fossil fuel cars in our fleet combined with increased use of electric forklifts and replaced gas power equipment with electric equivalents we have reduced scope 1 emissions by 30% since 2019 (Base year) relative to revenue.

GOLD 2021 ecovadis Sustainability Rating

NEW ECOVADIS SUSTAINABILITY RANKING

EcoVadis provides the leading solution for monitoring sustainability in global supply chains. It provides sustainability scorecards for how companies are performing in four areas: environment, labour and human rights, ethics, and sustainable procurement.

In 2021, our Skelleftea production facility in Sweden received a Gold rating. This achievement was followed by a Silver rating in 2022 for our facility in Malaysia.

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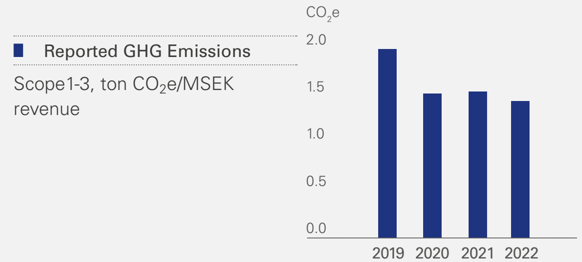
With regards to scope 2 energy consumption improvements are made continuously. Our factories in China and the Middle East were relocated to new, better insulated premises during the year. Furthermore our production facilities in Skellefteå Sweden, Mammendorf Germany, Zaragoza Spain, and Hillerød Denmark all use renewable energy representing 69% of our 2022 electricity consumption. The successive transition has contributed to a reduction of scope 2 carbon emissions by 33% since 2019 (base year) relative to revenue. Furthermore, In Skellefteå, a major energy mapping was completed during the year to enable energy-efficiency enhancements moving forward.

Lastly with regards to scope 3, where we include business travel, we have seen a rather strong covid effect since most of the emissions are related to air travel. The scope 3 emissions have reduced by 36% since 2019 (base year) relative to revenue. We are starting to see a slight uptick in air travel again after the pandemic. Though, we don't expect travel to ever be at same level as before and many meetings can be replaced with Teams etc, meetings in person must still take place both with customers and other external stakeholders but also internally to create strong and innovative teams.

Reported GHG Emissions



In total emissions in our operations, scope 1, 2 and business travel in scope 3, the groups emissions reduced by 32.6% since 2019 (base year) relative to revenue.

For transports, the aim is to minimise both direct and indirect greenhouse gas (GHG) emissions. Alimak Group chooses "green" transport, prefers sea freight over air and uses combined transports whenever possible. The shipping method is often determined by the customer's preferences, but to the greatest extent possible, equipment is shipped from the factories by the most eco-friendly means of transportation, and local resources are used for installation and service. Increased use of local or regional stock centres also enables rapid access to spare parts with the lowest possible environmental impact. To reduce the Group's transports and related negative carbon emissions, the manufacturing of light construction products has been moved from China to our manufacturing site in Zaragoza, Spain.

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HEALTH AND SAFETY ALWAYS IN FOCUS

When it comes to the work environment for our employees, our focus is on promoting an attitude of safety with a focus on preventive measures and rapid rehabilitation in order to avoid long periods of sick leave. Every legal entity has a designated person in charge of health and safety and coordinating projects carried out with suppliers, customers and contractors to prevent risks and accidents. Alimak Group provides training to ensure all employees have the necessary skills to respond satisfactorily to current and future work environment challenges. Training plans are defined as part of the Group's annual employee performance appraisals in order to enable continuous improvements. To identify improvement measures, preventive safety procedures have been introduced at all relevant units, such as local internal audits, safety walks and safety observations.

Rhys Baker,
Senior HSEQ Manager

During 2022, the Global Leadership Team appointed an experienced, internal, Health and Safety Lead. A new top-level global Health and Safety Policy was drafted to give direction and guidance for local leadership teams and employees. In addition to this, a global health and safety council was assembled to communicate our global strategy, policy and objectives, and review significant incident and accident findings as well as analyse positive and negative trends. The new council also focused on finding workable solutions for material health and safety issues, sharing best practice, and determining focus of continual improvement action programs in, for instance, behavioral safety, occupational health training, risk assessment, audit and inspection, and incident reporting.

We also confirmed our zero-harm safety vision and set new targets to reduce the LTIFR (Lost Time Injury Frequency Rate) and TRIFR (Total Recordable Injury Frequency Rate) measurements by 25% respectively year on year. In 2022, the LTIFR reached 5 (2021, 9). The TRIFR was 10 (2021, 17) . Several actions were implemented during the year to increase the safety awareness of employees, for example additional safety audits of critical sites, newly introduced safety campaigns and training in preventive tools like safety observations. Each and every reported incident is followed up locally and actions are taken to eliminate the root cause of the incident.

Encouraging the overall health and well-being among our employees is important, and during the year a global, voluntary health challenge was arranged. This team-based virtual competition involved travelling 2,500 kilometres across a digital map from our head office in Stockholm to Kyiv, Ukraine, by registering physical training activities in a mobile app during a period of six weeks. It was possible to follow the competition in real time. A total of 260 participants took part in this highly appreciated global activity, which also became a way of highlighting events in Ukraine. Our goal is to carry out more initiatives connected to health and well-being in 2023.

INCREASED FOCUS ON CYBER SECURITY

Safe operations do not only mean safe workplaces from an ergonomic and health perspective, it also covers the need of being able to protect our IT environment from unwanted and hostile infringements.

Alimak Group has its own IT organization managing both the daily support as well strategic matters like proper perimeter threat protection system cross our organization. We have a high focus on protecting our IT environment, applications and data. During the past years significant investments have been made to both organize the IT environment in a way where we have better control from both a cost and a safety perspective but also investing in new technologies for better perimeter controls. At regular intervals, we test the resilience of the perimeter control and the fire walls installed by external penetrations tests.

CONTINUOUS SKILLS DEVELOPMENT TO BOOST OUR COMPETITIVENESS

As part of our ongoing change journey, our competence needs are evolving over time. The transition from country organisations to divisions as well as acquisitions and integration of new operations have also led to the creation of new roles and functions while others have disappeared, leading to new requirements on skills and employee experience.

Distinct targets and expectations are vital for our employees to have the optimal conditions to carry out their work both today and tomorrow and being able to support the implementation of our long-term strategy. The performance management model that was introduced in 2021 was further developed in 2022 and will ensure that all employees undergo regular performance reviews. These reviews will also take place more frequently than previously to enable continual development and work adaptation. Since the performance management model focuses on all labour categories in the company, this also creates the prerequisites for a more inclusive culture. All employees, regardless of their position, are included in the new performance management model. We also encourage further training within other relevant areas and conduct a dialogue with each individual about their potential development plans. Training in health and safety is pro-

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vided by the company pursuant to local laws and regulations and our own safety regulations.

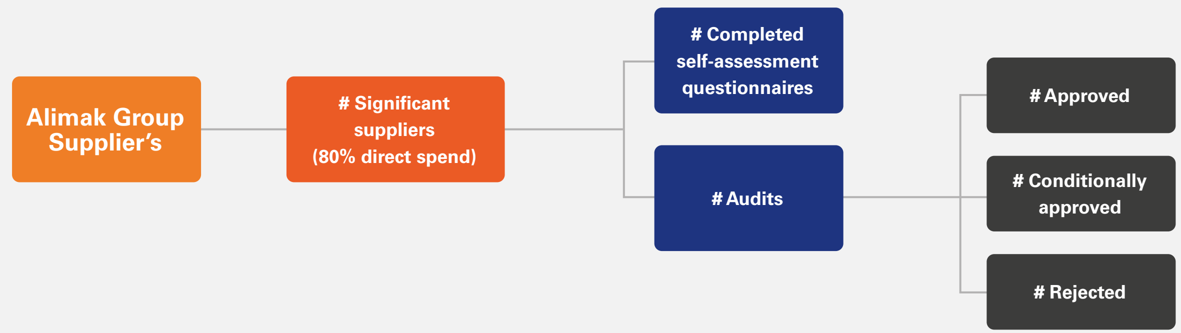
To increase the internal knowledge about how to contribute to our sustainability goals and ambitions, we arranged a global sustainability week in 2022 for all of employees. The event aimed to engage, spread knowledge, inspire and raise awareness of Alimak Group's sustainability efforts and demonstrate that we all have the opportunity to contribute by both small as well larger initiatives. The programme covered the environment and the health and safety aspect of our sustainability framework and consisted of several activities like inspirational talks with guest lecturers from other companies and workshops. During the event, we also gathered ideas and proposals for activities, for example, to reduce carbon emissions or for carpooling to and from work. These ideas are now being evaluated with the aim of implementing as many of them as possible.

RESPONSIBLE PURCHASES THAT MEET GLOBAL CHALLENGES

Our Code of Conduct for suppliers is included as a standard part of all purchase orders placed. An updated Code of Conduct for suppliers was launched in summer 2022 and it defines our minimum sustainability requirements on suppliers in the areas:

- Human Rights and Working Conditions
- Environment, Health & Safety Management
- Business Ethics, and
- Responsible Sourcing.

Supplier assessment process from January 2023



The number of suppliers and the varying business cultures between countries can be challenging when it comes to ensuring quality, reliability, and compliance. During the year, we developed a process for our suppliers to self-evaluate their sustainability efforts within the areas covered by our code of conduct. We also developed a check-list to be used when we make visits to suppliers to help us assess a supplier's compliance with our code of conduct requirements. Training on how to work with these new tools was provided to the sourcing organisation in January 2023. The focus is on suppliers of direct materials, and the aim is to perform evaluations of suppliers representing 80% of our annual spend on direct material.

AGENDA 2030

As part of our ongoing efforts to build sustainable operations we have identified three goals in UN's Agenda 2030 where we see that we can contribute: Goal 7 – Affordable and Clean Energy, Goal 8 – Decent work and Economic Growth, and Goal 12 – Responsible Consumption and Production.

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Sustainability is one of the cornerstones of Alimak Group's strategy. Our core values, policies and guidelines guide us in our daily work.

ORGANISATION

Sustainability is an integrated part of our daily work and permeates the entire organisation – from all local offices and operations through the divisions to the Group Leadership Team (GLT) and the Board of Directors. At Group level, ultimate responsibility for sustainability rests with the company's President and CEO. The company's Chief Technology Officer is responsible for environmental and climate related matters, the Chief People & Culture Officer is responsible for social sustainability including health and safety and the Chief Financial Officer is responsible for the governance area. Expert global ESG Leads have been appointed to support the GLT with strategy, implementation and monitoring. The development of management and reporting systems and KPIs is based on this structure, and monitoring and auditing as well as decisions on appropriate measures to be taken are in turn based on these systems and KPIs.

Sustainability is a part of our day-to-day operational work. Alimak Group encourages employee influence. About half of the Group's employees are covered by a collective agreement. In other countries, the company establishes work environment committees. In most of the countries where we operate, there is also a dedicated People & Culture business partner and local HR partners.

Health and safety issues are continually monitored, and KPIs, such as TRIFR, safety observations and LTIs, are reported by the units and ESG Leads to the GLT on monthly basis. Rules have been defined for operational escalation and actions related to any incidents that occur. CO_2 emissions are also followed up on a monthly basis as part of our efforts to reach the Group's target of reducing CO_2 emissions in the value chain by 30% by 2025. Other sustainability related KPIs are reported at least quarterly by all Group units. Trends and developments in the area of sustainability are also monitored by the Audit Committee on behalf of the Board.

COMPLIANCE WITH THE CODE OF CONDUCT

Alimak Group has been a signatory of the UN Global Compact principles since 2017. The Group's Code of Conduct is the main instrument of control in the area of sustainability. This code is based on the UN Global Compact's principles for human rights, working conditions, the environment and anti-corruption as well as on the Group's core values, international and national legislation, and international norms and conventions, including the OECD Guidelines for Multinational Enterprises.

The Group provides a Code of Conduct e-learning for its employees, and it is the local managing directors' responsibility to make sure that all employees within the country receive proper and regular training in the Alimak Group Code of Conduct. During 2022 a revised version of the Code of Conduct e-learning was prepared and the plan is to roll it out to all employees during 2023.

Topics covered by the Code of Conduct

- Freedom of association and collective agreements
- Prohibition against discrimination
- Health and safety in the workplace
- Prohibition against child labour and forced labour
- Terms of employment
- Environmental protection and environmental work
- Ethical business practices
- Zero tolerance to bribery and corruption
- Responsible sourcing
- Whistleblowing reporting

Other policies and guidelines for managing material sustainability issues

- Sustainability policy
- Corporate Governance policy
- Ethical Business Guidelines
- Leadership Handbook
- Employee Handbook

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Our Code of Conduct for suppliers was updated in 2022 and is included as a standard part of all purchase orders placed. During the year, new procedures were also established for following up on compliance with the policy. From 2023, self-evaluation forms and local audits will be used as control measures. The Code of Conduct for business partners is included in all new and renewed agreements with third-party sales channels.

WHISTLEBLOWER SYSTEM

In the beginning of 2022, Alimak Group implemented a new online whistleblowing channel offering anyone a possibility to anonymously alert the organisation about suspicions of misconduct and potential breaches of the Group's Code of Conduct. The whistleblowing channel is provided by an external service provider, WhistleB. All messages are encrypted, and reporting can be made in 14 languages.

Regardless of the reporting channel, all reports of potential violations of the Code of Conduct that are made in good faith are investigated swiftly, fairly and thoroughly, with the appropriate internal and/or external assistance. Chief Financial Officer, Head of Group Tax & Legal, Chief People & Culture Officer and Chairman of the Board's Audit Committee receive the reports that are submitted through the reporting channel and are responsible for ensuring they are handled correctly. Reports are presented at Board meetings and to the Audit Committee.

In 2022, Alimak Group received ten reports via the whistleblowing channel. Many reports concerned various HR-related matters, but there were also reports about suspected conflicts of interest. All the issues were investigated, responded to in due time and acted upon.

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Since 2022, Alimak Group measures the sustainability performance and progress of our work through the KPI's listed in the table below. All Group companies are included in the calculation of the KPI's except Tractel, which was acquired in the end of 2022. Tractel will be integrated in our sustainability performance follow-up during 2023.

Sustainability KPIs	2022	2021	2020	2019
Energy consumption (not district heating), MWh/revenue in MSEK	2.0	2.4	2.6	2.9
CO_2 emissions, ton/revenue in MSEK	1.49	1.74	1.73	2.21
Share of product range covered by LCA studies, %	50	8	N/A	N/A
Number of accidents recorded with lost time (LTI &FTI), all sites	5	9	7	10
Total recordable injury frequency rate (TRIFR*), all sites	10	17	12	19
e-NPS	+6**	N/A	-6	-14

*TRIFR includes MTI, LTI and FTI.
** Average from three surveys (-2, +7, +13)

CO_2 emissions, ton/revenue in MSEK	2022	2021	2020	2019
Scope 1				
Fossil powered cars and machines	0.66	0.76	0.72	0.94
Cars	*0.52*			
Fossil powered Equipment	*0.14*			
Scope 2				
Emissions from purchased energy	0.38	0.48	0.53	0.56
Electricity emissions	*0.34*			
District heating emissions	*0.04*			
Scope 3				
Business travel	0.46	0.50	0.48	0.71
Car not owned by company	*0.04*			
Air travel	*0.40*			
Other business travel	*0.01*			
Summary	**1.49**	**1.74**	**1.73**	**2.21**

Scope 1 Direct GHG emissions from sources owned or controlled by the organization

Scope 2 Indirect GHG emissions from purchased energy

Scope 3 Other indirect GHG emissions

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The EU Taxonomy for sustainable investments is a classification system that defines a list of environmentally sustainable economic activities. The purpose of the framework is to direct investments towards sustainable projects and activities that make a substantial contribution to EU's climate targets. In 2022 companies are required to disclose their share of Taxonomy-aligned activities.

ECONOMIC ACTIVITIES COVERED BY THE EU TAXONOMY

The regulatory guidance and market practice relating to the EU-Taxonomy is still limited and leaves room for interpretation. Our disclosure in 2022 is based on our current understanding of the rules and may be amended in the future to align with new regulatory guidance provided.

An activity is considered sustainable according to the EU Taxonomy when it contributes substantially to one or several of the objectives, without causing significant harm to the others, and at the same time meets certain defined minimum safeguards.

Alimak Group's Wind Division offers products, solutions and training courses for safe work in wind turbines, such as service lifts, ladders and safety devices. The offering also includes services.

There are two activities describe in the delegated acts that are deemed to encompass the operations performed by the Wind division:

- Activity 3.1 Manufacture of renewable energy technologies
- Activity 7.6 Installation, maintenance and repair of renewable energy technologies.

The business activities carried on by the Group's remaining four divisions are still not covered by the current version of the EU Taxonomy. We have therefore not been able to make any taxonomy analysis of that part of the Group's business.

Substantial Contribution

The substantial contribution criteria for activity 3.1 is that the economic activity manufactures renewable energy technologies. Considering that all products manufactured and sold by the Wind division are tailormade for wind turbines, the criteria are considered fulfilled.

To fulfil the criteria for activity 7.6, the activity carried out by the company shall be included in the list of activities described in the screening criteria. The services provided by the Wind division are captured by the following activity on the list: installation, maintenance and repair of wind turbines and the ancillary technical equipment.

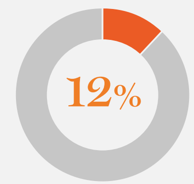
Do No Significant Harm (DNSH)

The management team in the Wind division has done work to analyse and ensure that the Wind operations do not cause significant damage to any of the other five environmental goals covered by the EU Taxonomy. Examples of work that has been conducted are:

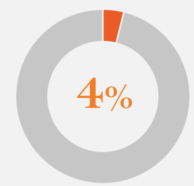
- Climate change adaptation: A risk assessment of climate related risks has been performed and documented
- Transition to a circular economy: A review has been made of ongoing initiatives in the Wind Division supporting the transition to a circular economy. The Division measures how much of each product category that is recyclable and how much re-used material each factory is using. Within the lean manufacturing program there are several ongoing activities with a target to reduce waste from the manufacturing and logistics processes. Life Cycle Assessments ("LCA") have been performed for the main products to understand which development projects to prioritise.
- Pollution prevention and control: The Wind Division has a chemical and material blacklist that they request suppliers to sign and adhere to. Pollution from our own manufacturing within the Wind Division is limited since we only perform assembly of products.

Share of economic activities that is taxonomy-aligned

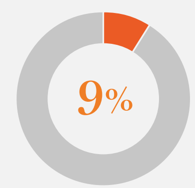
Net sales



Capital expenditure



Operating expenditure



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- Protection of water & marine resources: Alimak Group aims to gradually reduce water consumption and to have processes for waste water treatment in our production facilities. The wind production consumes little water since it is an assembly activity.
- Protection of biodiversity: The sites belonging to the wind division are not considered to be located in biodiversity-sensitive areas.

Minimum Safeguards

The EU Taxonomy requires companies to have procedures and processes in place which are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. An analysis has been performed to ensure that we have adequate procedures in place to manage the human rights risks related both to our own operations and our supply chain. Examples of procedures working as safeguards in the human rights area:

- all employees have written employment contracts
- employee survey conducted regularly
- whistleblowing channel allowing anonymous reporting in 14 languages
- health & safety procedures
- code of conduct and ethical business guidelines
- code of conduct for suppliers and processes to ensure compliance

The conclusion from the conducted analysis is that all activities carried out by Alimak Group's Wind division is taxonomy-aligned.

APPLIED ACCOUNTING POLICY

All revenue generated by the Wind Division is reported as taxonomy-aligned. See also note 4 Segment Reporting.

Regarding capex the Company has used information from the Property, Plant & Equipment and Intangible Asset Specifications reported by all group companies. New IFRS16 leasing contracts added during the year are also included. The numerator contains capex relating to the Wind Division.

The starting point for the Opex KPI has been all the Group's expenses relating to R&D, maintenance and repair and short-term leases. The numerator contains opex relating to the Wind Division

The data for the opex KPI are partly based on an allocation by revenue between the two activities where the main part is related to the Activity 3.1 *Manufacture of renewable energy technologies*.

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Outcome 2022 – Turnover

				Substantial contribution	Do No Significant Harm (DNSH)									
Economic activities	**Code**	**Proportion of turnover** (mSEK)	**Proportion of turnover** (%)	**Climate change mitigation**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of turnover 2022** (%)	**Cetegory (enabling activity or) E**	**Category (transitional activity) T**
A. Eligible activities														
A.1 Taxonomy-aligned activities														
Manufacture of renewable energy technologies	3.1	377	8%	100%	N/A	Yes	Yes	Yes	Yes	Yes	Yes	8%	E	–
Installation, maintenance and repair of renewable energy technologies	7.6	165	4%	100%	N/A	Yes	N/A	N/A	N/A	N/A	Yes	4%	E	–
Turnover of taxonomy-aligned activities		542	12%	100%								12%		
A.2 Activities that are taxonomy-eligible but not taxonomy-aligned														
Nothing to report		0	0%											
Turnover of taxonomy-eligible but not taxonomy-aligned activities		0	0%											
Total A.1 + A.2		542	12%											
B. Non-eligible activities														
Turnover of non-eligible activities		3,970	88%											
Total (A+B)														
Total Turnover		4,512	100%											

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Outcome 2022 – Capital expenditure

				Substantial contribution	Do No Significant Harm (DNSH)									
Economic activities	**Code**	**Proportion of cap ex** (mSEK)	**Proportion of cap ex** (%)	**Climate change mitigation**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of cap ex 2022** (%)	**Cetegory (enabling activity or) E**	**Category (transitional activity) T**
A. Eligible activities														
A.1 Taxonomy-aligned activities														
Manufacture of renewable energy technologies	3.1	3	3%	100%	N/A	Yes	Yes	Yes	Yes	Yes	Yes	3%	E	–
Installation, maintenance and repair of renewable energy technologies	7.6	1	1%	100%	N/A	Yes	N/A	N/A	N/A	N/A	Yes	1%	E	–
Capital expenditure of taxonomy-aligned activities		4	4%	100%								4%		
A.2 Activities that are taxonomy-eligible but not taxonomy-aligned														
Nothing to report		0	0%											
Cap ex of taxonomy-eligible but not taxonomy-aligned activities		0	0%											
Total A.1 + A.2		4	4%											
B. Non-eligible activities														
Capital expenditure of non-eligible activities		114	96%											
Total (A+B)														
Total Capital expenditure		118	100%											

Outcome 2022 – Operating expenses

				Substantial contribution	Do No Significant Harm (DNSH)									
Economic activities	**Code**	**Proportion of turnover** (mSEK)	**Proportion of turnover** (%)	**Climate change mitigation**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of operating expenses 2022** (%)	**Cetegory (enabling activity or) E**	**Category (transitional activity) T**
A. Eligible activities														
A.1 Taxonomy-aligned activities														
Manufacture of renewable energy technologies	3.1	16	7%	100%	N/A	Yes	Yes	Yes	Yes	Yes	Yes	7%	E	–
Installation, maintenance and repair of renewable energy technologies	7.6	6	2%	100%	N/A	Yes	N/A	N/A	N/A	N/A	Yes	2%	E	–
Operating expenses of taxonomy-aligned activities		22	9%	100%								9%		
A.2 Activities that are taxonomy-eligible but not taxonomy-aligned														
Nothing to report		0	0%											
Oper exp of taxonomy-eligible but not taxonomy-aligned activities		0	0%											
Total A.1 + A.		22	9%											
B. Non-eligible activities														
Operating expenses of non-eligible activities		212	91%											
Total (A+B)														
Total Operating expenses		234	100%											

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The Board of Directors and the President & CEO hereby declare the Sustainability Report for the 2022 financial year. The Sustainability Report describes Alimak Group's sustainability efforts and has been prepared in accordance with the Swedish Annual Accounts Act's (ÅRL) demands on sustainability reporting, chapter 6, § 11.

Stockholm, March 15, 2023

Johan Hjertonsson
Chairman of the Board

Helena Nordman-Knutson
Board member

Christina Hallin
Board member

Tomas Carlsson
Board member

Sven Törnkvist
Board member

Petra Einarsson
Board member

Örjan Fredriksson
Board member & Employee representative

Fredrik Marklund
Board member & Employee representative

Ole Kristian Jødahl
President & CEO, Board member

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THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

To the general meeting of the shareholders of Alimak Group AB (publ), corporate identity number 556714–1857

ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2022 on pages 40–64 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the sustainability statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A statutory sustainability statement has been prepared.

Stockholm, March 17, 2023

Ernst & Young AB

Henrik Jonzén
Authorised Public Accountant

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The Board of Directors and the President & CEO of Alimak Group AB hereby present the Annual Report and consolidated accounts for the 2022 financial year. Alimak Group AB is a public limited Company with its registered offices in Stockholm, company registration number 556714-1857.

BUSINESS AND OPERATIONAL STRUCTURE

Alimak Group AB is the Parent Company of a Group that is a global provider of access solutions for professional at heights.

The Group has 24 production and assembly facilities in 15 countries across Europe, the Midde East, the Americas and China, along with a own sales and service network and distributors that supply and maintain vertical access solutions in more than 120 countries.

During 2022, operations were divided into five divisions: Facade Access, Construction, Height Safety and Productivity Solutions, Industrial and Wind, which also were the Group’s reporting segments. The division Height Safety and Productivity solutions was added after the acquisition of Tractel in November 2022 and was reported for the first time in the interim report for the fourh quarter 2022. The Facade access and Contrustion division was also affected by acquisition.

The Facade Access division offers permanently installed equipment and systems that enable regular access to the facace of buildings The offering also includes services such as spare parts, certifications and refurbishments.

The Construction division develops, manufactures, sells, services and provides rentals of a wide range of construction hoists, platforms and mast climbing work platforms for temporary use in construction and renovation projects globally. The offering also includes services like spare parts and certifications.

The division represents our Tractel brand, a world-leading specialist manufacturer of reliable, innovative, high quality lifting and fall protection equipment and services.

The Industrial division offers a wide range of elevators and platforms for permanent use across a broad spectrum of industries and harsh environments. The offering also includes service contracts to maintain reliability of the solutions which can be in use for up to 20–30 years.

The Wind division offers products, solutions and training courses for safe work in wind turbines, such as service lifts and ladders, with the aim of helping customers make wind energy cost competitive. The offering also includes services.

Purchasing and supply of materials

For its manufacturing, the Group purchases made-to-order and standardised materials, components and services from regional and global suppliers. Certain key components are also made within the Group. Where possible, the Group uses a range of different suppliers, and always tries to avoid being dependent on a single supplier. The Group strives to negotiate Group-wide supply agreements with its main suppliers. All suppliers must comply with the requirements stipulated by the Group regarding precision of supply and financial stability, as well as environmental and social targets.

Corporate responsibility

The Group’s Code of Conduct summarises the Group’s basic guidelines and directives for employees’ interactions with one another, stakeholders and other parties. The code also defines the Group’s way of working, to ensure that all activities are carried out with a high degree of integrity. The Group has high internal requirements and strict rules with regard to social and environmental matters, as well as business ethics.

SIGNIFICANT EVENTS DURING THE YEAR

Next step in the New Heights Programme

In 2022, Alimak Group continued to execute on the New Heights Programme delievering accelerated profitable growth with record high order intake, revenue and earnings.

Acquisition of Tall Crane Equipment Ltd

Alimak Group acquired 100% of the shares in Tall Crane Equipment Ltd onAugust 24, 2022, a licensed elevator contractor, providing hoist and crane rentals, qualified licensed personnel, and repairs and maintenance on site and off site. The company, headquartered in Langley, British Columbia, Canada, has been an Alimak Construction Division customer for over 30 years and will become part of Alimak Group’s Construction division. The acquisition reflects Alimak Group’s strategic goal of being close to its customers in the markets in which they operate. Tall Crane’s rental services business provides a good foundation to expand Alimak Group’s new and used product offerings. The addition of a wholly owned footprint in Canada also creates opportunities to further expand both in Construction and in Permanent Industrial equipment, including parts and services. See note 28 on page 123 for more details regarding the acquisition.

Acquisition of Tractel

On November 21, Alimak Group AB completed the acquisition of Tractel, a world leading height safety specialist, providing reliable, innovative and cost-effective working-at-height solutions and services. The acquisition is transformational, accelerating Alimak Group’s profitable growth strategy, creating a highly profitable global provider of safe and sustainable premium height solutions with an annual revenue of over SEK 6.5 billion. The acquisition adds a new Division into Alimak Group, Height Safety & Productivity Solutions. The acquisition also strengthens the solution portfolios within the Construction and Facade Access divisions as well as increasing the potential for the service business.

The consideration amounts to MSEK 5,463 on a cash and debt free basis (Enterprise Value). To finance the acquisition, Svenska Handelsbanken is providing a long-term facility of MEUR 300 and a bridge loan facility. Post-closing of the transaction, the bridge loan facility is intended to be repaid with proceeds from a new share issue with pre-emptive rights for Alimak Group’s shareholders. See note 28 on page 123 for more details regarding the acquisition.

Management changes

On November 22, 2022 Sylvain Grange, former CFO of Tractel, was appointed new CFO of Alimak Group and Philippe Gastineau, former CEO of Tractel, was appointed Senior EVP for Facade Access and for Height Safety & Productivity Solutions. Further, Johnny Nylund, was appointed Chief Communication Officer entering his new position on January 9, 2023. Thomas Hendel, Alimak Group's CFO, decided to leave the company to pursue other opportunities outside the company.

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Strategic review of Wind Division

A Strategic review of Wind Division was done during 2022. With the opportunities identified through the acquisition of Tractel and the increased demand for renewable energy, the Board decided to develop the division as part of Alimak Group.

Information regarding the situation in Ukraine

The war in Ukraine is a human tragedy and our thoughts and concerns are with all those affected by this horrible situation. Alimak Group is continuously monitoring the developments and implications this might have for the Group's employees, partners, customers and its operations. Alimak Group has no significant assets, contracts or suppliers with connection to Ukraine, Russia or Belarus.

Exit from Russia

Alimak Group decided to exit its operations in Russia. The exit process for Alimak Russia started on April 26, 2022, with due considerations towards employees and customers. The exit incurred costs of MSEK 7, which was part of the items affecting comparability taken in the third quarter. The exit process for Tractel in Russia has been initiated and it will not have any material impact on the Group's financials.

Repurchase of own shares

On December 17, 2021, the Board resolved to exercise the authority given by the Annual General Meeting and repurchase own shares. The main purpose of the repurchase is to ensure Alimak Group's commitments to deliver shares in accordance with the Group's call option programmes. A total of 450,000 shares were repurchased were of 303,000 shares were repurchased in january 2022. Par value per share is SEK 0.02.

FINANCIAL OVERVIEW

Multi-year overview

MSEK	2022	2021	2020	2019
Revenue	4,512	3,728	3,740	4,587
Operating profit, EBIT	546	448	278	565
Profit before tax, EBT	485	410	241	509
Net profit for the year	382	307	183	394
Balance sheet total	14,326	5,902	5,619	6,417
Equity/assets ratio, %	31	65	63	57
Average number of employees	2,134	2,057	2,049	2,286

Revenue and operating profit (EBIT)

Revenue for the Group totalled MSEK 4,512 (3,728). Operating profit (EBIT) increased to MSEK 546 (448), representing an operating margin of 12.1% (12.0). 2022 was affected by non-recurring items of MSEK –13 (0).

Analysis per segment

	2022		2021	
MSEK	Revenue	Operating profit	Revenue	Operating profit
Facade Access	1,372	41	1,063	27
Construction	1,346	236	1,104	198
Height Safefy and Productivty solutions	111	23	–	–
Industrial	1,140	214	885	183
Wind	542	45	676	40
Items affecting comparability	–	–13	–	–
Total	**4,512**	**546**	**3,728**	**448**

Division Facade Access increased revenue by 29% to MSEK 1,372 (1,063) driven by solid development in both equipment and services with a positive effect from the Tractel acquisition. EBIT increased to MSEK 41 due to higher volumes and Tractel.

Divsion Construction increased revenue by 22% to MSEK 1,346 (1,104) driven by solid development in new equipment, services and rental. Good cost control and the higher volumes resulted was offset by increased cost for material and energy why the operating margin was in line with last year.

For the division Height Safety and productivity solutions the revenue was MSEK 111 MSEK and EBIT MSEK 23 for 2022. The division was only included for 5 weeks in 2022 but had a positive impact on the operating margin.

For the Industrial divison the revenue increased by 29% to MSEK 1,140 (885) due to increased global demand. The operating result increased due to higher revenues but the operating margin decreased due to increased by higher material costs.

For the Wind division the revenue decreased by –20% to MSEK 542 (626) mainly by the decrease in number of wind towers installed worldwide and partially impacted by the decision to exit tower internals.

Financial income and expense

Net financial items for the year amounted to MSEK –61 (–38) Interest net was MSEK –44 (–11). The impact from IFRS 16, Leasing, was MSEK –6 (–5) and the remaining largely derived from currency impact. The increased interest net is due to increased funding related to the Tractel acquisition and higher level of market rates.

Tax

The total tax expense for the year was MSEK 109 (102), corresponding to an effective tax rate of 22.5% (24.9). The tax expense varies depending on the geographic distribution of where the Group's profits arise and the possibility of utilising tax loss carry forwards. The total tax expense was also positivly affected by a correction from previous year of MSEK 12.

Profit for the year

Profit for the year totalled MSEK 376 (308). Comprehensive income for the year totalled MSEK 743 (487). The difference between profit for the year and comprehensive income for the year is mainly due to a increase in the translation reserve for foreign operations, and the revaluation of pension plans.

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Cash flow
Cash and cash equivalents at December 31, 2022 totalled MSEK 869 (348). The Group's cash flow from operating activities totalled MSEK 501 (646) impacted by increased trade receivables, inventory build-up and increased contract assets from the first half of 2022. The Group's cash flow from investing activities amounted to MSEK –5,734 (–104) including the acquistion of Tractel and Tall Crane Equipment of MSEK 5,666. The Group's cash flow from financing activities totalled MSEK 5,738 (–438) also impapted from increased borrowings in connetction to the two acquisitions.

Financing and financial position
The Group's balance sheet total was MSEK 14,327 (5,902) at year-end. Net debt totalled MSEK 6,074 (338), primarily consisting of loans from credit institutions (see Notes 18 and 21). Compared with December 31, 2021 trade receivables increased from MSEK 722 to MSEK 1,382. Inventories increased from MSEK 525 to MSEK 1,196 largely driven by the acquisitions.

Investments
The Group's investments in property, plant and equipment totalled MSEK 75 (63). Depreciation during the period amounted to MSEK 77 (63).

Intangible assets
At year-end, the carrying amount for intangible assets was MSEK 8,696 (2,919), of which goodwill comprised MSEK 5,950 (2,362). The yearly impairment test did not indicate any impairment need of the carrying amount of goodwill.

Equity
On December 31, 2022 the Group's shareholders' equity totalled MSEK 4,377 (3,840). In addition to the result from the year's operations, the change in equity reflects the dividend paid of MSEK 176 and other changes of MSEK 337, of which MSEK 304 comes from the translation reserve for foreign operations, MSEK –34 relates to repurchase of shares and the remaing relates to share based compensation, cash-flow hedges and revaluation of pension plans. The Group repurchased 303,000 own shares for 34 MSEK during 2022.

PERSONNEL
The Group prioritises having its own permanent workforce and works proactively and systematically to ensure the well-being of employees and safety in the workplace. Each legal entity in the Group has its own local personnel policy that complies with local laws, regulations and agreements as well as a common policy for the enitre group. The staffing level during the year was considered to be well balanced in terms of order volumes, and adjustments are made on an ongoing basis to meet the demands. The full time equivalent number of employees in 2022 was 3,100 (2,057). At year-end, the number of employees totalled 3,176 (2,162). The increase was driven by the acquisition of Tractel and Tall Cran Equipment. Salaries and remuneration during the year amounted to MSEK 1,227 (1,123).

RESEARCH AND DEVELOPMENT
The aim of the Group's research and development is to increase customer productivity, reduce environmental impact, improve the work environment and cut costs. R&D, a top priority in the Group, also encompasses the development of production technology, production processes and IT systems, where such is necessary. The work is mainly carried out at, or close to, the production companies and in close cooperation with customers. Extensive sharing of experiences takes place between the divisions in order to create synergies and new ideas for the future. R&D costs for the year totalled MSEK 117 (101).

OUTLOOK
Alimak Group has a leading position in the industry for vertical access solutions for professional use, with applications suitable for both temporary and permanent installations for various industries. The product offering is complemented with a broad range of after-market services targeted at the Group's installed base. With its own sales offices and an extensive distributor network, the Group has a global reach to more than 120 countries. During 2023, we foresee continued macroeconomic and geopolitical uncertainty. We are well prepared to navigate through the challenging business environment, in close cooperation with our customers and business partners, and to continue to execute on our sustainable profitable growthagenda. Our business is supported by the strong trends of urbanisation, more building at height and increased investments in health and safety.

In 2023, we will update our divisional strategies and financial targets to fully utilize the business potential, based on the new expanded Group but the focus for the new Alimak Group will be to continue to drive sustainable profitable growth and by focusing on customers, product development, increasing service revenue.

ENVIRONMENTAL IMPACT
Alimak Group's biggest impact on the environment derives from the solutions' operation at customer sites but also from production and assembly. The Group works actively on reducing its environmental footprint, with a focus on supply and production as well as R&D to decrease the weight of the vertical access solutions.

All major production and assembly sites are certified according to ISO14001 and several locations are also certified according to OHSAS18001 / ISO45001. The Group has done a full retake of the stakeholder dialogue and materality analysis – resulting in an updated framework for sustainability focus areas and new KPIs and targets. The Group has also implemented a sustainability target to reduce CO_2-footprint with 30% cross our value chain by 2025 compared to 2019.

SUSTAINABILITY REPORTING
In accordance with chapter 6, § 11 of the Swedish Annual Accounts Act, Alimak Group has elected to prepare the statutory Sustainability report separately from the Director's report. The Sustainability report was submitted to the auditor for review together with the Annual report. The Sustainability report is included on pages 40–65 in this document and on pages 72–80 where the sustainability risks and risk management are described.

SHARE CAPITAL AND OWNERSHIP
At the end of the year, Alimak Group's share capital amounted to SEK 1,083,157, represented by 54,157,861 shares. The Group has just one class of share, and all shares carry one voting right. On December 31, 2022 Latour, the single largest shareholder in Alimak Group, held 16,016,809 shares, corresponding to 29.6% of both votes and share capital. Alantra EQMC Asset Management held 6,572,891 shares, corresponding to 12.1% of the shares. The Alimak Group owned 742,611

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own shares as of December 31, 2022 with a par value of SEK 0.02, corresponding to 1.4% of the total number of shares.

No restriction applies in law or the Articles of Association as to the transferability of the shares. There are no restrictions as to how many votes each shareholder can cast at an AGM. For further information regarding the Group's shares and ownership, see pages 142–144.

CORPORATE GOVERNANCE

In accordance with the Swedish Annual Accounts Act, Alimak Group has prepared a corporate governance report that includes the Board of Directors' report on internal control. This can be found on pages 81–88 of this document.

CURRENT GUIDELINES FROM THE BOARD FOR REMUNERATION PAYABLE TO SENIOR EXECUTIVES

The Board proposes that the general meeting resolves on the following guidelines for salary and other remuneration to directors, President and Chief Executive Officer (CEO), and other senior executives. Senior executives refer to senior executives of the Group Leadership Team. These guidelines will be valid for agreements entered into after the general meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to remuneration decided or approved by the general meeting, for example director fees and share-based incentive programmes

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

Information about the Group's business strategy can be found in the latest annual report at www.alimakgroup.com.

It is of fundamental importance to the Group and its shareholders that these guidelines, in both a short- and long-term perspective, create good conditions to attract and retain competent senior executives. The purpose of these guidelines is to increase transparency in remuneration issues and through relevant remuneration structures, create incentives for senior executives, to execute strategic plans and deliver effective operational results to support the Group's business strategy and long-term interests, including its sustainability. To obtain this, it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and compensation levels. These guidelines ensure that senior executives, regardless of geographical market, may be offered a competitive total compensation.

Remuneration and forms of remuneration

The terms of employment for senior executives should consist of a balanced combination of fixed remuneration, variable remuneration, pension and other benefits and terms for dismissal/ severance payment. Such a combination of compensation fosters and supports management and achievement of objectives in both a short and long-term perspective. The various types of remuneration that may be paid out are described below.

Fixed remuneration

The fixed remuneration shall be individually determined and shall be based on each individual's responsibility and role as well as the individual's competence and experience in the relevant position.

Variable remuneration

The variable remuneration shall be measured during a period of one year and be structured as a percentage rate of the fixed remuneration. The variable remuneration may be up to 70 per cent of the fixed remuneration for the CEO and up to 50 per cent for other senior executives.

Variable remuneration must be linked to predetermined and measurable goals that can be financial or non-financial and that promote the company's long-term and sustainable development. The goal formulation must be designed so that no variable remuneration is paid if a minimum level of performance is not met.

At the end of the annual measurement period, an overall performance evaluation shall be made to determine the extent to which the objectives have been achieved. The Remuneration Committee is responsible for the evaluation with respect to variable compensation to the CEO and other senior executives. With regards to financial objectives, the evaluation shall be based on audited financial information made public by the Group.

Pension

The main principle is that pension contributions are based on collective bargaining agreement provisions in each geographical market. On entering into new pension agreements, senior executives entitled to pension will have defined contribution pension agreements based on fixed remuneration. Variable remuneration shall constitute pensionable salary only when necessary to comply with mandatory collective bargaining agreement provisions applicable to the senior executive. Pensioning of senior executives takes place in accordance with the respective country's pension rules.

Pension agreements for the CEO shall be defined contribution based and must not exceed 40 per cent of the fixed remuneration. For employments governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Other benefits

Other benefits, such as health and medical insurance must comprise a minor part of the total compensation and must correspond to what may be deemed market practice in each geographical market.

For employments governed by rules other than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Special remuneration

Further special remuneration may be awarded for extraordinary arrangements provided that they are limited in time and are awarded on an individual basis. Examples of situations where special remuneration may be awarded are to recruit or retain executives, as remuneration for extraordinary performance beyond the individual's ordinary tasks and to induce individuals to move to new places of service or accept new positions. Any resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

Long-term incentive program

The general meeting can and has for a number of years, in addition to and independently of these and previous guidelines, decided on other long-term incentive programs. In 2022, the general meeting decided, for example, on the introduction of a long-term share-based incentive program in the form of a call option program. For more information about these programs, see the respective year's notice of the annual general meeting.

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Terms for dismissal etc.
Terms for dismissal and severance pay shall correspond to what may be deemed market practice on each geographical market. The CEO has a notice period of 6 months on his/her part and 12 months on the part of the Company. Between the Company and other senior executives, a mutual notice period of 6 months normally applies. On entering into new employment agreements, agreement may be made with senior executives on severance pay corresponding to a maximum of 12 months' fixed remuneration. The foregoing applies only to notice given by the Company and, in general, the established practice in each geographical market where the executive works, applies.

Remuneration payable to Directors
In certain cases, Directors elected by the general meeting, should be able to receive fees and other renumeration for work carried out on behalf of the Group, alongside their Board work. Fees at market rates, approved by the other Board members, may be payable for such services. No remuneration shall be paid to the Group's employees acting as directors on the boards of Group companies.

Remuneration and employment conditions for other employees
In the preparation of this proposal for guidelines, remuneration and employment conditions for employees of the Company have been taken into account by collecting information on the employees' total income, the components of the remuneration and increase and growth rate over time.

The decision-making process to determine, review and implement the guidelines
The Board resolves, after preparation by the Remuneration Committee, on the structures of remuneration systems, as well as levels and forms of remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall monitor and evaluate programs for variable remuneration for the Group executive management, the application of the guidelines as well as the current remuneration structures and compensation levels in the Group.

The members of the Remuneration Committee are independent of the Group and the executive management of the Group. The CEO and other members of the Group executive management do not participate in the Board' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters

Derogation from the guidelines
The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Miscellaneous
Total remuneration and other benefits paid to senior executives during the year are stated in the annual report.

PARENT COMPANY

The business of the Parent Company, Alimak Group AB, consists of certain Group-wide, shareholder-related services. Since January 1, 2019, only the CEO are employed by the Parent Company.

In addition, the Group's borrowing is centralised within the Parent Company, which is also the account-holder of a Group-wide transaction account (a cash pool) with a financial institution.

Revenue for the year totalled MSEK 12 (12) and an operating loss of MSEK –23 (–23) was recorded. Financial net totalled MSEK 344 (380) and profit before tax for the year amounted to MSEK 316 (453). Profit for the year was MSEK 312 (432).

At the end of the year, the equity/assets ratio was 35.3% (83.6). By resolution of the 2022 AGM, a dividend of MSEK 176 was paid to shareholders, corresponding to SEK 3.30 per share.

At year-end, the Parent Company's cash and cash equivalents, including unutilised credit commitments and overdraft facilities, totalled MSEK 1,689 (1,837).

PROPOSED APPROPRIATION OF PROFIT

The following amounts are available for distribution by the AGM (SEK)	
Retained earning	2,883,112,748
Net profit for the year	312,160,753
	3,195,273,501

The Board proposes that the amounts be distributed as follows	
Dividend of 3.65 SEK per share to be paid to shareholders*	194,965,663
To be carried forward	3,000,307,838
	3,195,273,501

* The proposed record day for dividend payment is May 8, 2023. The amount proposed as dividend corresponds to SEK 3.65 per share, based on the existing number of shares, 54,157,861 and excluding the 742,611 shares held by the Group as per record day.

Risks and Risk Management

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Exposure to risk is a natural element in running a business and the purpose of risk management is not to avoid risk, but to take a controlled approach to the risks that the business is exposed to. Alimak Group applies a risk review process that seeks to identify, assess and manage key risks.

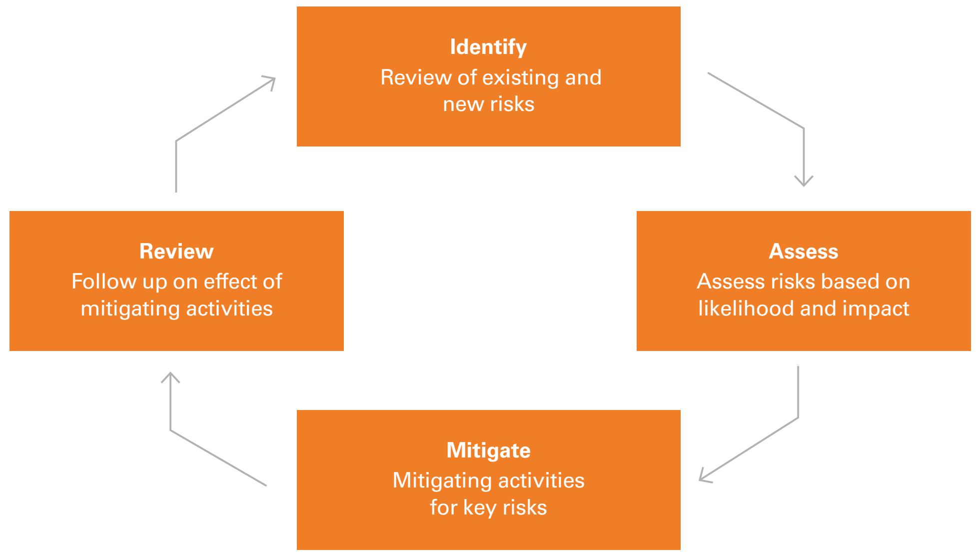
The risks are divided into strategic, operational and financial risks. The Group is also exposed to risks in the sustainability area, for example, risks concerning health & safety, respect for human rights, bribery and corruption as well as environmental issues such as climate change. These risks are included among the operational risks.

The members of the Group Leadership Team review the Group's risk profile annually and ensure that identified key risks are managed and that the information is used as input for the strategy process. The assessment of the materiality of each risk area is based on the likelihood of its occurrence and the expected magnitude of its adverse effects. The Group's risk profile is based on a bottom-up, top-down approach where the divisions and group functions first make their assessments, and the Group Leadership Team thereafter decides on the Group's consolidated risk profile based on the outcome of these assessments.

The Board of Directors is ultimately responsible for ensuring that there is an appropriate and efficient risk management process in place and the CEO and CFO give regular risk updates to the Audit Committee and the Board.

The following pages give an overview of relevant risk areas and how they are managed by Alimak Group.

Risk Review Process



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STRATEGIC RISKS

Risk area	Description	Alimak Group's Response
Market and economy	General economic conditions, the geopolitical situation and the global financial markets impact the global economy and consequently also the demand for Alimak Group's products, solutions and services. The Group's ability to generate profits may be affected by a down-turn in the general economy or in a specific country, region or industry.	Alimak Group's products are sold to customers in more than 120 countries every year. The Group operates through its own subsidiaries in 30 countries and the remaining markets are covered by a distributor network. Altogether, this provides the Group with a favorable underlying risk diversification. In 2022 the COVID-19 pandemic continued to have negative impact on the Group's operations in China due to lock-downs and travel restrictions. Also the unstable geopolitical situation in Ukraine and Russia caused challenges to the global economy and consequently also to Alimak Group. The Group had no significant assets, contracts or suppliers in Russia and Ukraine but were anyway impacted by indirect effects on for example the supply chain and raw material prices. Many efforts have been made in different parts of the organization during the year to mitigate these effects. It was for example resolved that all activities in Russia would cease. The exit process started in April 2022 and is still ongoing. The Group is dependent on demand in the end markets in which the Group's products, solutions and services are used, for example in the construction industry, ports and shipyards, energy and cement industries, wind power plants, and oil and gas industries. These industries are impacted by the general economic climate and investment levels, which in turn are affected by a number of factors, including interest rates, political uncertainty, GDP growth and other factors that impact economic confidence. The Company continues to closely monitor the effects of the current geopolitical and economic instability to be able to quickly detect signs of a slowdown or decline in the end markets where the Group operates.
Competition	The Group faces direct competition in all product lines, price categories and geographical markets. The Group primarily competes with regional and local competitors in all of its divisions. Any changes to the structure of the Group's current competitors or the emergence of new competitors may result in a reduction in the Group's sales, market share and revenue.	The Group competes on the basis of safety, quality, sustainability, price, total cost of ownership, brand recognition, customer service, punctual delivery and product portfolio. The Group's competitive edge is dependent on the introduction of new products, solutions and service offerings, improved functionality and quality, as well as good cost control in the production. It is the responsibility of the Division EVPs, in close co-operation with their sales teams around the world, to monitor the competitors and to ensure that the Group does not become too dependent on few major customers.
Strategy development and execution	The Group's strategy is subject to review on a yearly basis. There is always a risk of not having reliable financial forecasts and enough insight into current market trends and threats to support the development of the strategy. Another risk in this area relates to the strategy execution and not being able to successfully implement the strategy.	The Group's strategy is developed jointly by the Group Leadership Team and the Board. The process is coordinated by the Chief Strategy Officer. The Division EVPs are responsible for driving the development of their respective Division strategies. They are also responsible for strategy implementation and the progress in monitored in the monthly business reviews. To strengthen its position and competitiveness, the Group routinely evaluates, and periodically implements, various initiatives to reduce costs, structural measures and reorganisation projects to strengthen its position and competitiveness. In October 2020, a profitable growth programme called New Heights was launched. The programme has three phases: establish the base, secure margin improvements and profitable growth. The first two phases were implemented in 2020 and 2021, and the Group is now in the profitable growth phase.
Brand and reputation	One important competitive advantage of the Group is its trademarks, which are associated with safety, reliability and quality. All real or perceived problems with products, operations or regulatory compliance in areas such as the Market Abuse Regulation ("MAR") and anti-corruption may result in damage to the Group's reputation.	Operational and product safety are of great importance to the Group and more information is provided below under Environment Health & Safety and Product Safety. The Group's Insider policy, Communication policy and the Code of Conduct provide guidance both internally and to the Group's business partners on ethical and compliance matters relating to the Group's business operations.

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STRATEGIC RISKS

Risk area	Description	Alimak Group's Response
M&A	The Group's acquisition strategy focuses on a number of important drivers, including selectively broadening its existing product and service portfolio, expanding its presence in emerging markets and positioning the Group for entry into profitable related niches in vertical access solutions, particularly in industrial applications. Growth through acquisitions is risky by nature due to the difficulties in evaluating the business that is going to be acquired but also to be able to realise synergies during the integration phase. Annual impairment tests are made on acquired goodwill. If the carrying values are not deemed justified in such tests, it can result in a write-down, affecting the Group's result.	Acquisitions are co-ordinated by the Chief Strategy Officer. External expertise is brought in for legal, tax, financial and environmental assessments when necessary. Acquisitions are carried out according to a defined M&A process consisting of pre-evaluation, due diligence, and integration planning and execution. During 2022, Alimak Group aquired Tall Crane Equipment Ltd, a Canadian hoist and crane rental service provider. On August 2, 2022, it was announced that Alimak Group had entered into an agreement to acquire Tractel. Tractel has subsidiaries in 20 countries, 1,100 employees, customers in 120 countries and 10,000 distributors worldwide. The company's manufacturing is carried out in Europe, USA, Canada, China, Singapore and Turkey. The integration process with 16 identified workstreams is now working to integrate the acquired operations and this work will continue throughout 2023.
Statutory requirements and standards	In its capacity as an industrial company with operations in several jurisdictions, the Group is subject to international, national and local laws and regulations, such as, but not limited to, laws and regulations on labour and employment, health, safety and the environment, exports, anti-corruption, trade, competition, anti-trust and human rights. Failure to adopt and implement suitable internal policies to ensure compliance with laws may result in civil or even criminal sanctions and cause damage to the Group's reputation.	The managing director of each legal entity in the Group is responsible for ensuring that local laws and regulations are followed. All major production and assembly sites are certified according to ISO14001 and ISO9001. Several locations are also certified according to ISO45001. The Group has active representation in relevant committees for development of new technical standards enabling the Group to monitor the development in this area. During 2022 the Group has taken certain measures to comply with the package of sanctions and rules adopted by the EU and others as a result of Russia's invasion of Ukraine. In March 2022, the Company decided, for example, to stop all deliveries to Russia and Belarus until further notice and is not pursuing any new sales in these countries. It was also resolved that all activities in Russia would cease. The exit process started on 26 April 2022 and is still ongoing. Following the acquisition of Tractel, the exit process has been extended to also include Tractel's commitments in these areas.

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OPERATIONAL RISKS, INCLUDING SUSTAINABILITY RISKS

Risk Area	Description	Alimak Group's Response
Sales channels and price management	Inefficient pricing strategies may result in margin erosion. Sudden cost increases resulting from for example increases in commodity and component prices or changes in customs and trade tariffs may have a negative impact on the financial performance.	The EVPs of the Divisions are responsible for price management in their respective businesses. The Group stives to include price adjustment mechanisms in agreements with customers (which also applies to agreements with suppliers). In addition, the Group performs regular reviews and updates of selling price lists. In complex projects where the negotiation period is long, offered prices are time limited and the prices stated in the quotations are adjusted when needed. The sourcing functions are responsible for supplier selection. As part as this responsibility a close dialogue with sales departments is maintained to ensure that price increases from suppliers are reflected in the sales process. The financial reporting is structured so that it enables close monitoring of the development of margins in different regions and markets so that appropriate actions can be implemented if there is a negative trend in the margins in a certain market.
Production and Supply Chain Management	Alimak Group has 10 production and assembly facilities in 8 countries. The acquisition of Tractel added another 15 production facilities in 11 countries. Production disruptions may occur due to events such as a fire, extreme weather, epidemic outbreak and strikes resulting from labor disputes. Production disruptions may also occur as a result of problems in the supply chain, such as a business interruption for an important supplier.	The sourcing functions are responsible for supplier selection and management. Risk assessments are made from a business contingency perspective and appropriate initiatives are initiated based on the risk assessment. Examples of initiatives in the area of Supply Chain Management are to ensure multiple sourcing channels for critical parts and to work together with R&D to update the design of certain products to avoid components and materials that are difficult to source. The pandemic, and lately also the unstable situation in Ukraine and eastern Europe, has caused disturbances in the supply chain and it has also resulted in an increase in prices on certain materials and on freights. Action taken has been to increase inventory levels of critical components and switch to more regional and local suppliers. Local contingency planning exists at the main production sites. The Group has insurance coverage for business interruptions.
Contracting practices	The Group faces a risk that contracts with customers, distributors and suppliers are not negotiated, reviewed and authorised in accordance with existing internal policies resulting in an exposure to for example liability claims and too far-reaching commitments.	All agreements with third party sales channels, such as distributors and sales representatives, are handled according to a structured process based on agreement templates. The Sales and Contract policy and the Authorisation policy, provide instructions to the organisation about minimum trading terms and escalation paths. It also provides tools for contract reviews.
Development of new customer offerings	The risk of not being able to launch new products and service offerings in line with customer expectations or that the Group does not manage to capture the benefits of digitalisation and sustainability.	In early 2020, Alimak Group established a digital hub supporting the divisions in their work to develop digital solutions. Since then more machines have been connected, enabling a better control over and utilisation of the machines. In 2023, the first products based on the new technology platform will be launched. The BIM Gallery, launched in 2020, now has more than 4500 downloads. The use of BIM models helps the customers optimise and simulate the use of the products throughout a project and thereby enables better planning of complex projects and reduced risk. In 2022 the Group also acquired 45% of Service Protocol, a web based tool enabling us to digitalize the work of our service technicians and providing a good platform for machine learning. The new organisation launched in the beginning of 2021, enables an improved governance process for R&D projects.

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OPERATIONAL RISKS, INCLUDING SUSTAINABILITY RISKS

Risk Area	Description	Alimak Group's Response
Intangible assets	Failure in capturing, enhancing, and protecting the Group's intellectual property rights, e.g. know-how, product innovations and trademarks, may result in unwanted competition and a loss in revenue.	The Group uses a combination of trademarks, patents, licenses and other measures to protect its intellectual property rights. Although the Group is not dependent on any major patents or licenses for its business, the Group believes that its brands, particularly Alimak, Avanti, BlueWater, CoxGomyl, Manntech, Scanclimber, Swingstage and Tractel, play an important role in the marketing of the Group's products and the maintenance of its competitive advantages. Trademark registrations as well as infringements are handled centrally with appointed representatives from each Division. Patents are handled by the Group CTO together with product managers from the Divisions. External advisors have been appointed to provide assistance on a regular basis in these matters.
Cyber security and Information Security	Unauthorised access to the Group's IT systems may result in loss of sensitive data and business interruptions. As our customer offerings become more digital and connected, the amount of data increases and thereby also the risk in this area.	IT Infrastructure and security is the responsibility of the CIO function. All hardware for infrastructure is controlled by the CIO function and this function also handles user account creation and removal, system access and rights management and security controls. Based on 2021's penetration test results, several corrective measures were implemented on internal networks. In addition, the IT organization has implemented further controls on local workstations, mobile devices, and user accounts to harden security with continued measures being implemented to counter the many dynamic cyber threats and educate our workforce. Threat detection is in place at all sites in combination with EDR tools to catch threats before they become an issue. Central management of all connection points allows for greater visibility across the Group and allows for proactive handling of issues, often before they become a problem. An e-learning course on malicious e-mails is available for all employees. The CIO function distributes examples of malicious e-mails to the employees on a regular basis as part of an ongoing awareness training program to educate employees on Cyber security risks and best practices for dealing with threats they may encounter in their day-to-day office activit
Employees	The employees are the Group's most important asset and it is importan to have access to and attract skilled and motivated employees and safe-guard the availability of skilled leaders to achieve established strategic objectives.	During 2022, the global People & Culture function focused efforts on promoting engagement, forging an inclusive culture that allows each individual to develop to their full potential. The Voice, a new global employee survey, was introduced during the year with the aim for gaining insight into how employees view the Group as a workplace. Among other metrics, the survey measured engagement based on individual, team-based and organisational driving forces. The real time nature of the Voice enabled rapid responses to individual issues. During 2022, the Group initiated the implementation of a new model for talent inventories and succession planning. This has led to more internal appointments and individual career plans. In addition, further enhancements were introduced to the Group's intranet, for example local intranets by Divisions. High focus continued on maintaining a diverse and non-discriminatory workplace: each entity within Alimak Group continued to work on ensuring equal employment opportunities for all qualified individuals, without distinction or discrimination due to race, religion, skin colour, sex, national origin, disability, age or any other status protected under applicable laws. The performance management model was further developed during 2022. Under this model, all employees undergo frequent performance reviews, where among other things, development plans are set. Lastly, during 2022, the Group focused on developing a more standardized process for the final stage of the employee cycle when employment is terminated. In this phase, the aim is to ensure an efficient exchange of knowledge, receive feedback from the employee and, in particular, to part as friends and to become each other's ambassador and potential future partner.

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SUSTAINABILITY RISKS

Risk area	Description	Alimak Group's Response
Corruption and fraud	Risk of corruption and bribery exists in many countries where Alimak Group operates and it is therefore of great importance to ensure that employees as well as distributors and consultants understand the Group's code of conduct and act in accordance with it.	The Group's code of conduct is based on the ten principles of UN Global Compact and covers the areas human rights, labor, environment and anti-corruption. The Group provides a Code of Conduct e-learning and the managing director of each legal entity in Alimak Group is responsible for ensuring that all employees have received proper training on the code. The Group's code of conduct is included in all agreements with distributors and sales representatives. Alimak Group has a whistleblower channel in place enabling anonymous reporting on any deviations from the code of conduct. For more details see the sustainability section of the annual report.
Health and Safety	Accidents and incidents in the workplace, due to lack of proper safety measures, harm employees and may have a negative impact on the productivity and brand. Poor physical and mental health and too much negative stress among employees may cause sick leaves and disturbances in the operations.	All production and assembly facilities and some of the sales entities are certified in accordance with ISO 45001. The global employee survey, the Voice, gives insights into how the employees view Alimak Group as a workplace. Based on the survey result, workshops are conducted to go through the result and agree on appropriate activities in the identified improvement areas. Every legal entity has a designated person in charge of performing health and safety risk assessments and there is an active work to promote a safe work environment and to prevent accidents from happening. To identify improvement measures, preventive safety procedures have been introduced at all relevant units, such as safety walks and safety observations. During 2022 the Group Leadership Team appointed a Health & Safety Lead and a Health & Safety Council was assembled. The Company confirmed its zero-harm safety vision and set new targets to reduce the LTIFR (Lost Time Injury Frequency Rate) and TRIFR (Total Recordable Injury Frequency Rate). The outbreak of COVID-19 triggered a new kind of safety risk that the Company needed to handle. The safety of employees has been a top priority throughout the pandemic. The local management teams have closely monitored the development of COVID-19 regulations and recommendations and implemented appropriate measures based on those.
Environmental and climate	The laws and regulations in the environmental area are complex and changes over time. Non-compliance may result in damage to the environment as well as penalties. Regulations and requirements, both from legislators and customers, related to CO_2 emissions are gradually increasing. Climate related events, e.g. storms and floodings, can disrupt our own operations or impact the supply-chain.	All production and assembly facilities are certified in accordance with the ISO14001 standard to ensure proper environmental management. The Group has set a target to reduce its carbon footprint across the value chain with 30% until 2025 (compared to the base year 2019). 30 Life Cycle Assessments (LCAs) have been completed, covering approximately 50% of all the major product lines of the Group. The LCAs provide guidance for our sustainability efforts. There are many ongoing initiatives aiming at reducing the environmental impact of our operations in areas such as product development, waste management, energy efficiency and interactions with our suppliers. More information about mitigating activities relating to production and supply-chain management can be found above

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SUSTAINABILITY RISKS

Risk area	Description	Alimak Group's Response
Human rights	The Group operates in many countries and in some of them there is a high risk of human rights abuse such as poor working conditions and limitations of the freedom of association. Risks to the group reputation may arise from relationships with business partners who do not apply with internationally accepted human rights standards.	Alimak Group's Code of Conduct outlines the Group's commitment to treat all employees in a fair and equal manner. The Company expects its business partners, such as distributors and suppliers, to do the same. The Group's whistleblower channel enables anonymous reporting, and it may be used by anyone to report concerns relating to violations of the Code of Conduct. The employee survey also provides an opportunity for employees to give feedback on how well the Group fulfils the commitment on fair and equal employment opportunities. The Code of Conduct for suppliers defines the Group's minimum sustainability requirements for suppliers in areas such as human rights and working conditions. The self-assessment and audit questionnaires for supplier evaluations, contains questions relating to employment practices. All agreements with distributors contain the Group's code of conduct.
Product safety	Alimak Group contributes to a safer and more reliable work environment for people working at heights in the construction and industrial sectors by offering its vertical access solutions. If the products do not function properly, they may cause severe bodily injuries which in its turn may damage the reputation of the Company.	Product and system testing is included in the R&D project model. Preventive safety measures are built into many products based on design standards, risk assessments and market feedback. Several ongoing development projects relating to digital solutions and tools intended to make it easier to use our products in a proper and safe way and to improve our communication channels with customers. Examples of such solutions are: • Digital customer portals, e.g. My Alimak and My Avanti • Our gallery of BIM models • Alicalc, an online solution making it easy for customers to calculate the mechanical forces of our construction machines on the ground and in the buildings • Continuous work on improved product documentation and on-line manuals An in-house team of resources are responsible for developing relevant training material and e-learnings to ensure safe and proper handling of the machines during installation, use, and maintenance. The trainings are provided both internally and externally. The Group has active representation in relevant committees for development of new technical standards for products and solutions.

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FINANCIAL RISKS

Risk area	Description	Alimak Group's Response
Currency risk	As a result of the Group's global operations, Alimak Group is exposed to currency risk which impacts the income statement, balance sheet and cash flow. Over time, exchange rate fluctuations also affect the Group's long-term competitiveness and therefore its capacity of earning. The foreign currency exposure arises primarily when purchases and sales are not made in the functional currency of the entity making the transaction (transaction risk) and, also when the income statements and balance sheets of foreign subsidiaries are translated to Swedish kronor (translation risk). Since a large part of production is concentrated to a few countries, while sales occur in many countries, the Group is exposed to a net inflow of foreign currencies. The currencies with the largest currency exposure impact are AUD, GBP and USD resulting from the significant business activities in these currencies.	It is the responsibility of the Group's Treasury function to monitor the Group's financial risks and ensure that there are managing actions in place in accordance with the guidelines laid down by the Board of Directors in the Group's financial policy. The exposures are concentrated to countries where the production is located, by invoicing the sales companies in their respective reporting currency. However, in several markets and for several products, it is the sales companies who bear the FX exposures. Nevertheless, the Group's hedging strategy caters for both set ups. Alimak Group's objective when managing foreign currency risks is to reduce the short-term fluctuations in the income statement and to increase the predictability of the financial results. This is done by hedging the net commercial flows by entering foreign currency forward contracts and foreign currency swaps. The exposures are hedged at the time of a binding order to safeguard the gross margin and the investment budget. Foreign currency risks related to sales and cost incurred in foreign entities converted to Swedish kroner is not hedged. Alimak does not enter into any speculative transactions.
Interest rate risk	The risk that the Group's net profit is affected by changes in the interest rates levels. This risk arises primarily to cash flow from interest-bearing short-term investments in cash and cash equivalents as well as from outstanding interest-bearing debt with floating interest. Alimak Group's borrowings are made at variable interest rates and interest payments are generally made quarterly. Due to rising inflation during 2022, central banks worldwide responded by raising interest rates.	It is the responsibility of the Group's Treasury function to manage and monitor the interest rate risk in accordance with the guidelines in the Group's financial policy. Alimak is not currently hedging the interest rate risk but instead focusing on improving margins via sales and managing interest bearing debt within the working capital.
Liquidity and refinancing risk	The risk that the Group cannot meet payment commitments to suppliers and banks due to insufficient liquidity or the inability to obtain adequate funding on acceptable terms at any given point in time.	The current geopolitical situation and the global financial market's impact on the global economy has increased the liquidity risk in the Group which has resulted in longer collection times of trade receivables, the demand for shorter payment terms with vendors, and larger inventories due to longer lead times or shortage of raw materials. Alimak Group has access to a revolving credit facility of MSEK 2,000 and confirmed credit facilities amounting to MSEK 209. The revolving credit facility matures in July 2024. The refinancing is planned to be completed by the end of 2023. In connection with the acquisition of Tractel, Alimak Group secured two new loans under a new facility agreement with Handelsbanken. The facility agreement consists of a term loan of 300 MEUR with maturity in October 2025 and a bridge loan of 2.090 MSEK with maturity in July 2023. The bridge loan is intended to be repaid with proceeds from the upcoming rights issue. Under the financial policy the liquidity reserve shall always be maintained such that it can cover the anticipated fluctuations in the daily business over a period of six months. For efficient use of the Group's liquidity, the Group Treasury function is managing global multicurrency cash-pools. For entities that cannot participate in the cash-pool due to local regulations, excess liquidity and short-term funding is managed via intercompany loan agreements with Group Treasury. In 2022 the Group has put efforts into reducing trade receivables and inventories by maintaining close contact with customers and vendors.

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FINANCIAL RISKS

Risk area	Description	Alimak Group's Response
Counterparty and credit risk	Risk of adverse effects on the Group's finances from inadequate credit evaluation of new and existing customers and risk of bad debts due to insufficient routines in collecting customer payments.	Accounts receivables are managed locally by each subsidiary and monitored at Division level and by Group Treasury. Both local credit rating institutes and Dun & Bradstreet are used in assessing financial viability of counterparts. In 2022 arduous efforts were put on managing overdue customer invoices. New KPIs with more frequency monitoring were introduced, and the collection process was reviewed and improved where needed. The topic was also presented and discussed in the monthly management calls attended by management from all subsidiaries.
Accounting and reporting risk	Risk that reports to investors, lenders and regulatory bodies do not give a fair view of the Group's financial position and results.	The company's financial reports are produced in accordance with applicable legislation, accounting standards and other requirements for listed companies. Governing documents relating to financial reporting such as the Accounting and Reporting instructions are subject to regular reviews and updates, ensuring that reliable financial reporting from all entities are uniform and in accordance with the applicable accounting standards. Control activities are integrated in the processes for accounting and financial reporting. Group Finance and Division controllers closely monitor the accuracy of the financial reporting. The Group has also established internal forums with participation from key stakeholders to ensure correct implementation of any accounting changes and procedures. Instructions and training are provided by Group Finance to the local finance organisations. Any changes are communicated in monthly newsletters.
Tax risk	The Group is taxed in the jurisdictions where operations are carried out through subsidiaries and the Group's ambition is to pay the right tax in the right countries. There is however always a risk that tax authorities make a different interpretation of tax laws and regulations and impose additional tax and penalties.	The Finance Manager of each Group entity is responsible for the local tax compliance. The Group's central tax function provides policies and guidance for pricing of intra-group transactions to ensure a consistent methodology within the Group. Tax audit support is provided by the Group's central tax function and, when needed, also by external tax advisors.
Fraud risk	Risk of adverse effects on the Group's finances resulting from internal or external fraud or mistakes in the local finance processes.	The Group's financial policy requires that all payments are approved by two persons jointly. The Group Treasury function is responsible for cash management and bank relations at Group level and co-operates closely with the local Finance Managers. Most of the subsidiaries are included in the Group's cash-pools allowing Group Treasury to closely monitor all transactions taking place in the different entities. Reminders are distributed to the finance organisation referring to examples of fake President fraud attempts.
Insurance risk	An insufficient insurance coverage could have a negative impact on the Group's financial result.	A Group-wide insurance program is in place within Alimak Group mainly relating to property, business interruption, travel and liability risks. Tractel has one insurance program for USA and Canada and another one covering the rest of the world. In 2023 efforts will be made to consolidate the insurance policies. The insurance coverage is managed by Group Tax & Legal and it has been set up so that it provides a reasonable balance between risk exposure and insurance cost. The adequacy of the insurance coverage is reviewed once per year together with the insurance broker.

Corporate Governance

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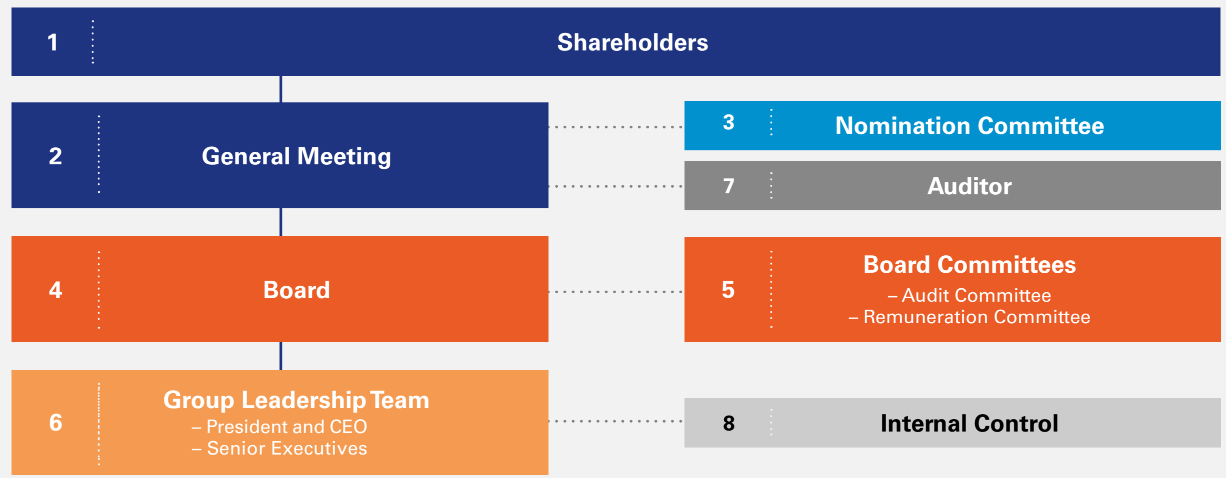
Alimak Group AB is incorporated under the laws of Sweden as a public limited liability company with shares listed on Nasdaq OMX Stockholm. The Company is the parent company of Alimak Group, with subsidiaries in 30 countries.

Alimak Group is managed and controlled on the basis of a system of corporate governance comprising a number of policies, guidelines, structures and processes, all described in this report. Corporate governance is intended to ensure a decision-making process that is effective and creates value, with a clear division of roles and responsibilities between the Company's shareholders, Board, management and other employees.

The Company's corporate governance is based on the Swedish Companies Act, Nasdaq OMX Stockholm's Rule Book for Issuers and the Swedish Code of Corporate Governance ("the Code"), as well as other relevant external and internal rules and regulations.

Corporate Governance Structure



Important Internal Regulations

- Articles of Association
- Procedural Rules for the Board of Directors
- Authorisation Policy
- Group Policies, e.g. Code of Conduct, Insider Policy and Financial Policy
- Processes for Internal Control and Risk Management

Important External Regulations

- Swedish Companies Act
- Rules for Issuers at Nasdaq Stockholm
- Swedish Code of Corporate Governance
- Annual Accounts Act
- IFRS standards
- UN Global Compact
- EU's accounting regulation

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1 SHAREHOLDERS

The Company's share capital on December 31, 2022 totalled approximately MSEK 1.1. The number of shares was 54,157,861. Each share carries the right to one vote at the Company's annual general meetings. According to the share register, the Company had 5,192 known shareholders on December 31, 2022. Investment AB Latour was the largest shareholder, with 29.57% of the share capital. Alantra EQMC Asset Management was the second largest with 12.14% of the share capital. At year-end, foreign shareholders accounted for approximately 48% of the total share capital. There are no restrictions as to how many votes each shareholder can cast at a general meeting. The Board is not aware of any shareholder agreements, or other agreements, between shareholders in the Company.

2 GENERAL MEETING

According to the Swedish Companies Act, the general meeting is the Company's highest decision-making body. In addition to the annual general meeting, extraordinary general meetings may be convened. The Company's annual general meetings are held in Stockholm, Sweden, before the end of June each calendar year. At the annual general meeting, shareholders exercise their right to vote on key issues such as the adoption of the income statements and balance sheets, appropriation of the Company's earnings, discharge from liability for the Directors of the Board and the President & CEO, election of Directors of the Board and auditors and remuneration to the Board and auditors, as well as other issues in accordance with the Swedish Companies Act, the Articles of Association and the Code. During 2022, two general meetings were held, the annual general meeting in May and an extraordinary general meeting in September.

Annual General Meeting 2022

The annual general meeting 2022 was held on May 5, 2022.

Decisions at the annual general meeting 2022 included:

- Adoption of balance sheets and profit and loss accounts, as well as the consolidated profit and loss account and consolidated balance sheet for the financial year 2021.
- Adoption of the Board's proposal that a dividend of SEK 3.30 per share would be paid, the record date being Monday, May 9, 2022.
- Discharging the Directors and the CEO from liability for the management of the company during the financial year 2021.
- Re-election of Johan Hjertonsson (Chair), Helena Nordman-Knutson, Christina Hallin, Tomas Carlsson, Sven Törnkvist, Petra Einarsson and Ole Kristian Jødahl as Directors.
- Re-appointment of the registered audit firm Ernst & Young AB as auditor of the Company.
- Approval of the Board's report on remuneration.
- Adoption of guidelines and salary and other remuneration to directors, CEO and other senior executives.
- Adoption of a Call Option Program 2022.
- Resolution to authorise the Board to pass resolutions on the acquisition and/or transfer of own shares.

Extraordinary General Meeting 2022

An extraordinary general meeting was held on September 2, 2022. The general meeting decided to amend the articles of association and to authorize the Board to resolve to issue new shares.

Annual General Meeting 2023

The annual general meeting 2023 will be held on May 4, 2023. All shareholders who are registered in the share register maintained by Euroclear Sweden AB ("Euroclear") five days prior to the annual general meeting are entitled to participate in the annual general meeting. Such shareholders must have informed the Company of their intention to attend no later than on the date stated in the notice convening the annual general meeting. Further information about the annual general meeting is available at www.alimakgroup.com.

3 NOMINATION COMMITTEE

According to the Code, the Company is required to have a Nomination Committee tasked with presenting a proposal for a Chair for the annual general meeting. The Nomination Committee also presents proposals regarding the number of Directors of the Board, fees to be paid to each of the Directors, election of Directors and Chair of the Board, remuneration to the auditor and election of the auditor and, if necessary, proposal for changes in the instruction for the Nomination Committee.

In 2016, the Company's annual general meeting adopted an instruction regarding the appointment of the Nomination Committee, applicable until the general meeting resolves otherwise. Pursuant to this instruction, the Nomination Committee shall, prior to the annual general meeting, be composed of persons appointed by the four largest shareholders listed in the shareholders' register maintained by Euroclear as of August 31 each year together with the Chair of the Board, who will also convene the first meeting of the Nomination Committee. The member appointed by the largest shareholder shall be Chair of the Nomination Committee. Shareholders who wish to present proposals to the Nomination Committee prior to the annual general meeting may submit them to the Chair of the Committee, in accordance with the information on procedure published on the Company's website prior to the annual general meeting. The proposals will be

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Board Members, Independence and Attendance 2022

Fees paid during the 2022 financial year (All figures in thousands of SEK)

Name	Born	Member since	Position	Independence in relation to Group	Independence in relation to major shareholders	Attendance at board meetings	Attendance at audit committee meetings	Attendance at remuneration committee meetings	Basic fee	Audit committee	Remuneration committee	Total
Johan Hjertonsson	1968	2020	Chair	Yes	No	9/9	–	2/2 (Chair)	820	–	75	895
Helena Nordman-Knutson	1964	2016	Board Member	Yes	Yes	9/9	5/5 (Chair)	–	330	105	–	435
Christina Hallin	1960	2018	Board Member	Yes	Yes	9/9	–	2/2	330	–	55	385
Tomas Carlsson	1965	2018	Board Member	Yes	Yes	9/9	5/5	–	330	80	–	410
Sven Törnkvist	1971	2019	Board Member	Yes	Yes	9/9	–	–	330	–	–	330
Petra Einarsson	1967	2020	Board Member	Yes	Yes	9/9	–	–	330	–	–	330
Ole Kristian Jødahl	1971	2020	Board Member	No	Yes	9/9	–	–	–	–	–	–
Örjan Fredriksson	1968	2016	Employee representative	–	Yes	8/9	–	–	–	–	–	–
Cristina Lindberg Ghimpu[1)]	1981	2021	Employee representative	–	Yes	7/9	–	–	–	–	–	–
Fredrik Marklund[1)]	1982	2022		–	Yes	–	–	–	–	–	–	–
Total									2,470	185	130	2,785

1) Cristina Ghimpu was replaced by Fredrik Marklund in December 2022.

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assessed by the Nomination Committee according to its instruction and the Code. The Nomination Committee's proposal and reasoned statement will be reported prior to the annual general meeting. The Company's Articles of Association have no Company-specific provisions concerning the appointment and dismissal of Directors of the Board or concerning amendment of the Articles of Association.

Nomination Committee prior to the 2023 annual general meeting

The Nomination Committee ahead of the annual general meeting 2023, comprises the following members:

- Johan Menckel, Investment AB Latour, Chair of the Nomination Committee
- Francisco De Juan, Alantra EQMC Asset Management
- Jakob Rikwide, representing the shareholding of Peder Pråhl
- Mats Larsson, representing Första AP-fonden
- Johan Hjertonsson, Alimak Group's Chair of the Board

As a basis for its proposal, the Nomination Committee has conducted an evaluation of the work of the Board. Prior to the 2023 annual general meeting, the Nomination Committee has held a number of meetings, interviewed the Directors of the Board and had a number of contacts between the meetings. In addition, the Chair of the Board has presented to the Nomination Committee the results of the annual evaluation of the Board's work. The requirements regarding competence, experience and personal background have been discussed in detail. Matters of independence have been highlighted and an extra focus has been placed on the question of gender balance. The Nomination Committee has applied a diversity policy in accordance with section 4.1 of the Swedish Code of Corporate Governance.

4 BOARD

The tasks of the Board are regulated first and foremost by the Swedish Companies Act and the Code. The work of the Board is also regulated by rules of procedure adopted annually by the Board. The rules of procedure for the Board determine the division of work and responsibilities among the Directors, the President & CEO and the committees. Furthermore, the division of work between the Board and President & CEO is governed by instructions to the President & CEO, which are adopted annually by the Board. The instructions to the President & CEO also include instructions on financial reporting. The duties of the Board include the establishment of strategies, business plans, budgets, interim reports, year-end accounts and annual reports, as well as the adoption of instructions, policies and guidelines. The Board shall also monitor financial performance and ensure quality in financial reporting and internal controls and shall assess operations in terms of the targets and guidelines established by the Board. Finally, the Board makes decisions on significant investments and changes to the Company's organisation and operations.

The Chair of the Board is responsible for the Board's work, and for ensuring that it is conducted efficiently and that the Board fulfils its obligations. The Chair shall monitor the Company's performance via regular contact with the President & CEO. The Chair presides over the Board meetings, but the agenda is agreed and the meetings prepared in consultation with the President & CEO. The Chair is also responsible for ensuring that each year the Board evaluates its work and that the Board members receive on an ongoing basis the information they need to perform their work. The Chair represents the Company vis-à-vis its shareholders.

Composition of the Board

The Company's Board is currently made up of seven members elected by the annual general meeting and two employee representatives. No deputies have been appointed for Directors of the Board. At the annual general meeting held on May 5, 2022, Johan Hjertonsson, Helena Nordman-Knutson, Christina Hallin, Tomas Carlsson, Sven Törnkvist, Petra Einarsson and Ole Kristian Jødahl were re-elected as Directors. Johan Hjertonsson was elected Chair of the Board. The employee representatives, Cristina Lindberg Ghimpu and Örjan Fredriksson, are appointed by the trade union organisations. Christina Lindberg Ghimpu was replaced by Fredrik Marklund in December 2022.

Independence of the Board

According to the Code, more than half of the Directors appointed by the general meeting must be independent in relation to the Company and the Company's management. At least two of the Directors who are independent in relation to the Company and the Company's management shall also be independent in relation to the Company's major shareholders. To determine the independence of a Director, an overall assessment shall in each case be conducted regarding the Director's relationship to the Company. One of the Company's Directors elected by the general meeting is employed by the Company. Six out of seven Directors elected by the general meeting are deemed to be independent in relation to the Company and the Company's management. When determining whether a Director is independent in relation to a major shareholder, the extent of the Director's direct and indirect relationships with the major shareholder shall be taken into consideration.

A Director is deemed not to be independent in relation to the Company's major shareholders if he or she is or recently has been employed at, or a Director of, a company that is a

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major shareholder. Six of seven Directors elected by the general meeting are independent in relation to the Company's major shareholders. The Company therefore satisfies the Code's requirements regarding the independence of the Board in relation to the Company, the Company's management and the Company's major shareholders. The table on page 89, provides information about the Directors' year of birth, the year they were first elected to the Board and whether they are deemed independent in relation to the Company, the Company's management and major shareholders as defined in the Code.

Work of the Board during the year

The Board met on nine occasions during 2022. In the course of the financial year, the Board not only produced financial reports but also addressed issues regarding strate- gic policy, budgets, business planning, auditing, investments, incentive programs, succession planning, sustainability agenda, insurance cover and internal control. During 2022, the various ongoing M&A projects were recurring items on the board meetings. The October meeting was held inBorås, Sweden, where the Board visited the Group's digital development hub.

Remuneration to the Board

At the annual general meeting on May 5, 2022, it was decided that a fee of SEK 840,500 should be paid to the Chair of the Board and SEK 338,250 each to other Directors elected by the general meeting. In addition, SEK 107,6250 should be paid to the Chair of the Audit Committee and SEK 82,000 to other members of the Audit Committee, SEK 76,875 to the Chair of the Remuneration Committee, and SEK 56,375 to other members of the Remuneration Committee.

The Board's Working year 2022

Board Meeting
- Q4 report
- Audit memorandum
- Dividend proposal
- Review of incentive programmes
- Performance and remuneration review CEO and senior management
- Resolution to initiate a strategic review of Division Wind – Project Mistral
- Sustainability and Digitalisation

Board Meeting
- Adoption of annual report
- Matters relating to the Annual General Meeting

Statutory Board Meeting
- Resolution on signing authorisation
- Appointment of members of the committees
- Adoption of procedural rules for the Board
- Adoption of instructions for the CEO, the Audit committee and the Renumeration committee
- Adoption of Code of Conduct and Insider Policy
- Decisions on Board schedule for the coming year

Board Meeting
- M&A update
- Site visit Borås

Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec

Board Meeting
- M&A update
- Division update: Wind, FA and Industrial

Board Meeting
- Risk review
- Project Maple – acquisition of Tall Crane Equipment
- M&A update
- Division update: Construction

Board Meeting
- Q2 report
- M&A update
- Resolution to conclude project Mistral

Board Meeting
- Project Syracuse – acquisition of Tractel
- Project Syracuse – financing arrangements

Board Meeting
- Adoption of budget 2023
- Internal control

Board meetings also deal with ongoing issues (in addition to the current state of operations), market overviews, investments, divestments, financing, employees, IT systems, updates on the integration of acquired businesses, reports from the committee chairs on the work of the committees, as well as issues regarding the work environment, customer-related issues and reporting of incidents.

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5 BOARD COMMITTEES

The primary function of the committees is to prepare matters to be presented to the Board prior to decision. The duties and instructions for each committee are defined annually by the Board.

Audit Committee

According to the applicable rules of procedure for the Board, the Audit Committee consists of no less than two members. The Swedish Companies Act stipulates that the members of the Audit Committee must not be employees of the Company and that at least one member shall be competent in accounting and auditing matters. The Audit Committee has two members: Helena Nordman-Knutson (Chair) and Tomas Carlsson. The Audit Committee is a committee within the Board that deals with issues relating to risk assessment, internal controls, financial reporting and auditing. Its main role is to ensure that the principles for financial reporting and internal controls are observed and that the Company maintains appropriate relationships with its auditors. The Committee shall identify and oversee the management of important auditing issues and discuss them with the Company's auditors. The Committee shall examine the processes for monitoring the above-mentioned areas and shall form an opinion as to whether the Company is applying the financial reporting regulations consistently and fairly, and in accordance with the relevant rules and practices. The Audit Committee shall also form an opinion regarding the risk situation in the Company, assess whether the internal control and governance procedures applied are fit for purpose and effective, and determine whether the Company's risk and risk management reporting in the Annual Report are accurate and adequate. Furthermore, the Audit Committee shall ensure that the auditor is impartial and independent, and, in consultation with the auditor, plan the annual audit process and ensure that the audit is conducted on that occasion. The Audit Committee shall also assist in the drawing up of proposals for the appointment of the auditor at the annual general meeting.

Remuneration Committee

According to the applicable rules of procedure for the Board, the Remuneration Committee consists of no less than two members. The Remuneration Committee has two members: Johan Hjertonsson (Chair) and Christina Hallin. The role of the Remuneration Committee is to prepare issues regarding remuneration and other employment conditions for the President & CEO and the Company's other senior executives. This work involves preparing proposals for guidelines on conditions of employment, including remuneration, the relationship between earnings and remuneration and the main principles of incentive programmes. It also includes preparing proposals for individual remuneration packages for the President & CEO and other senior executives. In addition, the Remuneration Committee establishes guidelines on remuneration and incentive programmes for certain senior executives who report directly to the President & CEO, and it decides upon the outcome of these programmes. The Remuneration Committee is also required to monitor and evaluate the Company's compliance with guidelines on remuneration to senior executives, as adopted by the annual general meeting. Furthermore, the Remuneration Committee is responsible for assisting the Board in its annual review of senior executives, including the President & CEO, and for evaluating the President & CEO's succession planning for senior executives.

6 PRESIDENT & CEO & OTHER SENIOR EXECUTIVES

Since January 1, 2021, the Group is organised into four divisions; Façade Access, Construction, Industrial and Wind. Following the completion of the acquisition of Tractel in November 2022, the Group added a fifth division, Height Safety and Productivity Solutions. The Division Managers, who are responsible for business operations within each area, report directly to the President & CEO. The respective divisions are organised into functions driving strategic and operational division initiatives across the global organisation. For further information about the Group's divisions and operations, visit the website at www.alimakgroup.com.

The Management Team consists of the President & CEO, CFO, CTO, CSO, CPCO and the EVPs of the divisions. In January 2023, the Chief Communications Manager joined the Management Team. The President & CEO reports to the Board and conducts day-to-day management of the Company in accordance with the Board's guidelines and instructions. The division of work between the Board and President & CEO is set out in the Board's instructions to the President & CEO. The President & CEO is also responsible for producing reports and compiling information ahead of Board meetings, as well as for presenting material at such meetings. The President & CEO is responsible for financial reporting in the Company and must ensure that the Board receives adequate information to enable it to evaluate the Company's financial position. The President & CEO shall continually monitor, and keep the Board informed about, developments in the Company's business, sales performance, results and financial position, liquidity, key business events and all other events, circumstances or conditions that may be considered to be of relevance.

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Guidelines on remuneration to senior executives
Under the Swedish Companies Act, the Board is required to present proposals to the annual general meeting for guidelines on remuneration to the President & CEO and other senior executives. Issues regarding remuneration to the President & CEO shall be prepared by the Remuneration Committee and decided by the Board. Issues regarding remuneration to other senior executives shall, following recommendations by the President & CEO, be prepared and decided by the Remuneration Committee. For further information on remuneration to senior executives and remuneration paid in 2022, see the Director's Report and Note 7 to the Financial Statements.

7 EXTERNAL AUDITOR

At the annual general meeting on May 5, 2022, EY (Ernst & Young AB) was appointed as the Company's external auditor for the period up to and including the 2023 annual general meeting. EY appointed Henrik Jonzén as principal auditor. The auditor attends at least one Board meeting a year, at which the auditor reports on the audit for the year and discusses it with the Board, without the presence of the President & CEO and any member of the Company's management. During the past financial year, EY provided the Company with tax advisory services and other advice, in addition to its audit function. The auditor is paid for its work in accordance with the general meeting's decision. For information about fees paid to the Company's auditor in 2022, see Note 8.

8 INTERNAL CONTROL

Insider trading and information policy
The Company has produced policy documents and e-learning training courses, with the aim of informing employees and other relevant parties within the Group about the rules and regulations regarding the Company's provision of information and the specific requirements that apply to persons operating within a listed company, for example regarding price-sensitive information. In this context, the Company has also developed procedures for handling the distribution of information that has not been made public. These procedures are in line with the Market Abuse Regulation Act (MAR).

Internal controls on financial reporting
The Company operates a risk management programme that is an integral part of the Company's strategy process. Operations are based on a governance framework consisting of a Code of Conduct, policies and guidelines that regulate how the Company is managed. The Board and the President & CEO are ultimately responsible for ensuring that internal controls are developed, communicated to and understood by those employees who are responsible for the individual control procedures, and for ensuring that the control procedures are monitored, implemented, updated and maintained. Managers at each level are responsible for ensuring that internal controls are established within their own areas of activity, and that these controls fulfil their purpose.

Internal controls include checks of the Group and the organisation, procedures and follow-up measures. The aim is to guarantee reliable and accurate financial reporting to ensure that the Company's and Group's financial reporting is drawn up in compliance with the law, relevant accounting standards and other requirements. The internal control system is also intended to monitor compliance with the Group's policies, principles and instructions. Furthermore, the system ensures protection of the Company's assets, and that the Company's resources are utilised in a cost-efficient and appropriate manner.

Internal control is also exercised by following up of the information and business systems implemented, as well as via risk analysis. In order to further develop and strengthen the internal control the Board has implemented a "SAFE methodology" for the Group.

The SAFE methodology can be described as a way to:
- Safeguard the reporting and the Company assets,
- Assist the subsidiaries to be firm, fair and friendly in their roles and help them to make their processes as efficient as possible.
- Fix issues or ensure that outstanding issues from last year's audit are rectified within the current calendar year, as well as rectifying reporting problems in the subsidiaries,
- Ensure that the Group's guidelines are regarded as internal rules and will be followed.

The SAFE methodology is used for internal control purposes for all the Group Companies. Compliance with Group Policies is verified by local management in the board meetings in the subsidiaries.

The Board has concluded that the Company currently has no need to add a separate internal audit function to the organisation, over and above current processes and functions

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for internal control. Follow-up is exercised by the Board and the Company's management, and the level of control is deemed to meet the Company's needs. An annual assessment is made to determine whether a separate internal control function is necessary to maintain good internal control.

Sustainable governance
The Board is responsible for the Company's approach to sustainability and its implied risks and opportunities, which are described in the Risk chapter of this document. This responsibility of the Board includes monitoring compliance with the Group's Code of Conduct, which is based on the ten principles enshrined in the UN Global Compact regarding social responsibility, the environment and business ethics.

The Board adopts the Group's policies, including the Code of Conduct, and the Company's Leadership Team establishes sustainability targets and indicators. The Code of Conduct is communicated regularly via information to and training for the Group's employees.

The responsibility for implementing and monitoring compliance with the Code of Conduct lies with the President & CEO and other members of the Company's leadership. Responsibility for practical implementation of the Code of Conduct is delegated to the Group's purchasing, production and sales and service organisations, and is monitored by the Company's leadership and reported back to the Board. For more information about the Group's sustainability initiatives and priorities, see the Sustainability section of the annual report.

The Board, Stockholm, March 15, 2023

More information on the Group's corporate governance work is available in the section on corporate governance at alimakgroup.com. The next four pages contain information about the Board members and the Leadership Team.

Board

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JOHAN HJERTONSSON

Chair of the Board since 2020.

Independent of the Company, not independent of a major shareholder (Investment AB Latour).

Born: 1968.

President & CEO, Investment AB Latour.

Education: MSc in Business and Economics – Lund University.

Current Board duties: Chair of the Board of Nederman Holding AB, Swegon Group AB, Hultafors Group AB, Nord-Lock International AB, Caljan AS and Latour Industries AB and Board member of Sweco AB and Assa Abloy AB.

Former positions, selection: Former president and CEO of AB Fagerhult and of Lammhults Design Group AB and has held a number of different senior positions within the Electrolux Group.

Committee work: Chair of the Remuneration Committee.

Shareholding, own and via closely related persons*: 45,000.

HELENA NORDMAN-KNUTSON

Board member since 2016.

Independent of the Company and major shareholders.

Born: 1964.

Senior advisor, Safir Communication.

Education: MSc in Political Science, Helsinki University. MSc in Economics, Hanken School of Economics, Helsinki and Certified ESG Analyst.

Current Board duties: Board member, Nivika Fastigheter AB (publ), Naava OY, Excel Composites, Nidoco AB and USWE Sports AB.

Former positions, selection: Financial Analyst, Enskilda Securities, Orkla Securities, Öhman Fondkommission and Executive Director, Hallvarsson & Halvarsson.

Committee work: Chair of the Audit Committee.

Shareholding, own and via closely related persons*: 1,100.

CHRISTINA HALLIN

Board member since 2018.

Independent of the Company and major shareholders.

Born: 1960.

CEO, Swedish Electromagnet Invest AB (publ).

Education: MSc in Engineering Chalmers University of Technology.

Current Board duties: Board member of Sensys Gatso Group AB, Bulten AB, Norbit ASA, Swedish Electromagnet Holding AB och Swedish Electromagnet Invest AB (publ).

Former positions, selection: Senior Vice President of Dong Feng Commercial Vehicles, various management positions within Volvo Group.

Committee work: Member of the Remuneration Committee.

Shareholding, own and via closely related persons*: 2,180.

TOMAS CARLSSON

Board member since 2018.

Independent of the Company and major shareholders.

Born: 1965.

President & CEO, NCC.

Education: MSc in Engineering Chalmers University of Technology, Executive MBA from London Business School and Columbia Business School.

Current Board duties: Board member of Addval AB.

Former positions, selection: Head of Business Area Construction Sweden, NCC, President & CEO at Sweco.

Committee work: Member of the Audit Committee.

Shareholding, own and via closely related persons*: 6,700.

SVEN TÖRNKVIST

Board member since 2019.

Independent of the Company and major shareholders.

Born: 1971.

Head of Digital Business Development at EQT AB Group.

Education: Master of Science in Business and Economics, Stockholm School of Economics.

Current Board duties: Board member of Swetron AB.

Former positions, selection: Vice President Head of Digital Ericsson, various leading positions Google Sweden.

Shareholding, own and via closely related persons*: 4,000.

** Shareholding per December 31, 2022.*

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PETRA EINARSSON

Board member since 2020.

Independent of the Company and major shareholders.

Born: 1967.

Education: MSc in Business and Economics – Uppsala University.

Current Board duties: Board member of SSAB AB, Scandinavian Biogas Fuels International AB, Svenska Aerogel Holding AB (publ) and Norsk Hydro ASA.

Former positions, selection: Previously President and CEO of the packaging company Billerud Korsnäs. Various senior positions within the engineering group Sandvik.

Shareholding, own and via closely related persons*: 2,500.

OLE KRISTIAN JØDAHL

Board member since 2020.

Not independent of the Company, independent of major shareholders

Born: 1971.

President and CEO of Alimak Group AB.

Education: Economics at NHH Norwegian School of Economics.

Current Board duties: –

Former positions, selection: President and CEO of Hultafors Group AB. Previously several senior positions within AB SKF.

Shareholding, own and via closely related persons*: 36,170 shares and 175,000 call options.

ÖRJAN FREDRIKSSON

Board member since 2016.

Employee representative.

Born: 1968.

Appointed by: The trade union IF Metall.

Shareholding, own and via closely related persons*: 0.

FREDRIK MARKLUND

Board member since 2022.

Employee representative

Born: 1982

Appointed by: Unionen

Education: Bachelor of Science in Mechanical Engineering, Umeå University.

Shareholding, own and via closely related persons*: 0.

Changes during the year

Cristina Lindberg Ghimpu, former employee representative, resigned from the board in December 2022.

** Shareholding per December 31, 2022.*

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OLE KRISTIAN JØDAHL

President & CEO since 2020.

Born: 1971.

Education: Economics at NHH Norwegian School of Economics.

Former positions, selection: President and CEO of Hultafors Group AB. Previously several senior positions within AB SKF.

Shareholding, own and via closely related persons*: 36,170 shares and 175,000 call options

SYLVAIN GRANGE[1)]

Chief Financial Officer, since 2022.

Born: 1971.

Education: EDHEC business school and Chartered Accountant.

Former positions, selection: CFO of Tractel Group. Previously CFO of another industrial group with global operations (Penox).

Shareholding, own and via closely related persons*: 10,427 shares and 25,000 call options.

CHARLOTTE BROGREN

Chief Technology Officer since 2017.

Born: 1963.

Education: PhD in Chemical Engineering, University of Lund.

Former positions, selection: Director-General Vinnova, The Swedish Governmental Agency for Innovation Systems, Technology Manager, ABB's Robotics Division, various management positions within ABBs research & development department.

Shareholding, own and via closely related persons*: 2,600 shares and 34,000 call options.

MATILDA WERNHOFF

Chief Strategy Officer since 2020 and with the Group since 2016.

Born: 1990.

Education: Business and Economics at Stockholm School of Economics.

Former positions, selection: Head of Business Development & M&A Alimak Group; Consultant at McKinsey & Company.

Shareholding, own and via closely related persons*: 903 shares and 23,000 call options.

ANNIKA HAAKER

Chief People & Culture Officer since 2021.

Born: 1968.

Education: Bachelor of Science (BSc) in Human Resources Mgmt, Stockholm University.

Former positions, selection: Group HR Director of HL Display, Head of Leadership & Talent at Nobia, Head of Organisation & Performance Development at Nasdaq.

Shareholding, own and via closely related persons*: 331 shares and 40,000 call options

1) Part of the Group Management since November 2022
** Shareholding per December 31, 2022.*

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DAVID BATSON

EVP Construction Division since 2021.

Born: 1967.

Education: Bachelor of Business Royal Melbourne Institute of Technology (RMIT).

Former positions, selection: Managing Director Alimak Group Australia, General Manager Equipment Sales Group William Adams Pty Ltd, Rental Consultant Caterpillar Inc Asia Pacific, various Senior Sales and Marketing Positions with Wreckair Hire.

Shareholding, own and via closely related persons*: 0 shares and 50,000 call options.

SALOMEH TAFAZOLI

EVP Industrial Division since 2021.

Born: 1979.

Education: International Business, Johnson & Wales University.

Former positions, selection: Vice President Sales and Marketing EMEA at Snap-on Equipment.

Shareholding, own and via closely related persons*: 0 shares and 50,000 call options.

PHILIPPE GASTINEAU[1)]

Senior EVP Facade Access Division and Height Safety & Productivity Solutions, since 2022.

Born: 1966.

Education: MSc. Engineering (Ecole Centrale de Lyon) and MBA (London Business School).

Former positions, selection: CEO Tractel, senior positions in Nexans and Cegelec.

Shareholding, own and via closely related persons*: 25,000 call options.

JOSE MARIA NEVOT

EVP Wind Division since 2021.

Born: 1969.

Education: MSc in Mechanical Engineering, University of Zaragoza and MBA, Chamber of Commerce Zaragoza.

Former positions, selection: Head of Business unit Wind at Alimak Group, CSO Avanti Wind Systems, General Manager AWS S.L., General Manager Oerlikon AB.

Shareholding, own and via closely related persons*: 2,600 shares and 50,000 call options.

Changes during the year

Thomas Hendel, until November 2022.

Patrik Sundqvist, until March 2022.

1) Part of the Group Management since November 2022
** Shareholding per December 31, 2022.*

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Amounts in MSEK	Note	2022	2021
Revenues	4, 5	4,512	3,728
Cost of sales	6	–2,919	–2,456
Gross profit		**1,593**	**1,272**
Selling costs		–431	–357
Administration costs		–466	–382
Development costs		–117	–101
Other operating gains and losses		–34	17
Operating profit (EBIT)	6, 7, 8, 9, 10	**546**	**448**
Financial income	11	128	34
Financial expenses	11	–188	–73
Profit before tax (EBT)		**485**	**410**
Income tax	12	–109	–102
Net profit for the year		**376**	**308**
Attributable to owners of the Parent Company		376	308
Earnings per share, SEK, before dilution	22	7.04	5.68
Earnings per share, SEK, after dilution	22	7.04	5.68

Amounts in MSEK	Note	2022	2021
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net profit for the year			
Remeasurements of defined benefit pension plans	23	64	9
Income tax relating to remeasurements of pension plans		–12	–2
Total		**52**	**7**
Items that may be reclassified to net profit for the year			
Foreign exchange translation differences		304	178
Change in fair value of cash flow hedges		15	–8
Income tax relating to change in fair value of cash flow hedges		–4	2
Total		**315**	**172**
Other comprehensive income		367	179
Total comprehensive income		**743**	**487**
Attributable to owners of the Parent Company		**743**	**487**

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Amounts in MSEK	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Intangible assets			
Goodwill	13	5,950	2,362
Other intangible assets	13	2,747	557
Total		**8,696**	**2,919**
Property, plant and equipment			
Land and buildings		249	116
Plant and machinery		97	66
Equipment, tools, fixtures and fittings		82	26
Rental equipment		183	141
Right-of-use assets		317	182
Total	14, 15	**929**	**530**
Financial and other non-current assets			
Deferred tax assets	12	168	124
Other long-term receivables	18	232	144
Total		**400**	**268**
Total non-current assets		**10,026**	**3,718**
Inventories	16	1,196	525
Contract assets	17	347	284
Trade receivables	18, 19	1,382	722
Other receivables	18, 21	340	182
Prepaid expenses and accrued income	20	129	71
Short term investments	18, 21	38	50
Total		**3,432**	**1,835**
Cash and cash equivalents		869	348
Total current assets		**4,301**	**2,184**
TOTAL ASSETS		**14,327**	**5,902**

Amounts in MSEK	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Share capital		1	1
Other contributed capital		2,871	2,903
Reserves		487	171
Retained earnings, including net profit for the year		1,018	765
Total equity	22	**4,377**	**3,840**
Long-term borrowings	18, 21	4,537	491
Lease liabilities	15	210	116
Provision for pensions	23	127	92
Other provisions	24	122	80
Deferred tax liabilities	12	907	225
Other long-term liabilities		339	14
Total non-current liabilities		**6,242**	**1,017**
Short-term borrowings	18, 21	2,132	60
Lease liabilities	15	105	70
Contract liabilities	17	148	110
Advance payments from customers		141	125
Trade payables	18, 21	468	292
Tax liabilities		156	61
Other current liabilities	18, 21	289	133
Accrued expenses and deferred revenue	25	269	194
Total current liabilities		**3,708**	**1,045**
TOTAL EQUITY AND LIABILITIES		**14,327**	**5,902**

For information on the Group's pledged assets and contingent liabilities, see Note 26.

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Amounts in MSEK	Note	2022	2021
Operating activities			
Profit before tax		485	410
Adjustments for:			
Depreciation and impairment of property, plant and equipment	9, 14, 15	157	132
Amortisation and impairment of intangible assets	9, 13	56	35
Net foreign exchange translation differences		11	7
Provisions and pensions		–1	–2
Other non-cash items		12	2
Income tax paid		–57	–60
Cash flow before change in working capital		**663**	**524**
Change in working capital			
Change in inventories		–88	–54
Change in contract assets		–31	31
Change in current receivables		–59	81
Change in current liabilities		16	64
Cash flow from change in working capital		–162	122
Cash flow from operating activities		**501**	**646**
Investing activities			
Purchase of intangible assets	13	–2	–4
Purchase of property, plant and equipment	14	–75	–63
Disposal of property, plant and equipment	14	0	17
Acquisition of subsidiaries, net of cash acquired	28	–5,666	–24
Net change in short term financial investments		9	–29
Cash flow from investing activities		**–5,734**	**–104**

Amounts in MSEK	Note	2022	2021
Financing activities			
Proceeds from borrowings		6,941	165
Repayment of borrowings		–895	–352
Bank overdrafts		–14	–4
Repayment of lease liability	15	–87	–74
Repurchase of treasury shares		–34	–16
Issued call options		3	5
Dividend paid		–176	–162
Cash flow from financing activities	18	**5,738**	**–438**
Net change in cash and cash equivalents		505	104
Cash and cash equivalents at beginning of year		348	226
Exchange rate differences in cash and cash equivalents		15	19
Cash and cash equivalents at year-end		**869**	**348**

SUPPLEMENTARY DISCLOSURES TO THE CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in MSEK	2022	2021
Interest received/paid		
Interest received	4	0
Interest paid	-28	–17
Cash and cash equivalents		
The following sub-components are included in cash and cash equivalents:		
Cash and bank balances	869	348

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Shareholders' equity is attributable in its entirety to shareholders in the Parent Company for both 2022 and 2021. See also Note 22.

2021

Amounts in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit for the year	Total shareholders' equity
Opening balance January 1, 2021	**1**	**2,915**	**5**	**-6**	**613**	**3,528**
Net profit for the year	–	–	–	–	308	308
Other comprehensive income	–	–	178	-6	7	179
Comprehensive income for the year	–	–	**178**	**-6**	**314**	**487**
Share based payments	–	-1	–	–	–	-1
Repurchase of treasury shares	–	-16	–	–	–	-16
Issued call options	–	5	–	–	–	5
Dividend	–	–	–	–	-162	-162
Closing balance December 31, 2021	**1**	**2,903**	**183**	**-12**	**765**	**3,840**

2022

Amounts in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit for the year	Total shareholders' equity
Opening balance January 1, 2022	**1**	**2,903**	**183**	**-12**	**765**	**3,840**
Net profit for the year	–	–	–	–	376	376
Other comprehensive income	–	–	304	11	52	368
Comprehensive income for the year	–	–	**304**	**11**	**429**	**744**
Share based payments	–	–	–	–	–	–
Repurchase of treasury shares	–	–34	–	–	–	–34
Issued call options	–	3	–	–	–	3
Dividend	–	–	–	–	–176	–176
Closing balance December 31, 2022	**1**	**2,871**	**487**	**0**	**1,018**	**4,377**

Translation reserve
The translation reserve includes all exchange rate differences arising in translation of financial statements from foreign operations that prepared their financial statements in a currency other than the one in which the Group's financial reports are presented.

Hedging reserve
The hedging reserve refers to currency hedging after tax for the future cash flows for which the hedged items are not yet accounted in the balance sheet.

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Amounts in MSEK unless otherwise indicated.

Note 1. General information

Alimak Group AB (publ), org. reg. no. 556714-1857, has its registered office in Stockholm, Sweden. The address of the Company's headquarters is Blekholmstorget 30, SE-111 64 Stockholm, Sweden. Alimak Group AB and its subsidiaries form the Alimak Group, hereinafter referred to as Alimak Group or the Group. Alimak Group is listed on Nasdaq Nordic under the ticker ALIG. Alimak Group is a global market leader in vertical access solutions for professional use. The Group also offers a comprehensive range of aftermarket service and has sales to more than 120 countries.

These financial statements were approved for issuance by the Board of Directors on March 15, 2023. The consolidated financial statements will be definitively adopted by the AGM on May 4, 2023.

Note 2. Accounting policies

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. Alimak Group also complies with the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups, published by the Swedish Financial Reporting Council. Alimak Group AB's (publ) annual accounts have been prepared in accordance with the Swedish Annual Accounts Act, and the Swedish Financial Reporting Council's recommendation RFR 2 Reporting for legal entities and statements.

The consolidated financial statements have been prepared on a historical cost basis, except for items that are required by IFRS to be measured at fair value, principally certain financial instruments. The consolidated financial statements including notes are presented in millions of Swedish kronor (MSEK).

Detailed information about any new accounting standards applied by Alimak Group from 2022 is available in section 2.2 Application of new and revised standards.

Consolidation principles

The consolidated financial statements include Alimak Group AB and the subsidiaries over which the Parent Company exercises control. Control is achieved when Alimak Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are listed in Note A8, Subsidiaries.

Subsidiaries are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. If contingent consideration is classified as a financial liability, it is measured at fair value on each reporting date, and the changes in the fair value are recognised in the statement of income. Contingent consideration classified as equity is not revalued.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their acquisition date fair values. The share of non-controlling interest in the acquiree is recognised on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsidiaries acquired during the financial period are included in the consolidated financial statements from the date of control, and divested subsidiaries until the control ceases.

If a business combination is achieved in stages, the previously held equity interest is revalued at fair value on the acquisition date. Any gains or losses arising from remeasurement are recognised in profit and loss. Acquisition-related costs are expensed as incurred. Transactions with non-controlling interests that do not result in a change of control are treated as equity transactions. In acquiring non-controlling interests' shares in subsidiaries, the difference between any consideration paid and the share of net assets acquired in the subsidiary is recorded in equity. Gains and losses realised on disposals to non-controlling interests are also recorded in equity. Distribution of net income for the period to the equity holders of the Parent Company Alimak Group and to non-controlling interests is presented in the statement of income. Equity attributable to non-controlling interest is disclosed as a separate item in the balance sheet.

All intercompany transactions, receivables, liabilities, unrealised profits and distribution of profits within Alimak Group are eliminated in the consolidated financial statements. The accounting principles of subsidiaries have been changed, to ensure consistency with the principles adopted by the Group.

Investments in associated companies over which Alimak Group has significant influence but neither control nor joint controlling influence, as well as joint venture companies where Alimak Group has joint control and a right to the joint venture's net assets together with the other owners, are reported in the consolidated accounts according to the equity method. Investments in associated companies and joint venture companies are initially recognised in the balance sheet through the use of the acquisition cost, which includes goodwill identified at the time of the acquisition as well as the costs of acquiring or forming the associated company or joint venture company.

Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Open foreign currency-denominated receivables and liabilities at the end of the financial period, both intercompany and external, are translated using the exchange rate on the balance sheet date and the resulting foreign exchange gains and losses are recognised in the statement of income except when hedge accounting is applied. Foreign exchange gains and losses related to normal business operations are treated as adjustments to sales or costs. Exchange rate differences on derivative instruments designated as cash flow hedges of future cash flows are recorded in the statement of comprehensive income, until transferred to the statement of income simultaneously with the underlying cash flow. Exchange rate differences on other hedges relating to business operations are recorded in other operating income and expenses. Foreign exchange gains and losses associated with financing are included in financial income and expenses.

Foreign subsidiaries

Items of each subsidiary included in the consolidated financial statements are reported using the currency that best reflects the operational environment of that subsidiary ("the functional currency"). The statements of income and cash flow of subsidiaries whose functional currency is not SEK are translated using the average exchange rate for the financial period. Assets and liabilities on balance sheets are translated into SEK at the balance sheet date exchange rate. Translation differences caused by different exchange rates are recognised through the statement of comprehensive income in the cumulative translation differences in equity. When applying hedge accounting for a hedge of a net investment in a foreign operation, exchange rate differences on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income, and any ineffective portion is recognised immediately in the statement of income.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences that arise are recognised in equity.

Translation differences from acquisition cost eliminations and post-acquisition profits and losses of subsidiaries, associated companies and joint ventures are recognised in the statement of comprehensive income. When a foreign entity or part of it is disposed, accumulated translation differences previously recognised in other comprehensive income are reclassified to the statement of income as a part of the gain or loss on sale.

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Segment reporting

Operating segments are reported consistently with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as Alimak Group's CEO.

In 2022 the reporting segments has been changed as a consequense of the acquisition of Tractel and Alimak Group now has five reporting segments called Divisons: Facade Access, Construction, Height Safety & Productivity solutions, Industrial and Wind. The segments are monitored and controlled on the basis of operating profit, whereas net financial items, taxes, balance sheet (except workng capital) and cash flow are not reported per segment.

Revenue recognition

Alimak Group manufactures, sells and leases out solutions for vertical transports for the construction and industry sectors. Alimak Group also provides support and service for the installed base of units. The business is operated in five divisions, which are Facade access, Construction, Height Safety & Productity solutions, Industrial and Wind.

Revenue recognition

Revenue is recognised at an amount that reflects the expected and entitled consideration for transferring goods and/or services to customers when the performance obligation is satisfied, when control has passed to the customer.

Goods sold

Revenue from goods sold is recognised at the point in time when control of the good has been transferred to the customer. This occurs for example when the Group has a right to payment for the good, the customer has legal title of the good, the good has been delivered to the customer and/or the customer has the significant risks and rewards of the ownership of the good.

When the goods sold are highly customised and an enforceable right to payment exists, revenue is recognised over time using the proportion of cost incurred to date compared to the estimated total cost to measure progress towards transferring the control of the good to the customer.

Rendering of service

Services are performed within all divisions and normally over a very short period of time. Revenue from services is recognised at the point in time when the service is performed.

Rental operations

Rental income from rental equipment is recognised on a straight-line basis over the rental period. Sale of rental equipment and spare parts is recognised as revenue when the significant risks and rewards of ownership have been transferred to the buyer. The carrying value of the rental equipment sold is recognised as cost of sales.

Contract assets and contract liabilities

The timing of revenue recognition, billings and cash collections results in billed account receivables, unbilled receivables (contract assets), and customer advances (contract liabilities) in the Consolidated balance sheet. Billing occurs either as work progresses in accordance with the agreed contractual terms, upon achievement of contractual milestones or when the control of the goods has been transferred to the customer. Alimak Group sometimes receives advances from customers, before revenue is recognised, resulting in contract liabilities. These contract assets and contract liabilities are reported in the Consolidated balance sheet on a contract-by-contract basis at the end of each reporting period. Payment terms vary from contract to contract and are dependent upon the agreement with the customer.

The cost of obtaining contracts is not capitalised as the underlying contracts are normally fulfilled and finalised within one year.

There is normally not a financing component in the contracts as the time between the transferring of the goods/services and payments from the customer is less than one year.

Government grants

An unconditional government grant is recognised in the income statement when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable certainty that they will be received and Alimak Group will comply with the conditions associated with the grant, and are then recognised in the statement of income, on a systematic basis over the period during which the costs related to the grant are incurred. A government grant is reported as a reduction of the cost it is aimed at covering.

Financing costs

Financing costs are charged to the statement of income during the financial period in which they are incurred, with the exception that the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of the respective asset.

Income taxes

Tax expenses in the statement of income include taxes of the Group companies based on the taxable income of the period, tax adjustments for previous financial periods and changes in deferred taxes. The statement of comprehensive income includes taxes on items presented in the statement of comprehensive income. Income tax receivables and payables are recognised at the amounts expected to be paid or recovered. Deferred tax assets or liabilities are calculated based on temporary differences between financial reporting and the taxation calculated with enacted tax rates. Temporary differences arise, for example, from defined benefit plans, provisions, elimination of inter Alimak Group inventory profits, depreciation differences on fixed assets, tax losses carried forward and fair value adjustments of assets and liabilities of acquired companies. Deferred tax liabilities are recognised in full and deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the fair value of previously owned interest and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of income. Goodwill is not amortised but is tested for impairment at least annually. The impairment testing is described in detail in the Impairments sections. Goodwill is measured at cost less impairment. Impairment losses are recognised in the statement of income.

Other intangible assets

Other intangible assets include trademarks, technologies, order backlogs, and customer relationships. These assets are recognised on the balance sheet at their original cost less cumulative amortisations and impairment losses, if any, except for intangible assets acquired in a business combination which are measured at fair value at acquisition date.

Intangible assets with definite useful lives are amortised on a straight-line basis over their useful lives as follows:

Technologies	5–15 years
Customer relationships	5–15 years
Order backlogs	1–3 years
Trademarks, separately acquired	10 years

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The assets' useful lives are reviewed, and adjusted if necessary, on each balance sheet date. Trademarks with indefinite useful lives, acquired in business combinations, or intangible assets under development are not amortised, but are tested for impairment at least annually. The impairment testing is described in detail in the Impairment section.

Research and development costs
Research and development costs are expensed when incurred.

Property, plant and equipment
Property, plant and equipment are recognised on the balance sheet at cost less accumulated depreciations and impairment losses, if any. Depreciation is recognised on a straight-line basis to write off the cost less the estimated residual value over the estimated economic useful life of assets as follows:

Machinery and equipment	3–10 years
Rental equipment	8–12 years
Buildings	20–50 years

The assets' residual values and useful lives are reviewed, and adjusted if necessary, on each balance sheet date. The cost of major renovations is included either in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Alimak Group and the cost of the item can be distinguished from ordinary maintenance and repair costs. Gains and losses on sales of property, plant and equipment are included in the operating profit.

Impairments
The book values of property, plant and equipment, intangible assets and other assets are reviewed for potential impairment on each balance sheet date. Should any indication arise, the asset is tested for impairment. Impairment testing determines the recoverable amount of an asset. The recoverable amount is the fair value less costs to sell, or the higher cash flow-based value in use. If the recoverable amount of a single asset cannot be reliably determined, the need for impairment is assessed on the lowest level of the cash generating unit (CGU) that is mainly independent of the other units, and whose cash flows are separately identifiable from the cash flows of the other units.

An impairment loss is recognised in the statement of income when the carrying amount of an asset exceeds its recoverable amount. A previously recognised impairment loss is reversed only if there has been a significant change in the estimates used to determine the recoverable amount, however, impairment loss can be reversed only to the extent that the carrying value of an asset is returned to a level where it would have been without the recognised impairment loss.

Goodwill and intangible assets with indefinite useful lives are not amortised, but are tested for impairment when any indication of impairment occurs, at least annually. Impairment testing is performed on the level of the CGU. Goodwill is allocated to those units or groups of units, identified in accordance with the operating segments, that are expected to benefit from the business combination. The testing of other intangible assets with indefinite useful life is performed either as part of a CGU or on an individual asset level if it is possible to determine independent cash flows for it. The determined recoverable amount of a CGU is based on value-in-use calculations. Value-in-use is determined by calculating the present value of the estimated future net cash flows. The discount rate applied is the pre-tax weighted average cost of capital that reflects the current market view of the time value of money and risks related to the tested unit.

An impairment loss is recognised in the statement of income when the carrying amount of the CGU exceeds its recoverable amount. Impairment loss is first allocated to goodwill and then to other assets on a pro rata basis. Impairment losses recognised for goodwill cannot be subsequently reversed.

Leases, Alimak Group as lessee
Alimak Group rents property, plant, equipment and vehicles. Lease agreements are recognised in the Statement of financial position as Right-of-use assets and future payments of leasing fees as Lease liabilities. In determining the balances above, the main judgements made are related to determining the lease terms and whether a contract is or contains a lease. Regarding lease terms, most of the lease contracts for premises includes options either to extend or to terminate the contract. When determining the lease term, Alimak Group takes into account all the facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Examples of factors that are taken into account are strategic plans, assessment of future technology changes, the importance of the underlying asset to Alimak Group's operations and/or costs associated with not extending or not terminating the lease.

In the consolidated statement of comprehensive income, Alimak Group recognises depreciation of the right-of-use assets and interest expenses.Lease payments affect cash flow from operating activities (e.g. interest), and cash flow from financing activities (repayment of the lease liability). The lease payments are discounted using the incremental borrowing rate as the interest rate implicit in the lease contracts cannot be readily determined. The incremental borrowing rate is calculated per country and for different durations.

Alimak Group does not apply IFRS 16 to intangible assets. The Parent Company applies the exception from IFRS 16 allowed under RFR 2 and right-of-use assets and lease liabilities are not recognised.

Leases, Alimak Group as lessor
Alimak Group rents out equipment under operating leases with varying terms and renewal rights. In an operating lease, the risks and rewards incidental to ownership of an asset remain with the lessor. The leased asset is recognised in the balance sheet according to the nature of the asset. Income from operating leases is recognised on a straight-line basis over the lease term. The depreciation of the leased asset is consistent with the normal depreciation policy of similar assets in own use.

In a finance lease, the risks and rewards of ownership are transferred to the lessee. The sales profit is recognised similarly to profit from an outright sale. Finance lease receivables are recognised in the balance sheet at present value. The financial income relating to the finance lease contract is recognised in the statement of income over the lease term to achieve a constant interest rate on the outstanding balance.

Inventories
Inventories are measured at the lower of cost and estimated net realisable value. Cost is primarily determined using the weighted average method. The cost of inventory includes purchase cost as well as transportation and processing costs. The cost of self-manufactured finished goods and work in progress includes raw materials, direct labour, other direct costs and a proportion of both indirect costs related to manufacturing and overheads. An allowance is recorded for obsolete items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

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Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as trade receivables, loan receivables as well as government bonds.

The Group classifies its debt instruments into one of the following two measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and are not designated as FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised (see impairment below). Interest income from these financial assets is included in the financial net using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost are measured at fair value through profit and loss. A gain or loss on a financial debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the financial net in the period in which it arises. Interest income from these financial assets is included in the financial net using the effective interest rate method. Interest income from these financials assets is recognised in net financial items using the effective interest method. Accounts receivables sold without right of recourse are classified as "Hold to Sell" with profit or loss reported in operating profit.

Debt instruments are reclassified only when the Group's business model for management of these assets changes.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Gains and losses on equity investments at FVPL are included in the financial net in the statement of comprehensive income. The Group does not have any material investments in equity instruments.

Impairment and expected loss

Alimak Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets not carried at fair value. The Group recognises a provision for such losses on each reporting date. The measurement of ECL reflects an unbiased and probability-weighted amount based on reasonable and supportable information available such as past events, current condition and forecasts of future economic conditions. For trade receivables, the group applies a simplified approach where the provision for bad debts is based on future expected losses. To measure the expected credit losses, trade receivables are grouped into categories based on credit risk characteristics and days past due. If the provision is considered insufficient due to individual considerations, the provision is extended to cover the extra anticipated losses.

De-recognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets expire, or when they are transferred and either (i) Alimak Group substantially transfers all the risks and rewards of ownership, or (ii) the Group neither substantially transfers nor retains all the risks and rewards of ownership and the Group has not retained control.

Financial liabilities

Classification and subsequent measurement

All of the Group's financial liabilities, excluding derivatives, are classified as subsequently measured at amortised cost. Derivatives with negative fair values are classified at fair value through profit or loss.

De-recognition

Financial liabilities are derecognised when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Fair value gain or loss related to derivatives not designated or not qualifying as hedging instruments is recognised in profit or loss.

Alimak Group applies the hedge accounting requirements of IFRS 9. For derivatives designated and qualifying as hedging instruments, the method of recognising the fair value gain or loss depends on the nature of the item being hedged. Derivatives are designated as either:

- Hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges);
- Hedges of highly probable future cash flows attributable to a recognised asset or liability (cash flow hedges); or
- Hedges of a net investment in a foreign operation (net investment hedges).

The Group documents, at the inception of the hedge, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting the changes in fair values or cash flows of hedged items based on the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;

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- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity via other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income. Amounts accumulated in equity are recycled to the statement of profit or loss in the periods when the hedged item affects profit or loss. They are recorded in the income or expense lines in which the revenue or expense associated with the related hedged item are reported.

Net investment hedge
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in equity via other comprehensive income; the gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income. Gains and losses accumulated in equity are included in the statement of comprehensive income when the foreign operation is disposed of as part of the gain or loss on the disposal.

Cash and cash equivalents
Cash and cash equivalents include cash balances, short-term bank deposits and other short-term liquid investments with maturities of up to three months. Bank overdrafts are included in other current liabilities.

Offsetting financial assets and liabilities
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Pension obligations
Alimak Group operates various pension plans in accordance with local conditions and practices. The plans are classified either as defined contribution plans or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity with no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plans are charged directly to the statement of income in the year to which these contributions relate.

A defined benefit plan is a pension plan under which the Group itself has the obligation to pay retirement benefits and bears the risk of changes in the value of the plan liability and assets. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less fair value of the plan assets. The defined benefit obligation regarding each significant plan is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate or government bonds with approximated terms to maturity that are denominated in the currency in which the benefits are expected to be paid. The applied discount rates are determined in each country by an external actuary. If an asset is recognised in the balance sheet based on the calculation, the recognition is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses related to remeasurements of a defined benefit plan and the effect of the asset ceiling, if any, are recognised directly in the statement of comprehensive income. Interest and all other expenses relating to defined benefit plans are recognised directly in the statement of income.

If a plan is changed or curtailed, the portion of the changed benefit relating to past service by the employees, or the gain or loss on curtailment, is recognised directly in the statement of income when the plan amendment or curtailment occurs.

Provisions
Provisions are recognised when Alimak Group has a current legal or constructive obligation because of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are accounted for using the best estimate for the costs required to settle the obligation on the balance sheet date. In case the time value of money is significant, the provision is stated at present value.

Provisions for warranties cover the estimated costs to repair or replace products still under warranty on the balance sheet date. Provision for warranty is calculated based on the historical levels of repairs and replacements.

Provisions for product claims consist of expected costs arising from settling customer claims for which the value, probability and realisation can be estimated. A provision is recorded for a loss-making contract when the unavoidable costs required to fulfil the commitment exceed the gain to be received from the contract.

A restructuring provision is recorded when Alimak Group has prepared a detailed restructuring plan and started the implementation of the plan or communicated the plan. A restructuring plan shall include the following information: business which is affected, the main units and personnel affected by the restructuring, as well as the costs to be incurred and the timetable of the plan. A restructuring provision and other restructuring related expenses are booked to the function costs to which they implicitly belong. However, in the case of a significant restructuring programme of Alimak Group or its business area, restructuring costs are presented separately in the statement of income.

Profit distribution
Profit distribution includes dividends and donations decided by the Shareholders' Meeting. The distribution of profits proposed by the Board of Directors is not recognised in the financial statements until approved by Alimak Group AB's shareholders at the Annual General Meeting.

Treasury shares
When the Parent Company Alimak Group or its subsidiaries purchase shares in Alimak Group AB, the consideration paid and directly attributable costs are recognised as a deduction in Other contributed capital in equity. When such shares are sold, the consideration received, net of directly attributable transaction costs and income tax effect, is included in equity.

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2.1 ESTIMATES AND ASSUMPTIONS REQUIRING MANAGEMENT JUDGEMENT

When preparing the consolidated financial statements, the management makes estimates and assumptions which have an impact on reported assets and liabilities, presentation of the contingent assets and liabilities in notes and reported income and expenses for the financial year. In addition, management judgement may be required in applying the accounting principles.

Estimates and assumptions requiring management judgement are based on the management's historical experience, best knowledge about the events and other factors, such as expectations regarding future events that can be considered to be feasible. The actual amounts may differ significantly from the estimates used in the financial statements. Alimak Group monitors the changes in estimates and assumptions, and the factors affecting them, by using multiple internal and external sources of information. Possible changes in estimates and assumptions are recognised in the financial period in which the estimate or assumption is changed. The most important items in the consolidated statements that require the management's estimates and may include uncertainty, comprise the following:

Impairment testing

Intangible assets and property, plant and equipment are always tested for impairment if there is any indication of impairment. In assessing impairment both external and internal sources of information are considered. External sources include a significant decline in market value that is not the result of the passage of time, normal use of the assets or an increase in interest rates. Internal sources of information include evidence of obsolescence of, or physical damage to, an asset. When the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised as an expense immediately, and the carrying amount is reduced to the asset's recoverable amount.

Goodwill and other intangible assets with indefinite life are allocated to cash generating units (CGU) and tested for impairment at least annually. The recoverable amounts of CGUs are based on value-in-use calculations. These calculations require the use of estimates. On 31 December, 2022 Alimak Group had goodwill amounting to MSEK 5,950 (2,362) and other intangible assets with indefinite life totalling MSEK 1,199 (446). Additional information is given in Note 13.

Taxes

Determination of income taxes and deferred tax assets and liabilities and the amount of deferred tax asset to be recognised requires management judgement. On 31 December, 2022, Alimak Group's balance sheet included MSEK 78 (59) deferred tax assets resulting from tax losses carried forward.

Alimak Group is subject to income tax in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. Alimak Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. More information regarding taxes is provided in Note 12, Income taxes.

Business combinations

Net assets acquired through business combinations are measured at fair value. The consideration exceeding the value of net assets acquired is recognised as goodwill according to the accounting principles. The measurement of fair value of the acquired net assets is based on the market value of similar assets (property, plant and equipment), or an estimate of expected cash flows (intangible assets). The valuation, which is based on prevailing repurchase value, expected cash flows or estimated sales price, requires management judgement and assumptions. The management trusts that the applied estimates and assumptions are sufficiently reliable for determining fair values. More information on the measurement of fair value of the assets acquired through business combinations is presented in Note 28, Acquisitions and disposals.

Defined benefit plans

The present value of pension obligations depends on several factors determined on an actuarial basis by using several financial and demographic assumptions, and changes in these assumptions impact the carrying amount of pension obligations. The key financial assumption used in determining the net cost (income) for pensions is the discount rate. The appropriate discount rate is determined at the end of each year and is used to calculate the present value of estimated cash outflows to settle the pension obligation. In determining the appropriate discount rate, Alimak Group considers the yields of high-quality corporate or government bonds, depending on the country, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other key assumptions related to pension obligations include financial assumptions such as estimated increases in salaries and pensions, and demographic assumptions such as mortality rates. Additional information on these assumptions and uncertainties related to them is disclosed in Note 23, Post-employment benefits.

Revenue recognition

When the goods sold are highly customised, revenue is recognised over time using the proportion of cost incurred to date compared to the estimated total cost to measure the progress made towards transferring the control of the good to the customer. This is the case mainly within the Facade Access division where "building maintenance units" are manufactured and sold.

Application of this method requires either an estimate of the actual costs incurred in proportion to the estimated total costs or an estimate of the contract's physical stage of completion. Additionally, if the estimate of the outcome of the contract changes, the recognition of revenue and profit is adjusted in the period the change has been identified and can be estimated. Any expected loss from the contract is expensed immediately.

Provisions

A provision is recognised when Alimak Group has a present legal or constructive obligation because of past events, and it is probable that an outflow of resources will be required to settle the obligation. A provision may be recognised only when the amount can be reliably estimated. The amount to be recorded is the best estimate of the cost required to settle the obligation on the reporting date. The estimate of the financial impact of the past event requires management judgement, which is based on similar events that have occurred in the past and, where applicable, external experts' opinions. Provisions are reviewed on a regular basis, and when necessary, adjusted to reflect the current best estimate. The actual costs may differ from the estimated costs. The most significant provisions are warranty provisions, which include the cost of repairing or replacing products during the warranty period. Restructuring provision is recognised when Alimak Group has prepared a detailed restructuring plan and started the implementation of the plan or communicated the plan. Restructuring costs are the expected costs directly related to restructuring provisions, and other incurred costs that the management considers to be related to restructuring programmes, although not provided for. On 31 December, 2022, provisions totalled MSEK 211 (86). Additional information about provisions is disclosed in Note 24, Provisions.

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Inventories
Alimak Group recognises an allowance for obsolete inventory items at the end of the reporting period based on its best knowledge. The estimate is based on a systematic and continuous monitoring of the inventory. The nature, state, age structure and volumes based on estimated need are taken into consideration when estimating the amount of allowance. The amount of allowance for obsolete items in the balance sheet totalled MSEK 170 (65). Additional information about inventories is disclosed in Note 16, Inventories.

Fair value of financial assets and liabilities
The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair value of the over-the-counter derivatives used for hedging is determined by using commonly applied valuation techniques, and by maximising the use of available market prices. In applying these techniques, judgement is used to select the applied method, and where appropriate, to make assumptions that are mainly based on existing market conditions on the reporting date.

Alimak Group recognises impairments on accounts receivable at the end of the reporting period based on the best knowledge when there is objective evidence that Alimak Group will not be able to collect all amounts due. Estimates are based on systematic and continuous monitoring as part of the credit risk control. The amount of impairment in the balance sheet on 31 December, 2022 totalled MSEK 82 (48). Additional information regarding the impairment of accounts receivable is disclosed in Note 19, Trade receivables.

Climat related risks and financial disclosures
Climate related events, e.g. storms and floodings, can disrupt the Group's own operations or impact the supply-chain. All production and assembly facilities are certified in accordance with the ISO14001 standard to ensure proper environmental management. Risk assessments are made from a business contingency perspective and appropriate initiatives are initiated based on the risk assessment. Action taken has also been taken to increase inventory levels of critical components and switch to more regional and local suppliers. Local contingency planning exists at the main production sites and the Group alos has insurance coverage for business interruptions. Please see section about Risks and risk management on page 72.

2.2 APPLICATION OF NEW AND AMENDED IFRS AND IFRIC INTERPRETATION

New or amended accounting standards applied in 2022
There are no new or amended standards adopted by Alimak Group as of 1 January, 2022 that have had a material impact on the Group.

New or amended accouting standars from 2023 and onwards
There are no IFRS or IFRIC interpretations that are not yet in effect that are expected to have a material impact on the Group.

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Note 3. Financial risk management

As a result of the Group's global operations, it is exposed to financial risks. The Board of Directors is responsible for establishing the Group's finance policy, which comprises guidelines, targets and limits for financial management and management of financial risks.

Group Treasury is tasked with managing the Group's financial risks. The primary objective of the function is to contribute to the creation of value by managing the financial risks to which the Group is exposed in the course of regular business, and to optimise the Group's net financial items. The Group Treasury function also provides services to Group companies and is required to support subsidiaries with loans, investment facilities and foreign exchange transactions, and to act in an advisory capacity in financial matters. Group Treasury performs internal banking operations and is also responsible for the Group's cash management.

CURRENCY RISK

Currency risk is defined as the risk that fluctuations in foreign currencies have an adverse effect on the Group's cash flow, income statement or balance sheet. Foreign currency fluctuations affect the Group's results when sales and purchases in subsidiaries are made in different currencies (transaction exposure). The Group's results are also impacted when the income statements and balance sheets of foreign subsidiaries are translated to SEK (translation exposure). The currencies with the highest impact on the Group's results and net assets are AUD, GBP and USD. Currency risk affects the Group's competitive situation in various ways.

TRANSACTION EXPOSURE

Transaction exposure affects net profit for the sales and purchases made in currencies other than each unit's functional currency. Since a large percentage of production is concentrated within a few countries, while sales take place in many countries, the Group is exposed to a large net flow of foreign currencies. The exposures are, as far as possible, concentrated to countries where the production is located by invoicing the sales companies in their respective reporting currency. The effects from exchange rate changes are reduced by using incoming currency flows for payments in the same currency and currency hedging. Yearly transaction exposure for essential currencies is shown in the following table.

NET CASH FLOW IN NON REPORTING CURRENCY

Currency (MSEK)	2022	2021
USD	452	389
GBP	202	165
AUD	200	134
CNY	111	33
HKD	63	14
EUR	49	80
SGD	22	6
Others	35	26

Trade receivables and payables in other currencies than the subsidiaries reporting currency are hedged through financial instruments. Orders are also hedged at the point of ordering to safeguard the gross margin and investment budget. On 31 December, 2022 currency forward contracts were used to hedge these flows. The unrealised net result from outstanding contracts was at year-end MSEK 1 (–18) of which MSEK 5 with maturity 2023 and MSEK –4 with maturity 2024 and beyond.

Translation exposure

Translation exposure affects net profit for the year when the financial results of subsidiaries in various currencies are translated to SEK and other comprehensive income when net assets in various currencies are translated to SEK.

INTEREST RATE RISK

Interest rate risk is defined as the risk that changes in the market interest rate will adversely impact on the Group's net interest items. How quickly a change in interest rates takes effect depends on the fixed-interest term of the assets or liabilities. The average fixed-interest term for the Group's borrowing was 1 months (3) at year-end. On July 2nd, 2018 the Group signed a multi-currency senior revolving facility of MSEK 2,500 with maturity in June 2024. At the time of the acquisition of Tractel, the facility amount was reduced to MSEK 2,000. Draw-downs under the senior credit facility are fixed with floating interest. The average interest rate on the Group's interest-bearing loans was 3.7 (1.2) per cent at year-end 2022.

The Group's loan agreements include certain requirements – covenants – regarding key financial ratios. These covenants are represented by the following key financial ratios:

– The Group's net debt, in relation to EBITDA
– The Group's net debt, in relation to equity

MARKET RISK SENSITIVITY

		2022		2021	
	Change	Effect on net profit for the year	Effect on share-holders' equity	Effect on net profit for the year	Effect on share-holders' equity
Market interest rates [1]	%	–52	–52	–4	–4
Exchange rates [2]	SEK, %	51	1,338	33	245
AED		–1	9	0	8
AUD		6	70	6	60
BRL		1	4	1	2
CNY		3	19	–1	15
EUR (Incl DKK)		17	1,130	15	105
GBP		3	20	4	12
HKD		1	5	1	4
USD		12	65	4	32
Others		6	17	2	7

1. Annual effect of a 1% increase in all interest rates.
2. Effect from translation exposure of a unilateral weakening in SEK of 10% against all currencies.

The table above shows the estimated effects of a parallel shift in all exchange rates and interest rates. The sensitivity analysis shows the estimated effects after tax, without taking the effects of cash flow hedges into account and with all other parameters assumed to be constant when the change in exchange rate or interest rate takes place.

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FINANCING AND LIQUIDITY RISK

Financing risk is the risk that the Group cannot obtain adequate financing on acceptable terms at any given point in time. The senior revolving facility of MSEK 2,000 matures in July 2024. Liquidity risk is defined as the risk that the Group cannot fulfill its short-term payment obligations. Under the financial policy of the Group, the liquidity reserve shall at all times be maintained such that it can cover the anticipated fluctuations in the daily business over a period of six months ahead. To meet this requirement the Group has overdraft facilities and confirmed credit facilities. The Group's overdraft facilities amount to MSEK 209 (213).

CREDIT RISK

Credit risk is the risk that the counterpart in a transaction does not fulfil its contractual obligations.

The maximum credit exposure is equal to the carrying amount of the Group's financial assets. Given the Group's distribution of customers and the fact that the customers operate in different market and geographical segments, the general underlying credit risk is regarded as being relatively low. In addition, a large share of the credit risk associated with Tractel's products are coverd by credit insurance. Major exposures are subjected to credit assessments on a case-by-case basis. The Group's financial assets that have neither matured nor been impaired are considered to have high credit ratings.

MAXIMUM CREDIT EXPOSURE

	31 Dec, 2022	31 Dec, 2021
Other long-term receivables	223	144
Trade receivables	1,382	722
Derivatives, net	1	-18
Other financial receivables	248	179
Cash and bank balances	869	349
Total	**2,722**	**1,376**

The group has entered into ISDA agreements with all financial counterparts used for trading derivative financial instruments under which the Group has a right to set-off if certain credits events were to occur. This means the Group's actual credit risk is limited to the net asset per counterparty.

COMMODITY RISK

Commodity risk is defined as the risk that fluctuations in commodity prices will adversely affect the Group's profit. The Group's risk in connection with commodities is mainly confined to steel. The Group does not hedge commodity price risks.

EXCHANGE RATES

When translating the income statements of foreign subsidiaries to SEK, the average rate for the period concerned is used. The balance sheets are translated to SEK using the closing rate.

Currency	Average rate 2022	Closing rate, 31 Dec, 2022	Average rate 2021	Closing rate, 31 Dec, 2021
AED	2.76	2.84	2.34	2.46
AUD	7.01	7.09	6.44	6.56
BRL	1.96	1.97	1.59	1.58
CAD	7.77	7.71	6.85	7.06
CNY	1.50	1.50	1.33	1.42
EUR	10.63	11.13	10.15	10.23
GBP	12.46	12.58	11.80	12.18
HKD	1.29	1.34	1.10	1.16
INR	0.13	0.13	0.12	0.12
KRW	0.008	0.008	0.008	0.008
MXN	0.50	0.54	–	–
NOK	1.05	1.06	1.00	1.03
PLN	2.27	2.37	–	–
RUB	0.15	0.14	0.12	0.12
SGD	7.34	7.77	6.38	6.68
TRY	0.61	0.56	–	–
USD	10.12	10.44	8.58	9.04

Note 4. Segment reporting

OPERATING SEGMENTS

In 2022 the reporting segments have been changed with acquisition of the Tractel brand and Alimak Group now has five reporting segments called Divisions: Facade Access, Construction, Height Safety & Productivity Solutions, Industrial and Wind. The operating segments are the Group's primary basis of classification. There are no intra-Group sales between the segments.

Facade Access

The division offers permanent building maintenance systems and facade access solutions available for every building structure regardless of its simplicity or complexity. It also offers services such as spare parts, certifications and refurbishments.

Construction

The division offers a wide range of hoists, elevators and platforms based on rack-and-pinion technology. These are used temporarily during construction and refurbishment projects. It aslo offers services such as spare parts and certifications.

Height Safety & Productivity Solutions Division

The division offers a globally recognized and respected portfolio including Personal Protection Equipment (PPE), confined space access and rescue equipment for fall protection, and installed systems such as safety ladders, guardrails, and lifelines.

Industrial

The division offers a wide range of elevators and platforms for permanent use across a broad spectrum of industries and harsh environments. It also offers service contracts to maintain the reliability of the solutions which can be in use for up to 20–30 years.

Wind

The division offers products, solutions and training courses for safe work in wind turbines, such as service lifts and ladders, with the aim of helping customers make wind energy cost competitive. It also provides services.

Geographical markets

The Group operates worldwide and normally all operating segments are represented in the geographical regions of Europe, Asia and Australia, South and North America and Other Markets.

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REVENUE AND PROFIT PER OPERATING SEGMENT

2022	Facade Access	Construction	Height Safety & Productivity Solutions	Industrial	Wind	Items affecting comparability	Total, Group
External revenue	1,372	1,346	111	1,140	542	–	4,512
EBITA	56	243	30	217	69	–13	603
EBITA, %	4.1	18.1	27.2	19.0	12.8	–	13.4
Trade receivables	472	302	229	265	113	–	1,382
Inventories	475	438	318	193	119	–	1,543
Trade payables	–192	–102	–57	–71	–46	–	–468
Working capital	**754**	**639**	**490**	**387**	**186**	**–**	**2,457**
Investments	7	48	9	10	2	–	77

2021	Facade Access	Construction	Height Safety & Productivity Solutions	Industrial	Wind	Items affecting comparability	Total, Group
External revenue	1,063	1,104	–	885	676	–	3,728
EBITA	34	200	–	186	63	–	483
EBITA, %	3.2	18.1	–	21.0	9.3	–	13.0
Trade receivables	182	202	–	189	149	–	722
Inventories	348	191	–	156	115	–	810
Trade payables	–81	–78	–	–53	–80	–	–292
Working capital	**449**	**315**	**–**	**293**	**184**	**–**	**1,240**
Investments	11	48	–	4	5	–	67

The Financial net, taxes and interest bearing recievables and liabilities are not distributed per reporting segment. Allocation of Goodwill per segment are reported in Note 13. Items affecting comparability of MSEK –13 (0) consist of transaction related costs MSEK –28, cost for the strategic review of the Wind Division MSEK –11, costs related to exit of Russia MSEK –7 and a positive impact from COVID-19 US government grant of MSEK 33.

GEOGRAPHICAL MARKETS

Revenues	2022	2021
Australia	544	472
China	428	447
Denmark	209	210
France	235	179
Germany	198	153
Netherlands	143	129
Norway	151	95
Spain	97	60
Sweden	111	123
United Arab Emirates	139	154
United Kingdom	441	378
United States	963	852
Other Markets	852	476
Total	**4,512**	**3,728**

No customer represents more than 10% of total revenue for the Group.

Intangible assets and Property, plant & equipment	2022	2021
Australia	108	78
China	35	38
Denmark	21	23
France	113	5
Germany	139	54
Netherlands	135	162
Norway	4	5
Spain	60	48
Sweden	86	97
United Arab Emirates	4	3
United Kingdom	32	19
United States	65	17
Other Markets	324	32
Goodwill, trademarks and customer relations*	8,499	2,870
Total	**9,626**	**3,450**

*not allocated to geographical markets

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Note 5. Revenues

REVENUES ARE SPLIT INTO THE FOLLOWING RECOGNITION METHODS:

	2022	2021
Over time		
Facade Access	902	717
Construction	260	182
Height Safety & Productivity Solutions	–	–
Industrial	71	25
Wind	–	–
Total Over time	**1,233**	**924**
Point in time		
Facade Access	470	346
Construction	1,087	922
Height Safety & Productivity Solutions	111	–
Industrial	1,069	860
Wind	542	676
Total Point in time	**3,279**	**2,804**
Total	**4,512**	**3,728**

See also note 17 Contract assets, liabilities and performance obligations.

Note 6. Operating costs

	2022	2021
Raw materials and consumables	–1,721	–1,364
Personnel costs	–1,582	–1,438
Depreciation/amortisation	–213	–166
Other costs	–450	–329
Total	**–3,966**	**–3,296**

Note 7. Number of employees, employee benefits and remuneration to Board of Directors and Senior Executives

	2022		2021	
	Average number of employees	**Of whom, women, %**	**Average number of employees**	**Of whom, women, %**
Australia	143	9	139	9
Belgium	9	0	8	0
Brazil	41	15	48	13
Canada	49	4	–	–
China	296	18	347	18
Denmark	43	16	48	16
Finland	2	14	–	–
France	87	14	62	14
Germany	166	16	156	15
India	36	3	33	3
Italy	9	16	7	14
South Korea	11	9	11	9
Luxembourg	7	16	–	–
Malaysia	17	18	15	13
Mexico	2	18	–	–
Netherlands	67	11	67	13
Norway	40	11	35	14
Poland	14	10	–	–
Portugal	1	27	–	–
Russia	13	24	13	24
Singapore	22	19	17	24
Spain	305	13	305	13
Sweden	339	18	346	17
Switzerland	5	0	4	0
Turkey	2	18	–	–
United Arab Emirates	111	4	107	4
United Kingdom	152	18	134	14
USA	145	16	154	14
Total	**2,134**	**23**	**2,057**	**14**

	2022	2021
Group's gender breakdown in corporate management	**Of whom, women, %**	**Of whom, women, %**
Board of Directors	44	44
Other senior executives	44	44

Personnel expenses	**2022**	**2021**
Salaries and benefits	1,227	1,123
Social welfare contributions	289	215
Other personnel expenses	79	92
Total, Group	**1,595**	**1,430**
(Of which, pension costs included in social security costs)	(61)	(47)

Of the Group's pension costs, MSEK 2 (2) refer to the category of Board of Directors and CEO. The Group's outstanding pension commitments to the latter amount to MSEK 25 (28).

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	2022		2021	
Breakdown of salaries and other remuneration, by Board members and other employees (excl. pensions and social security contributions)	**Board of Directors and President**	**Other employees**	**Board of Directors and President**	**Other employees**
Sweden	10	190	9	219
(Of which, bonuses etc.)	(2)	(9)	(2)	(2)
Outside Sweden	–	1,030	–	898
(Of which, bonuses etc.)	(–)	(43)	(–)	(34)
Total, Group	**10**	**1,220**	**9**	**1,117**
(Of which, bonuses etc.)	(2)	(52)	(2)	(36)

Long-term incentive programme (LTI)

During 2022 the Annual General Meeting resolved to implement a long-term share-based incentive programme in the form of a call option program. The program was launched during the year and was offered to the CEO and senior executives, executive management in the Divisions and some employees in the head office. In total 369,000 options were acquired by 35 participants. The Group CEO acquired 55,000 options. More information about the call option program can be found in the notice to the Annual General Meeting in 2022.

Year	No.issued options	Option price	Excercise price
2022/2026	369,000	7.90	86.30
2021/2025	358,000	14.00	160.00

The number of issued options is equivalent to the same number of shares. A total of MSEK 3 has been reported as Issued call options as part of the Groups equtiy in 2022 related to the long-term incentive programme for 2022.

In 2019 Alimak Group introduced share saving programmes for senior executives and other key employees. The vesting period of the 2019 programme ended during 2022 but already in 2021 it became clear that the performance condition relating to earnings per share (EPS) has not been fulfilled and no shares was awarded within this program.

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2022	Salary/ Board fee	Variable remunera-tion	Other benefits	Pension cost	Total
Board of Directors					
Johan Hjertonsson, Board chairman	0.9	–	–	–	0.9
Helena Nordman-Knutson	0.4	–	–	–	0.4
Christina Hallin	0.4	–	–	–	0.4
Petra Einarsson	0.3	–	–	–	0.3
Tomas Carlsson	0.4	–	–	–	0.4
Sven Törnkvist	0.3	–	–	–	0.3
President					
Ole Kristian Jödahl	4.9	2.1	0.6	1.7	9.3
Other senior executives (8 persons)	15.0	4.1	1.5	2.3	23.0
Other former senior executives	–	–	–	–	–
Total	**22.8**	**6.2**	**2.2**	**4.1**	**35.2**

2021	Salary/ Board fee	Variable remunera-tion	Other benefits	Pension cost	Total
Board of Directors					
Johan Hjertonsson, Board chairman	0.9	–	–	–	0.9
Helena Nordman-Knutson	0.4	–	–	–	0.4
Christina Hallin	0.4	–	–	–	0.4
Petra Einarsson	0.3	–	–	–	0.3
Tomas Carlsson	0.4	–	–	–	0.4
Sven Törnkvist	0.3	–	–	–	0.3
President					
Ole Kristian Jödahl	4.7	1.2	0.5	1.8	8.2
Other senior executives (8 persons)	17.2	1.8	4.3	2.5	25.8
Other former senior executives	2.2	–	–	–	2.2
Total	**26.8**	**3.0**	**4.8**	**4.3**	**39.0**

Board of Directors

Fees are paid to the Chairman and Board members in accordance with resolution of the AGM. The President and employee representatives are not paid Board fees. Under a resolution of the 2022 AGM, the annual fees to Board members elected by the AGM total SEK 2,854,625. Of this amount, SEK 840,500 is paid to the Board Chairman and SEK 338,250 each to other Board members. Furthermore, it was decided that a fee of SEK 107,625 be paid to the Chairman of the Audit Committee, SEK 76,875 to the Chairman of the Remuneration Committee, SEK 82,000 to each member of the Audit Committee (excluding the Chairman) and SEK 56,375 to each member of the Remuneration Committee (excluding the Chairman). The Audit Committee consists of Helena Nordman-Knutson (Chair), and Tomas Carlsson. The Remuneration Committee consists of Johan Hjertonsson (Chair) and Christina Hallin. The Board members are not entitled to any benefits after leaving the Board.

Group Leadership Team

Remuneration to the President and other members of Group Leadership Team consists of base salary, variable salary, other benefits and pension. The variable salary generally amounts to a maximum of 40% of the annual base salary and is linked to the Company's performance.

President and Chief Executive Officer

For the President and CEO Ole Kristian Jödahl, an annual fixed salary of SEK 4,880,000 was expensed in 2022. Ole Kristian Jödahl received other benefits of SEK 620,000. Every year, pension premiums calculated at 35% of the annual base salary are placed in a direct pension plan classified and accounted for as a defined contribution plan. The direct pension plan is guaranteed through pledged endowment policies owned by the Company. Ole Kristian Jödah's pensionable age is 65. His period of notice for terminating his employment contract is 6 months, while 12 months applies if the contract is terminated by the Company. The President is entitled to severance pay amounting to 12 months' base salary.

Other members of Group Management

The members of Group Management – senior executives – who are employed in Sweden are entitled to pension benefits corresponding in all essential respects to the Swedish ITP pension plan.

Senior executives who are not employed in Sweden are generally covered by defined contribution pension plans. In most cases, the pensionable age for senior executives is 65. All senior executives have a notice period of 6 to 12 months if the employment is terminated by the Company.

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Note 8. Fees to auditors

	2022	2021
Ernst & Young:		
Auditing assignment	12	10
Audit work outside the scope of the audit assignment	0	0
Tax advice	–	–
Other services	1	0
Total	**13**	**11**
Other auditors:		
Auditing assignment	1	1
Audit work outside the scope of the audit assignment	–	0
Tax advice	0	0
Other services	–	0
Total	**2**	**1**

Note 9. Depreciation/amortisation

	2022	2021
Depreciation/amortisation according to plan per asset		
Other intangible assets	57	35
Land and buildings	10	6
Plant and machinery	16	16
Equipment, tools and fixtures and fittings	20	14
Rental equipment	32	27
Right-of-use assets	80	69
Total	**213**	**166**
Depreciation/amortisation according to plan per function		
Cost of goods sold	119	93
Selling expenses	54	36
Administration expenses	38	35
Development expenses	2	3
Total	**213**	**166**

Note 10. Other operating gains and losses

	2022	2021
Operating gains		
Exchange gains	52	21
Other gains	10	14
Total	**62**	**35**
Operating losses		
Exchange losses	–92	–19
Other losses	–4	–
Total	**–96**	**–19**

Note 11. Financial income and expense

	2022	2021
Financial income		
Interest income	5	1
Exchange gains	123	33
Total	**128**	**34**
Financial expense		
Interest expense	–49	–11
Interest expenses leases	–6	–5
Other financial expense	–17	–11
Exchange losses	–117	–45
Total	**–188**	**–73**

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Note 12. Income tax

The Group's tax cost for the year totalled MSEK –109 (–102), corresponding to an effective tax rate of 22.5% (24.9).

Income tax expense	**2022**	**2021**
Current year tax expense	–102	–83
Deferred tax	–7	–19
Total	**–109**	**–102**

Reconciliation of effective tax	**2022**	**2021**
Income before taxes	485	410
Tax expense at Swedish tax rate 20.6%	–100	–84
Effect of different tax rates in foreign subsidiaries	–18	–9
Tax expense for previous years	15	–6
Tax exempt income and non-deductible expenses	–6	1
Previously unrecognised tax losses and temporary differences	–0	2
Unrecognised current year tax losses and temporary differences	0	–5
Effect of changes in tax rates	0	2
Other (including withholding tax)	–3	–3
Income tax expense	**–109**	**–102**
Effective tax rate in %	**22.5**	**24.9**

The effect of different tax rates in foreign subsidiaries mainly comes from the profits generated in Australia and USA where the corporate income tax rates are higher than in Sweden.

Deferred tax

The tables below show deferred tax assets and liabilities per category at the end of each reporting period and the movement in net deferred tax during the year.

	31 Dec, 2022	**31 Dec, 2021**
Deferred tax assets		
Property, plant and equipment	15	16
Financial instruments	6	6
Inventories	23	13
Current receivables	7	7
Provisions	34	23
Loss carry-forwards	78	59
Other deferred tax assets	4	1
Total	**168**	**124**
Deferred tax liabilities		
Property, plant and equipment	25	12
Intangible assets	800	167
Provisions	14	1
Untaxed reserves	52	40
Other deferred tax liabilities	16	5
Total	**907**	**225**

	2022	**2021**
Changes in deferred taxes, net		
Opening balance, 1 Jan	–101	–63
Acquisitions	–584	–
Recognised in income statement	–7	–19
Recognised in other comprehensive income	–16	–1
Reclassification	–	–13
Translation differences	–31	–6
Closing balance, 31 Dec	**–739**	**–101**

Reclassifications last year mainly relate to the Spanish subsidiaries where a reclassification was done between deferred and current tax.

Deferred tax assets on tax loss carry-forwards are reported to the extent that the realisation of the related tax benefit through future taxable profits is probable also when considering the period during which the losses can be utilised.

As of 31 December, 2022, the total amount of tax loss carry-forwards was MSEK 332 (311). The deferred tax relating to the recognised losses amounted to MSEK 78 (59). The tax losses on which deferred tax has been recognised mainly relate to Australia, Netherlands and Spain. The tax losses on which no deferred tax has been recognised mainly relate to China, Brazil and Italy.

TAX LOSS CARRY-FORWARDS

	Recognised		**Not recognised**	
	31 Dec, 2022	**31 Dec, 2021**	**31 Dec, 2022**	**31 Dec, 2021**
Expires within five years	30	27	53	56
Expires in more than five years	–	–	7	5
No expiration date	203	184	39	39
Total tax loss	**233**	**211**	**99**	**101**

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Note 13. Goodwill and other intangible assets

2022	Goodwill	Trademark	Customer relations	Tech-nology	Develop-ment costs	Total
Accumulated historical cost						
Opening balance, 1 Jan	2,576	452	216	49	44	3,336
Acquisitions	3,283	691	1,298	79	81	5,431
This years gross investment	–	–	–	–	–	–
Sales, disposals	–	–	–	–	–1	–1
Reclassifications	–	–	–	–	–	–
Translation differences for the year	320	64	42	7	7	440
Closing balance, 31 Dec	**6,179**	**1,206**	**1,556**	**135**	**133**	**9,209**
Accumulated amortisation and write-down						
Opening balance, 1 Jan	–214	–2	–158	–26	–18	–417
Sales, disposals	–	–	1	–	0	1
Amortisations for the year	–	–1	–36	–8	–12	–57
Reclassifications	–	–	–	–	–	–
Translation differences for the year	–15	0	–17	–4	–4	–40
Closing balance, 31 Dec	**–229**	**–3**	**–210**	**–37**	**–33**	**–512**
Carrying amount at year-end	**5,950**	**1,203**	**1,346**	**98**	**99**	**8,696**

2021	Goodwill	Trademark	Customer relations	Tech-nology	Develop-ment costs	Total
Accumulated historical cost						
Opening balance, 1 Jan	2,470	431	205	47	46	3,199
Acquisitions	8	–	–	–	–	8
This years gross investment	–	–	–	–	4	4
Sales, disposals	–	–	–	–	–9	–9
Reclassifications	–	–	–	–	1	1
Translation differences for the year	98	20	11	2	2	134
Closing balance, 31 Dec	**2,576**	**452**	**216**	**49**	**44**	**3,336**
Accumulated amortisation and write-down						
Opening balance, 1 Jan	–209	–1	–131	–19	–7	–367
Sales, disposals	–	–	–	–	–	–
Amortisations for the year	–	–1	–20	–6	–8	–35
Reclassifications	–	–	–	–	–1	–1
Translation differences for the year	–5	0	–8	–1	–2	–15
Closing balance, 31 Dec	**–214**	**–2**	**–158**	**–26**	**–18**	**–417**
Carrying amount at year-end	**2,362**	**450**	**58**	**23**	**26**	**2,919**

The trademarks acquired through business combinations have been valued at fair value in connection with the acquisition. These trademarks with value MSEK 1,199 have been assessed to have indefinite useful lives and it is estimated that they will create cash flow for an indefinite period. The estimate is based on their global, regional or customer segment specific market leadership and their long history. The trademarks are continuously developed and are tested for impairment whenever goodwill is reviewed for impairment. Other trademarks are amortized over 10 years.

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GOODWILL HAS BEEN ALLOCATED TO THE FOLLOWING CASH GENERATING UNITS, MSEK:

	31 Dec 2022
Facade Access Division	1,860
Construction Division	1,370
Height Safety & Productivity Solutions Division	1,652
Industrial Division	807
Wind Division	261
Total	**5,950**

Goodwill is reviewed for potential impairment whenever there is an indication that the current value may be impaired, or at least annually. Impairment testing of goodwill is carried out by allocating goodwill to the lowest cash generating unit level (CGU) which generates independent cash flows. These levels have been identified according to the operative business organisation to be the reported operating segments. In 2022 goodwill was reallocated to the Divisions; Facade access, Construction and Height Safety & Productivity solutions due to the acquisition of Tractel. The allocation was done in accordence with IAS 36 and based on future cashflows. The goodwill for the divisions Industrial and Wind was not affected. The table above shows the goodwill for the new cash generating units.

The recoverable amounts of the cash generating units (CGU) are determined on the basis of value-in-use calculations. The future cash flow projections are based on the strategic plans approved by the top management and the Board of Directors. Cash flow projections cover 5 years, of which the last year is used to define the terminal value. Cash flows beyond the forecast period are projected by using a 2% long-term growth rate.

The key assumptions made by the management in the projections relate to market and profitability outlooks. Market share and growth potential in both new equipment and service markets have been taken into account when defining future sales growth. Key factors affecting profitability are sales volume, competitiveness and cost efficiency. The utilisation rate of factories and assembly units and their cost competitiveness have an impact on profitability. The ongoing profit improvement programme is expected to further improve the profitability in the coming years. The discount rate used in the impairment testing is the weighted average cost of capital (WACC) that reflects the total cost of equity and debt, and the market risks related to the Group. Components of WACC are the risk-free interest rate, market risk premium, Alimak Group's beta, gearing and credit spread. The WACC used is 9.3%.

As a result of the impairment tests performed no impairment loss was recognised in 2022 or in 2021.

The net present value for each cash generating unit is dependent on the assumptions made when calculating the discounted cash flows. Alimak Group has made simulations of how the net present value changes if important assumptions would change.

The sensitivity analysis shows that no changes of discount rate within reasonable limits would cause the net present value to be lower than the carried value of net assets. There is substantial headroom for changes to all the important parameters that could lead to an impairment need. The sensitivity analysis shows that the value of goodwill and other assets with indefinite life is well above net present value if the discount rate is increased by 2%-point or if long-term growth rate beyond the forecast period is decreased by 1%-point for all cash generating units. Forecasts for sales growth and EBIT-margin are also included in the sensitivity analysis and changes within reasonable limits of these parameters will not lead to an impairment need for any of the cash generating units.

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Note 14. Property, plant and equipment

2022	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment	Total
Accumulated historical cost					
Opening balance, 1 Jan	195	174	130	424	922
Acquisitions	131	27	51	29	238
Gross investments	3	19	13	40	75
Sales and disposals, etc.	–27	–38	–14	–8	–87
Reclassifications	–	14	–14	–	0
Translation differences for the year	21	11	30	21	83
Closing balance, 31 Dec	**322**	**207**	**196**	**506**	**1,231**
Accumulated depreciation					
Opening balance, 1 Jan	–79	–108	–104	–283	–574
Sales and disposals, etc.	29	32	12	–	73
Depreciation according to plan for the year	–9	–16	–20	–32	–77
Reclassifications	–4	–8	12	0	0
Translation differences for the year	–10	–9	–14	–8	–40
Closing balance, 31 Dec	**–73**	**–110**	**–114**	**–323**	**–618**
Carrying amount at year-end	**249**	**97**	**82**	**183**	**612**

2021	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment	Total
Accumulated historical cost					
Opening balance, 1 Jan	200	163	109	409	880
Acquisitions	0	0	1	–	1
Gross investments	5	7	11	41	63
Sales and disposals, etc.	–14	–1	0	–31	–46
Reclassifications	0	–1	1	0	0
Translation differences for the year	4	6	9	6	24
Closing balance, 31 Dec	**195**	**174**	**130**	**424**	**922**
Accumulated depreciation					
Opening balance, 1 Jan	–76	–88	–82	–283	–529
Sales and disposals, etc.	5	0	0	29	34
Depreciation according to plan for the year	–6	–16	–14	–27	–63
Reclassifications	0	1	–1	0	0
Translation differences for the year	–2	–5	–7	–2	–17
Closing balance, 31 Dec	**–79**	**–108**	**–104**	**–283**	**–574**
Carrying amount at year-end	**116**	**66**	**26**	**141**	**348**

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Note 15. Right-of-use assets and lease liabilities

2022	Premises	Vehicles	Other machinery and equipment	Total
Accumulated historical cost				
Opening balance, 1 Jan	206	75	12	292
Acquisition	140	14	2	156
New contracts	23	18	1	42
Sales and disposals	–24	–20	–3	–47
Translation differences for the year	21	7	1	29
Closing balance, 31 Dec	**366**	**94**	**12**	**472**
Accumulated depreciation				
Opening balance, 1 Jan	–68	–37	–5	–110
Depreciation for the year	–52	–25	–3	–80
Sales and disposals	22	19	3	45
Translation differences for the year	–7	–3	–0	–10
Closing balance, 31 Dec	**–105**	**–45**	**–5**	**–156**
Carrying amount at year-end	**261**	**48**	**7**	**317**

2021	Premises	Vehicles	Other machinery and equipment	Total
Accumulated historical cost				
Opening balance, 1 Jan	234	57	15	306
Acquisition	–	–	–	–
New contracts	87	27	3	117
Sales and disposals	–128	–12	–7	–147
Translation differences for the year	13	3	1	17
Closing balance, 31 Dec	**206**	**75**	**12**	**292**
Accumulated depreciation				
Opening balance, 1 Jan	–65	–26	–8	–98
Depreciation for the year	–43	–21	–4	–68
Sales and disposals	45	11	6	62
Translation differences for the year	–5	–1	–0	–6
Closing balance, 31 Dec	**–68**	**–37**	**–5**	**–110**
Carrying amount at year-end	**138**	**38**	**6**	**182**

LEASE LIABILITIES

2022	Premises	Vehicles	Other machinery and equipment	Total
Non current lease liabilities	180	26	4	210
Current lease liabilities	76	27	3	105
Total carrying value lease liabilities	**256**	**52**	**7**	**315**
Maturity analysis undiscounted contractual leasing payments				
1–12 months	82	27	3	112
13–36 months	111	23	3	137
37–60 months	52	3	1	56
> 60 months	40	0	0	40
Total	**286**	**53**	**7**	**346**

LEASE LIABILITIES

2021	Premises	Vehicles	Other machinery and equipment	Total
Non current lease liabilities	92	19	4	116
Current lease liabilities	46	22	3	70
Total carrying value lease liabilities	**137**	**42**	**7**	**186**
Maturity analysis undiscounted contractual leasing payments				
1–12 months	47	23	2	72
13–36 months	60	17	3	80
37–60 months	19	3	1	23
> 60 months	23	0	0	23
Total	**149**	**42**	**7**	**198**

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IMPACT ON CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2022	2021
Depreciations of Right-of-use assets included in:		
Cost of sales	–53	–40
Selling costs	–10	–9
Administration cost	–16	–20
Development cost	–0	–1
Total	**–80**	**–69**
Included in Interest expenses	–6	–5

IMPACT ON CONSOLIDATED STATEMENTS OF CASH FLOW

	2022	2021
Included in cash flow from Operating activities		
Paid interest	–6	–5
Included in cash flow from Financing activities		
Repayment of lease liabilities	–87	–74

Alimak Group does not apply the exceptions for low value or short term leases allowed under IFRS 16, all leases are included in the tables above. Alimak Group does not have any leases of intangible assets. Contracts with variable leasing fees are few and amounts are immaterial.

Note 16. Inventories

	31 Dec 2022	31 Dec 2021
Raw materials and consumables	378	281
Work in progress	406	98
Finished products and goods for resale	412	147
Total	**1,196**	**525**

The inventory value includes a provision of MSEK 170 (65) for obsolescence.

Note 17. Contract assets and liabilities

CONTRACT BALANCES WITH CUSTOMERS

2022	Contract assets	Contract liabilities
Opening balance, 1 Jan	**284**	**110**
Acquisitions	28	32
New advances from customers	–	159
Increase (+)/Decrease (–) due to revenue recognised	584	–166
Increase (+)/Decrease (–) due to transfers to receivables	–630	–
Revaluations	34	–
Translation differences	47	13
Closing balance, 31 Dec	**347**	**148**

CONTRACT BALANCES WITH CUSTOMERS

2021	Contract assets	Contract liabilities
Opening balance, 1 Jan	**292**	**76**
Acquisitions	–	–
New advances from customers	–	153
Increase (+)/Decrease (–) due to revenue recognised	578	–124
Increase (+)/Decrease (–) due to transfers to receivables	–629	–
Revaluations	3	–
Translation differences	41	5
Closing balance, 31 Dec	**284**	**110**

The increases/decreases in the tables above related to contract assets reflect the total adjustment needed to align revenue recognition for work completed but not yet invoiced at year end. Out of the total balance of MSEK 347 (284), MSEK 347 (283) is estimated to be invoiced within one year.

Note 18. Financial assets and liabilities

Financial assets & liabilities measured at amortized cost	31 Dec 2022 Carrying value	31 Dec 2021 Carrying value
Assets		
Other long term receivables	223	144
Trade receivables	1,382	722
Other short term receivables	248	179
Cash and cash equivalents	869	349
Total assets	**2,721**	**1,394**
Liabilities		
Long-term borrowings	4,537	491
Long-term lease liabilities	210	116
Short-term borrowings	2,133	60
Short-term lease liabilities	105	70
Trade payables	468	292
Other financial liabilities	298	213
Total Liabilities	**7,752**	**1,241**

Financial assets & liabilities measured at fair value	31 Dec 2022	31 Dec 2021
Assets		
Derivatives at fair value, profit and loss Level 2	3	0
Derivatives in hedge accounting Level 2	2	0
Total assets	**5**	**0**
Liabilites		
Derivatives, Level 2	4	18
Other long term liabilities, Level 3	88	–
Total liabilities	**92**	**18**

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The interest rates on interest-bearing liabilities are in line with market terms at 31 December, 2022, and the fair values at the end of the reporting period and therefore in all material aspects correspond to the carrying amount.

The fair value of long and short term liabilities to credit institutions is calculated for disclosure purposes by discounting future cash flows at the current interest rate for the remaining term to maturity.

The Group classifies financial assets and liabilities measured at fair value in a fair value hierarchy based on the information used in the valuation of each asset and liability. During the financial year, no financial assets or financial liabilities were reclassified among the valuation categories.

Currency derivatives are valued at fair value by discounting the difference between the contracted forward rate and the forward rate that can be subscribed for on the balance sheet date for the remaining contract period. A risk-free interest rate based on government bonds is applied for discounting.

Level 1 – Quoted prices for identical assets and liabilities on an active market.
Level 2 – Quoted prices on markets that are not active, quoted prices for similar assets and liabilities, information other than quoted prices that are observable directly or indirectly primarily for the instrument's entire term and input data for valuation models obtained from observable market data.
Level 3 – Information that is important for the asset's or liability's present value is not observable, unless the Group's own assessments are applied. The Other long-term liability relates to the earn-out liability from the Tall Crane acquisition and is calculated in relation to the target fulfilment and is discounted to present value

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2022	**Long-term Borrowings**	**Long-term Lease liabilities**	**Short-term Borrowings**	**Short-term Lease liabilities**	**Derivatives**	**Total**
Opening balance, 1 Jan	491	116	60	70	18	755
Acquisitions	–	98	–	31	–	128
Cash flows	4,031	–64	2,069	–22	–16	5,998
Other changes lease liabilities	–	52	–	20	–	72
Changes in fair value	–	–	–	–	2	2
Translation difference	15	9	4	7	–	35
Closing balance, 31 Dec	**4,537**	**210**	**2,133**	**105**	**4**	**6,990**

2021	**Long-term Borrowings**	**Long-term Lease liabilities**	**Short-term Borrowings**	**Short-term Lease liabilities**	**Derivatives**	**Total**
Opening balance, 1 Jan	667	158	49	57	5	935
Cash flows	–191	–68	8	–23	7	–267
Other changes lease liabilities	–	16	–	33	–	49
Changes in fair value	–	–	–	–	6	6
Translation difference	15	9	4	3	–	31
Closing balance, 31 Dec	**491**	**116**	**60**	**70**	**18**	**755**

Note 19. Trade receivables

	2022	**2021**
Trade receivables, gross	**1,464**	**770**
Accumulated reserve for credit losses, opening balance, 1 Jan	–48	–54
Opening balance from acquisitions	–29	–
Provisions for the year	–28	–19
Reversals of provisions for the year	29	28
Exchange rate differences	–7	–4
Accumulated reserve for credit losses, closing balance, 31 Dec	**–82**	**–48**
Trade receivables, net at year-end	**1,383**	**722**

Age analysis for overdue trade accounts receivable not considered bad debts	**31 Dec 2022**	**31 Dec 2021**
1–30 days	226	100
31–90 days	109	42
91–120 days	80	43
> 120 days	99	63
Total at year-end	**513**	**249**

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Note 20. Prepaid expenses and accrued income

	31 Dec 2022	31 Dec 2021
Prepaid lease charges and rent	5	2
Accrued sales revenue	19	20
Prepaid insurance	30	13
Bank charges and legal costs	11	0
Transport subsidies and fees	3	5
IT services	14	11
Prepaid to vendors	35	13
Other	12	8
Carrying amount at year-end	**129**	**71**

Note 21. Maturity analysis, receivables and liabilities

BORROWINGS

Total long term borrowings is MSEK 4,560, of which MSEK 3,338 is a term loan with a tenor of three years and maturity in October 2025. The remaining MSEK 1,222 is within the frame of the senior revolving facility of MSEK 2,000. The facility matures in July 2024.

The average fixed-interest term for long-term borrowing was 1.6 months (2.4) at year-end. The average interest rate on the Group's interest-bearing loans was 3.3% (0.8) at year-end.

The total short-term borrowings is MSEK 2,133 of which MSEK 2,090 is a Bridge Loan with maturity in July 2023. The remaining MSEK 43 relates to local credit facilities in Brazil and China.

The Group's loan agreements with banks contain specific requirements, covenants. No breaches of covenants has occurred in 2022. The covenants are represented by the following key financial ratios:
– the Group's net debt, in relation to EBITDA.
– the Group's net debt, in relation to equity.

ASSET MANAGEMENT

Capital comprises both equity and borrowed capital. The aim of capital management in the Group is to ensure the Group's continued existence and freedom to trade, and to ensure that owners receive a return on funds invested. The division between equity and borrowed capital shall be such that a good balance between risk and return is maintained. The capital structure is adjusted when necessary to meet changes in economic requirements and other global factors. In order to maintain and adjust the capital structure, the Group can distribute funds, increase equity by issuing new shares or capital contributions or sell assets to reduce liabilities or, alternatively, increase liabilities in order to acquire assets.

MATURITY ANALYSIS, CONTRACTUAL INCOMING/OUTGOING PAYMENTS

31 Dec 2022

Financial assets	<1 month	1–12 months	1–5 years	>5 years
Other long-term receivables	0	0	83	1
Trade receivables	700	745	73	2
Derivatives	1	–	3	–
Other financial receivables	71	280	14	–
Accrued income	11	14	–	–
Cash equivalents	0	5	–	–
Cash and bank	822	39	3	–
Total	**1,606**	**1,084**	**176**	**3**

Financial liabilities	<1 month	1–12 months	1–5 years	>5 years
Borrowings and lease liabilities	8	2,570	4,897	0
Trade payables	329	132	6	1
Derivatives	2	1	1	0
Other financial liabilities	100	186	13	0
Total	**438**	**2,890**	**4,917**	**1**

Financial liabilities consist of undiscounted amounts, including future interest payments.

31 Dec 2021

Financial assets	<1 month	1–12 months	1–5 years	>5 years
Other long-term receivables	–	7	15	1
Trade receivables	373	416	54	–
Derivatives	0	0	–	–
Other receivables	45	167	14	1
Accrued income	7	5	0	–
Cash equivalents	–	3	1	–
Cash and bank	297	45	–	2
Total	**722**	**644**	**84**	**4**

Financial liabilities	<1 month	1–12 months	1–5 years	>5 years
Borrowings and lease liabilities	9	129	596	12
Trade payables	116	176	5	1
Derivatives	7	11	0	–
Other liabilities	58	141	7	–
Total	**190**	**457**	**609**	**13**

THE CASH FLOW HEDGE RESERVE IS EXPECTED TO IMPACT BOTH INCOME STATEMENT AND CASH FLOW IN THE PERIODS STATED BELOW

	31 Dec 2022	31 Dec 2021
Within 1 year	0	–10
More than 1 year	0	–2
Total	**1**	**–11**

The effect realised from cash flow hedges is recognised in Cost of goods sold in the income statement.

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Note 22. Equity and earnings per share

Share capital	Issued Share capital (SEK)	Number of issued shares	Quotient value
New share issue 2017	216,631	10,831,572	0.02
Issued share capital December 31, 2018	1,083,157	54,157,861	0.02
Issued share capital December 31, 2019	1,083,157	54,157,861	0.02
Issued share capital December 31, 2020	1,083,157	54,157,861	0.02
Issued share capital December 31, 2021	1,083,157	54,157,861	0.02
Issued share capital December 31, 2022	1,083,157	54,157,861	0.02

TREASURY SHARES

In January 2022 Alimak Group acquired 303,000 own shares at an average price of SEK 113 to cover commitments under the Long term incentive programme. As of December 2022 Alimak Group owns 742,611 treasury shares (as per 31 Dec 2021 439,611).

Earnings per share and dividends	2022	2021
Net income attributable to owners of the Parent Company (MSEK)	376	308
Average number of outstanding shares, basic and diluted (thousands)	54,158	54,158
Earnings per share basic and diluted (SEK)	7.04	5.68
Ordinary cash dividend based on number of shares at year end (for 2022 as proposed by the board of directors)	3.65	3.30

Note 23. Post-employment benefits

DEFINED CONTRIBUTION PENSION PLANS

The Group's defined contribution pension plans cover employees in all companies. Some employees in some companies are however covered by defined benefit pension plans. The defined contribution pension plans primarily cover retirement pensions, sickness pensions and family pensions. The premiums are paid on an ongoing basis throughout the year by the Group Company concerned, to various insurance companies. The sizes of the premiums are based on salary.

The Group President & CEO is covered by a direct pension plan, which is classified and reported as a defined contribution plan. The direct pension plan is guaranteed via a pledged endowment policy owned by the Company.

DEFINED BENEFIT PENSION PLANS

The Group's defined benefit pension plans cover employees mainly in Sweden UK, Luxembourg and Germany. In addition, defined benefit pension plans are to a lesser extent operated in Norway, Italy, France and Poland. According to these defined benefit plans, employees have a right to pension benefits based on their pensionable income and number of years of service. The pension plans primarily cover retirement pensions, sickness pensions and family pensions.

The pension plan in the UK is funded. The pension plan in Sweden is secured through balance sheet provisions, combined with credit insurance in the PRI Pension Guarantee and via pension insurance in Alecta. In the Swedish plan, all newly earned pension entitlements are secured through premiums to a defined contribution pension plan in Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 ITP2, this is a defined benefit plan that encompasses several employers. The company does not have the necessary information required to recognize its proportional share of the plan's obligations, plan assets and expenses which has made it impossible to recognize this plan as a defined benefit plan. Therefore the ITP2 pension plan is recognized as a defined contribution plan. Premiums for the defined benefit old age and family plans are calculated individually taking into account salary, previously earned pension and anticipated remaining employment period The year's pension plan costs to Alecta amounted to MSEK 3 (4). The anticipated costs for 2023 are MSEK 2. The Group's share of the total premiums for ITP2 at Alecta is 0.01258% (0.01814). On 31 December, 2022, Alecta's surplus, expressed as the collective consolidation ratio, amounted to 172% (172). The collective consolidation level consists of the market value for Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond with IAS19. Alecta's collective consolidation level is normally allowed to fluctuate between 125–175%; if it falls below 125% or goes above 175%, measures are to be taken to create conditions to restore the consolidation level to within the normal range. In the event of low consolidation, one measure can be to increase the agreed price for new subscriptions and to increase existing benefits. In the event of a high consolidation, one measure can be to introduce a reduction in premiums. The discount rate used should reflect a risk free interest rate for the period the company is estimated to have the risk. This is achieved by applying the interest rate for housing bonds with a duration corresponding to the remaining duration of the pension obligation.

A sensitivity analysis has been performed for the defined benefit plans. If the discount rate were to decrease by 1 percentage-points this would increase the value of the Swedish pension liability by MSEK 3, the German liability by MSEK 15, the liability in Luxembourg by 10 MSEK and the UK liability by MSEK 11.

Pension costs recognised in the income statement	2022	2021
Defined benefit plans		
Cost of pensions earned during the year	1	0
Interest costs, net	2	1
Total for the period	**3**	**2**
Cost of defined contribution pensions	61	47
Total for the period	**64**	**49**

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Pension costs recognised in other comprehensive income	2022	2021
Defined benefit pensions		
Revaluation of pension liabilities	–62	–6
Revaluation of plan assets	–4	–3
Total for the period	**–64**	**–9**

Carrying amount on the balance sheet	31 Dec 2022	31 Dec 2021
United Kingdom		
Present value of pension liabilities, funded plans	46	90
Fair value of plan assets	–105	–97
Net asset/debt funded plans	**–59**	**–7**
Total United Kingdom	**–59**	**–7**
Sweden		
Present value of pension liabilities, unfunded plans	31	41
Total Sweden	**31**	**41**
Germany		
Present value of pension liabilities, unfunded plans	57	44
Total Germany	**57**	**44**
Luxembourg		
Present value of pension liabilities, unfunded plans	30	–
Total Luxembourg	**30**	–
Other countries		
Present value of pension liabilities, unfunded plans	8	7
Total other countries	**8**	**7**
Carrying amount at end of the period	**67**	**85**

MSEK 59 have been recorded as non-current asset and MSEK 127 have been recorded as provision for pensions.

Reconciliation of carrying amount on the balance sheet	2022	2021
Opening balance, 1 Jan	**85**	**97**
Acquisitions	51	–
Cost of pensions earned during the year and administrative expenses	0	0
Interest costs, net	1	1
Revaluation of pension liabilities	–56	–6
Revaluation of plan assets	–4	–3
Pension payments directly from employer	–5	–4
Contributions from employer	–3	–3
Other	0	1
Exchange rate differences	–1	1
Closing balance, 31 Dec	**67**	**85**

Reconciliation of present value of pension liabilities	2022	2021
Opening balance, 1 Jan	**182**	**181**
Acquisitions	51	–
Cost of pensions earned during the year and administrative expenses	0	0
Interest expense	3	3
Revaluation of pensions;		
– demographic assumptions	–1	–1
– financial assumptions	–51	–6
– experience-based adjustments	–4	1
Pension payments	–5	–4
Pension payments from plan assets	–2	–2
Other	–	1
Exchange rate differences	–1	10
Closing balance, 31 Dec	**172**	**182**

Reconciliation of plan assets at fair value	2022	2021
Opening balance, 1 Jan	**97**	**84**
Acquisitions	–	–
Interest income	2	1
Return over and above interest income	4	3
Contributions from employer	3	3
Pension payments from plan assets	–1	–2
Exchange rate differences	0	8
Closing balance, 31 Dec	**105**	**97**

Plan assets consist of investments in Deferred Allocation Funding With-Profits at Aviva, the UK's largest insurance company. The fund's assets are invested in the mix of stocks, bonds and real estate with an overall risk profile at the low to medium level.

Significant actuarial assumptions applied	2022	2021
Sweden:		
Discount interest rate, %	3.65	1.55
Future pension increases, %	2.00	2.20
Life expectancy	DUS21	DUS14
United Kingdom:		
Discount interest rate, %	4.60	1.80
Future salary increases, %	2.45	2.45
Future pension increases, %	1.80	2.20
Life expectancy	PxA08	PxA08
Germany:		
Discount interest rate, %	3.40	0.65
Future pension increases, %	2.15	2.00
Life expectancy	RT 2018 G	RT 2018 G

FORECAST OF NEXT YEAR'S CASH FLOW, DEFINED BENEFIT PENSIONS

The projected charges for the pension plans for next year amount to MSEK 5 (7).

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Note 24. Provisions

2022	Warranty undertakings	Personnel costs	Final inspection costs	Other provisions	Total
Opening balance, 1 Jan	24	42	3	17	86
Opening balance acquired companies	12	0	0	35	47
Provision for the year	7	18	2	7	34
Amounts utilised	–5	–14	–1	–19	–39
Reversal of unutilised amounts	–6	–3	–4	–3	–16
Reclassifications	–	–	–	–	–
Exchange rate differences	3	4	0	5	11
Closing balance, 31 Dec	**35**	**36**	**0**	**52**	**123**
of which short term	2	0	0	1	3

2021	Warranty undertakings	Personnel costs	Final inspection costs	Other provisions	Total
Opening balance, 1 Jan	24	39	3	21	87
Provision for the year	9	24	3	8	43
Amounts utilised	–6	–20	–2	–13	–41
Reversal of unutilised amounts	–4	–4	–0	–1	–8
Reclassifications	–	–	–	–	–
Exchange rate differences	1	2	–	2	3
Closing balance, 31 Dec	**24**	**42**	**3**	**17**	**86**
of which short term	0	2	3	0	5

Other provisions includes contingent consideration for the acquisition of Alimak Group CSS AB, MSEK 10 (MSEK 10). The provision is expected to be utilised in 2024. Remaining long term provisions are estimated to be utilised within 3 years.

Note 25. Accrued expenses and deferred income

	31 Dec 2022	31 Dec 2021
Personnel costs	100	93
Interest cost	27	–
Prepaid income	25	5
Project costs, installation projects	43	38
Consulting fees	19	14
Sales comission	19	4
Other items	50	39
Total	**269**	**194**

Note 26. Assets pledged and contingent liabilities

	31 Dec 2022	31 Dec 2021
Assets pledged		
Endowment insurance	25	28
Other	4	4
Total assets pledged	**29**	**32**
Contingent liabilities		
Guarantee commitments, FPG/PRI	1	1
Other contingent liabilities	453	400
Total contingent liabilities	**454**	**401**

The Group operates defined contribution direct pension schemes covering both the current and former President & CEO. The pension schemes are secured via a pledge of the endowment insurance owned by the Company, whose value at the financial year-end was MSEK 25 (28).

Other contingent liabilities are mainly related to indemnity bonds for commitments of Group companies to their customers.

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Note 27. Bank overdraft facilities

	31 Dec 2022	31 Dec 2021
Credit limits approved	209	213
Unutilised portion	167	153
Utilised credit	42	60

Note 28. Acquisitions and disposals

TRACTEL

On November 21, Alimak Group acquired 100% of the shares in Tractel, a world leading height safety specialist, providing reliable, innovative and cost-effective working-at-height solutions and services.

The acquisition is transformational, accelerating Alimak Group's profitable growth strategy, creating a highly profitable global provider of safe and sustainable premium height solutions with an annual revenue of over SEK 6.5 billion. The acquisition adds a new Division into Alimak Group, Height Safety & Productivity Solutions. The acquisition also strengthens the solution portfolios within the Construction and Facade Access divisions as well as increasing the potential for the service business.

The consideration paid amounted to MSEK 5,463 on a cash and debt free basis (Enterprise Value). To finance the acquisition, Svenska Handelsbanken is providing a long-term facility of MEUR 300 and a bridge loan facility. Post-closing of the transaction, the bridge loan facility is intended to be repaid with proceeds from a new share issue with pre-emptive rights for Alimak Group's shareholders.

Acquisition-related costs of MSEK 28 have been charged to administrative expense in the consolidated income statement in 2022. The acquisition related costs are included in the Items affecting comparability and has not affected any Division. The goodwill of MSEK 3,236, arising from the acquisition, is attributable to future customers and technology, market position and workforce and is not considered as tax deductible.

The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date. The amounts are based on a preliminary purchase price allocation and may be subject to change.

Acquisition balances at acquisition date	MSEK
Customer relationships	1,196
Brand	715
Other intangible assets	169
PPE	337
Financial and other assets	49
Operating assets	1,307
Cash and cash equivalents	739
Other provisions	–83
Deferred taxes	–604
Financial liabilities	–177
Current liabilities	–683
Fair value of net assets	**2,965**
Goodwill	3,236
Consideration transferred	**6,201**
Cash Consideration transferred	–6,201
Cash and cash equivalents in acquired companies	739
Effect on Group's cash and cash equivalents, recognized as acquisitions in investing activities	**–5,463**

The net sales, contributed by Tractel, included in the consolidated statement of comprehensive income, since the acquisition date amounted to MSEK 232. Tractel also contributed with an operating income during this period amounting to MSEK 46. If Tractel was acquired as of January 1 2022, the net sales for the whole Group would have been MSEK 6,540 and EBITA adj. MSEK 1,025. Any intercompany sales between Alimak and Tractel has been eliminated.

TALL CRANE EQUIPMENT

Alimak Group acquired 100% of the shares in Tall Crane Equipment Ltd on August 24, 2022, a licensed elevator contractor, providing hoist and crane rentals, qualified licensed personnel, and repairs and maintenance on site and off site. The company, headquartered in Langley, British Columbia, Canada, has been an Alimak Construction Division customer for over 30 years and will become part of Alimak Group's Construction division. The acquisition reflects Alimak Group's strategic goal of being close to its customers in the markets in which they operate. Tall Crane's rental services business provides a good foundation to expand Alimak Group's new and used product offerings. The addition of a wholly owned footprint in Canada also creates opportunities to further expand both in Construction and in Permanent Industrial equipment, including parts and services. Tall Crane's revenue in the last yearly closing amounted to approximately MSEK 130 (MCAD 16). The purchase price, net of acquired cash, amounts to MSEK 207. The goodwill of MSEK 154, arising from the acquisition, is attributable to future customers, market position and assembled workforce.
An earnout liability (contingent consideration) has been identified and measured at fair value of MCAD 11.3 (MSEK 88). In addition, a deferred tax liability of MCAD 3.7 (MSEK 29) related to the fair value adjustments of acquired identifiable assets has been recognized as part of the transaction.
The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date. The amounts are based on a preliminary purchase price allocation and may be subject to change.

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Acquisition balances at acquisition date	MSEK
Customer relationships	111
Brand	7
PPE	39
Operating assets	42
Cash and cash equivalents	28
Deferred taxes	–32
Financial liabilities	–10
Current liabilities	–11
Fair value of net assets	**174**
Goodwill	154
Earnout liability	–93
Considiration transferred	**235**
Considiration transferred	–235
Cash and cash equivalents in acquired companies	28
Effect on Group's cash and cash equivalents, recognized as acquisitions in investing activities	**–207**

Acquisition-related costs of SEK 1m have been charged to administrative expenses in the consolidated income statement in 2022. The net sales, contributed by Tall Crane Equipment Ltd, included in the consolidated statement of comprehensive income, since the acquisition date amounted to MSEK 38. Tall Crane Equipment Ltd also contributed with a positive operating income of MSEK 7 during this period. Net sales and operating profit as if Tall Crane was acquired 1 January is not specified as Tall Crane Equipment did not have a financial year corresponding to this period.

Note 29. Events after the balance sheet date

ALIMAK GROUP RESOLVES ON A RIGHTS ISSUE

The Board of Directors of Alimak Group AB has based on the authorisation from the Extraordinary General Meeting held on 2 September 2022, resolved on a new share issue with preferential rights for the Company's existing shareholders. The purpose of the Rights Issue is to repay the bridge loan facility that was raised in conjunction with the acquisition of Tractel, which was completed on 21 November 2022.

The Rights Issue comprises no more than 53,415,250 shares in the Company and may result in an increase of the Company's share capital of no more than SEK 1,068,305. The subscription period will take place during the period from and including 7 March 2023, up to and including 21 March 2023. The subscription price has been set to SEK 46.80 per new share, which results in total issue proceeds of approximately SEK 2,500 million before deduction of issue costs. Investment AB Latour, Alimak Group's largest shareholder, and Första AP-fonden, who together hold approximately 35.4 per cent of the total number of shares and votes in Alimak Group, have undertaken to subscribe for new shares corresponding to their respective pro rata share of the rights issue. Estimated date for the final outcome of the Rights Issue is 23 March 2023.

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Parent Company Income Statements

Amounts in MSEK	Note	2022	2021
Revenues		12	12
Administration costs	A2, A3, A4	–34	–36
Operating loss		**–23**	**–23**
Financial income	A5	444	418
Financial expenses	A5	–100	–39
Profit after financial items		**321**	**356**
Appropriations			
Change in untaxed reserves	A7	–5	–33
Group contributions received	A2	0	130
Profit before tax		**316**	**453**
Income tax	A6	–4	–22
Net profit for the year		**312**	**432**

Parent Company Total Comprehensive Income

Amounts in MSEK	Note	2022	2021
The result for the year		**312**	**432**
Other comprehensive income		–	–
Total comprehensive income		**312**	**432**

Parent Company Balance Sheets

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Amounts in MSEK	Note	31 Dec, 2022	31 Dec, 2021
ASSETS			
Non-current assets			
Financial assets			
Shares in Group companies	A8	1,898	1 ,898
Deferred tax assets	A6	4	4
Other long-term receivables		14	4
Total non-current assets		**1,917**	**1,907**
Current assets			
Current receivables			
Receivables from Group companies		7,505	1,946
Other current receivables	A9	24	17
		7,529	**1,963**
Cash and bank balances		168	68
Total current assets		**7,698**	**2,031**
TOTAL ASSETS		**9,614**	**3,938**

Amounts in MSEK	Note	31 Dec, 2022	31 Dec, 2021
EQUITY AND LIABILITIES			
Equity	A14		
Restricted equity			
Share capital		1	1
Revaluation reserve		200	200
		201	**201**
Unrestricted equity			
Share premium reserve		1,751	1,751
Retained earnings		1,132	909
Net profit for the year		312	414
		3,195	**3,091**
		3,396	**3,292**
Untaxed reserves	A11	101	96
Long-term liabilities			
Long-term borrowings	A12	3,338	50
		3,338	50
Current liabilities			
Current liabilities, interest bearing		2,090	–
Liabilities to Group companies		642	465
Other current liabilities	A10	46	35
		2,778	**499**
TOTAL EQUITY AND LIABILITIES		**9,614**	**3,938**

For information on the Parent Company's pledged assets and contingent liabilities, see Note A13.

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Parent Company Cash Flow Statements

Amounts in MSEK	2022	2021
Operating activities		
Profit before tax	316	453
Adjustments for non-cash items	5	–97
Cash flow from changes in working capital		
Increase(–)/decrease(+) in operating receivables	–18	23
Increase(+)/decrease(–) in operating liabilities	24	–6
Income tax paid	–15	–3
Cash flow from operating activities	**312**	**370**
Investing activities		
Purchase of financial assets	–	0
Cash flow from investing activities	**–**	**0**
Financing activities		
Proceeds from borrowings	5,628	150
Repayment of borrowings	–5,761	–366
Group contribution received	130	75
Purchase of Treasury shares	–34	–16
Issued call options	3	5
Dividend paid	–176	-162
Cash flow from financing activities	**–211**	**–314**
Net change in cash and cash equivalents	101	57
Cash and cash equivalents at beginning of year	68	11
Cash and cash equivalents at year-end	**168**	**68**

ADDITIONAL DISCLOSURES TO THE PARENT COMPANY CASH FLOW STATEMENT

Amounts in MSEK	2022	2021
Interest received/paid		
Interest received	86	42
Interest paid	–9	–3
Dividend received	300	350
Adjustments for non-cash items		
Group contributions received, not settled	–	–130
Change in untaxed reserves	5	33
Adjustments for other non-cash items	–	–0
Total	**5**	**–97**

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2021

Amounts in TSEK	Share capital	Revaluation reserve	Share premium reserve	Retained profit including net profit for year	Total equity
Opening balance, 1 Jan	**1,083**	**200,000**	**1,750,627**	**1,080,613**	**3,032,323**
Dividend	–	–	–	–161,593	–161,593
Repurchase of Treasury shares	–	–	–	–16,292	–16,292
Net profit for the year	–	–	–	431,841	431,841
Share based payments	–	–	–	667	667
Issued call options	–	–	–	5,017	5,017
Total equity, 31 Dec	**1,083**	**200,000**	**1,750,627**	**1,340,253**	**3,291,963**

2022

Amounts in TSEK	Share capital	Revaluation reserve	Share premium reserve	Retained profit including net profit for year	Total equity
Opening balance, 1 Jan	**1,083**	**200,000**	**1,750,627**	**1,340,253**	**3,291,963**
Dividend	–	–	–	–176,270	–176,270
Repurchase of Treasury shares	–	–	–	–34,396	–34,396
Net profit for the year	–	–	–	312,161	312,161
Share based payments	–	–	–	–	–
Issued call options	–	–	–	2,901	2,901
Total equity, 31 Dec	**1,083**	**200,000**	**1,750,627**	**1,444,649**	**3,396,359**

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Amounts in MSEK unless otherwise indicated.

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Note A1. Accounting policies

INFORMATION ABOUT THE COMPANY

Alimak Group AB, org. reg. no. 556714-1857, operates in the legal form of a public limited company. Its registered office is in Stockholm, Sweden. The address of the Company's headquarters is Blekholmstorget 30, SE-111 64 Stockholm, Sweden.

The Parent Company applies the Swedish Financial Reporting Board's Recommendation RFR 2 Financial Reporting for Legal Entities. Alimak Group AB applies the exception from IFRS 16 allowed under RFR 2. Leases are accounted for as operational. Right-of-use assets and lease liabilities are not recognised in the balance sheet. The Parent Company otherwise applies the same principles as the consolidated Group. Any deviations receive separate comment.

GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS

Shareholders' contributions are taken directly to the equity of the receiver and are capitalised in the shares and participations of the donor, provided that there is no need for impairment.

Group contributions are recognised in the income statement as appropriations.

SHARES IN SUBSIDIARIES

Shares in subsidiaries are recognised in accordance with the historical cost method. Acquisition-related costs for subsidiaries are expensed in the consolidated financial statements and are included as part of the historical cost of participations in subsidiaries. The carrying amount for shares in subsidiaries is tested for impairment annually or when there is any indication of impairment.

Note A2. Intra-group sales and purchases

Of net sales, 100 % (100) relate to other Group companies. Of operating costs, 18 % (16) relate to purchases from other Group companies. No group contribution has been received from Alimak Group Management AB in 2022 (MSEK 130 in 2021).

Note A3. Number of employees, employee benefits and remuneration to Board of Directors and Senior Executives

	2022		2021	
Average number of employees	**Number**	**Of whom, women, %**	**Number**	**Of whom, women, %**
Sweden	2	0	2	0

Proportion of women in Alimak Group's Board of Directors and management, %	**2022** women, %	**2021** women, %
Board of Directors	44	44
Other senior executives	44	44

	2022		2021	
Salaries, benefits, other remuneration and social welfare contributions	**Board and CEO**	**Other employees**	**Board and CEO**	**Other employees**
Salaries, benefits and other remuneration	10	4	9	3
(of which, bonuses etc.)	(3)	(0)	(2)	(0)
Social welfare contributions	6	1	3	2
(of which, pension costs)	(2)	(1)	(2)	(0)
Total	**16**	**5**	**13**	**5**

The year's cost for Board fees, as per the resolution of the 2022 AGM, was MSEK 2.9 (2.8), excluding social welfare contributions.

The CEO and former CEO are covered by a direct pension plan that is classified and recognised as a defined contribution plan. The Parent Company's outstanding commitment referring to this plan amounts to MSEK 18 (20). The direct pension plan is guaranteed via a pledged endowment policy owned by the Company.

For further information on remuneration to the Board members, the CEO and other members of Group Management, see Note 7 to the Consolidated financial statements.

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Note A4. Remuneration to auditors

	2022	2021
Ernst & Young AB		
Auditing assignment	3	1
Audit work outside the scope of the audit assignment	0	0
Total	**3**	**2**

Note A5. Financial income and expense

	2022	2021
Financial income		
Dividend	300	350
Interest income from Group companies	84	42
Interest income, other	2	0
Exchange gains	58	27
Total	**444**	**418**
Financial expense		
Interest expense to Group companies	–2	–0
Interest expense, credit institutions	–30	–3
Exchange losses	–58	–26
Other financial expense	–11	–9
Total	**–100**	**–39**

The interest income and expense relate to intern company financing. The balances and interest are managed via cash pools and intra group loans.

Note A6. Tax

Income tax expense	2022	2021
Current taxes	–3	–23
Deferred taxes	0	1
Total	**–4**	**–22**

Reconciliation of effective tax	2022	2021
Profit before tax	**316**	**453**
Tax expense at Swedish tax rate, 20.6%	–65	–93
Tax effect non-taxable income	62	72
Tax effect non-deductable expenses	–	–
Deferred tax previous years	–1	1
Current taxes previous years	–	–1
Income tax expense	**–4**	**–22**

	2022			2021		
Deferred tax assets and liabilities	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Pensions and similar commitments	4	–	4	4	–	4
Total	**4**	–	**4**	4	–	4

Note A7. Change in untaxed reserves

	2022	2021
Change in tax allocation reserves	–5	–33
Total	**–5**	**–33**

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Note A8. Shares in group companies

	2022	2021
Accumulated historical cost		
Opening balance, 1 Jan	1,898	1,898
Closing balance, 31 Dec	**1,898**	**1,898**
Accumulated impairment losses		
Opening balance, 31 Jan	–	–
Impairment losses for the year	–	–
Closing balance, 31 Dec	–	–
Carrying amount at year-end	**1,898**	**1,898**

Subsidiary/ Org. reg. no. / Registered office	**No. of shares**	**Holding, %**	**2022 Carrying amount**	**2021 Carrying amount**
Parent Company holding				
Alimak Group Management AB/556064-1739/ Stockholm, Sweden	6,378,000	100.0	1,898	1,898
Subsidiary Company holdings, dormant and holding companies excluded				
E W Cox Middle east LLC/521637/ Dubai, Arab Emirates			–	–
Alimak Group Australia Pty Ltd/ACN 005 538 947/ Victoria, Australia			–	–
Alimak Group Benelux N.V/0479.695.484/ Wommelgem, Belgium			–	–
Alimak do Brasil Elevadores LLtda/01.452.037/0001-13/ Sao Paulo, Brazil			–	–
Avanti Brasil Sistemas Eólicos Ltd/13.821.193/0001-93/ Sao Paolo, Brazil			–	–
Alimak Group Swiss AG/CHE-317.026.357/ Nänikon, Switzerland			–	–
Alimak Group Vertical Access Equipment (Changshu)Co/913205817855800000/ Changshu, China			–	–
Avanti Wind Systems Co. Ltd/91310000666001712P/ Shanghai,China			–	–
Avanti Wind Systems Co. Manufacturing Ltd/911201165864046420/ Tianjin, China			–	–
Cox Gomyl Shanghai Ltd/91310115717861932C/ Shanghai,China			–	–
Cox Gomyl Shenzen Ltd/91440300550321829B/ Shenzen, China			–	–
Alimak Group Deutschland GmbH/ HRB 229733 / Mammendorf, Germany			–	–
Alimak Group Denmark A/S/29215146/ Them, Denmark			–	–
Avanti Wind Systems S.L./B92721729/ La Muela (Zaragoza), Spain			–	–
Avanti Wind Systems Technology S.L./B99358095/ La Muela (Zaragoza) Spain			–	–
Avanti Wind Systems Instalaciones Servicios S.L./B99432767/ La Muela (Zaragoza), Spain			–	–
Cox Gomyl Operations S.A.U/ESA-79247433/ Madrid, Spain			–	–
Alimak Group France SAS/348 000 480/ Neuilly En Thelle, France			–	–
Alimak Group UK Ltd/00930125/ Rushden, Great Britain			–	–
Alimak Group HK Ltd/409200/ Hong Kong SAR, China			–	–
Manntech (HK) Ltd/923086/ Hong Kong SAR, China			–	–
Alimak Group India Pvt Ltd/U52341TG2008PTC070216/ Secunderbad, India			–	–
Avanti Wind Systems India Pvt Ltd/U45207TN2009PTC072550/ Chennai, India			–	–
Alimak Group Italy Srl/83514/ Colle di Val d'Elsa (SI), Italy			–	–

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			2022	2021
Subsidiary/ Org. reg. no. / Registered office	**No. of shares**	**Holding, %**	**Carrying amount**	**Carrying amount**
Alimak Group Korea CO. Ltd/134511-008266/ Seongnam-si, South Korea			–	–
CoxGomyl Macau Ltd/22994 SO/ Macau, SAR, China			–	–
Alimak Group Malaysia Sdn Bhd/199901025552 (500452-H)/ Bukit Kemuning, Shah Alam, Malaysia			–	–
Alimak Group Benelux BV/20094140/ Tillburg, Netherlands			–	–
Alimak Group Norway A/S/971171898/ Godvik, Norway			–	–
Alimak Group Rus Ltd/Moscow/771001001/ Moscow, Russia			–	–
Alimak Group Singapore Pte Ltd/199905041/ Singapore			–	–
Alimak Group Sweden AB/556033-7528/ Skellefteå, Sweden			–	–
Alimak Group US Inc /2018363415001/ Webster TX, USA			–	–
Tractel North America Ltd/1215400/ Toronto, Canada			–	–
Tractel Ltd/1225195/ Toronto, Canada			–	–
Shanghai Tractel Mech. Eq. Tech. Co. Ltd. /91310115779313165Y/ Shanghai, China			–	–
Tractel Trading (Shanghai) Co. Ltd. /9131000069292676XQ/ Shanghai, China			–	–
Tractel GmbH. /HRB61514/ Bergisch Gladbach, Germany			–	–
Tractel Greifzug GmbH. /HRB45528/ Bergisch Gladbach, Germany			–	–
Scanclimber Oy Ltd Niederlassung Deutschland. /HRB3770/ Bad Nauheim, Germany			–	–
Tractel Iberica S.A. /A08119836/ Barcelona, Spain			–	–
Huesca Traccion y Elevacion S.L.U (Hutrel). /B22146800/ Huesca, Spain			–	–
Tractel Suomi Oy. /2876616-3/ Pirkkala, Finland			–	–
Skywalk Oy. /2177389-7/ Pirkkala, Finland			–	–
Scanclimber Oy. /0795979-1/ Pirkkala, Finland			–	–
Tractel International S.A.S. /490073897/ Paris, France			–	–
Tractel S.A.S. /422197962/ Saint Hilaire sous Romilly, France			–	–
Tractel Protection Individuelle S.A.R.L. /422439794/ Nogent sur Seine, France			–	–
Tractel Solutions S.A.S. /350732939/ Saint Genis Laval, France			–	–
Ile de France Maintenance Service S.A.S./333676039/ Vaires sur Marne, France			–	–
Tractel Location Service S.A.S. /352469902/ Vaires sur Marne, France			–	–
Tractel (UK) Limited./533669/ Sheffield, United Kingdom			–	–

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			2022	2021
Subsidiary/ Org. reg. no. / Registered office	**No. of shares**	**Holding, %**	**Carrying amount**	**Carrying amount**
Tractel Projects UK Limited. /13764021/ Sheffield, United Kingdom			–	–
Secalt India Pvt. Ltd. /U29150MH2001PTC130772/ Mumbai, India			–	–
Tractel Italiana S.p.A. /MI-569609/ Milano, Italy			–	–
TI Developpement S.A. /B195154/ Foetz, Luxembourg			–	–
TI Luxembourg S.A. /B195161/ Foetz, Luxembourg			–	–
TI Expansion S.A. /B127506/ Foetz, Luxembourg			–	–
Tractel Secalt S.A. /B4179/ Foetz, Luxembourg			–	–
Tractel Trading Luxembourg S.A. /B121834/ Foetz, Luxembourg			–	–
Financiere Mantra. /B200478/ Luxembourg, Luxembourg			–	–
Tractel México S.A de C.V. /TME1403079H4/ Mexico City, Mexico			–	–
Tractel Benelux BV. /20086113/ Breda, Netherlands			–	–
Scanclimber Sp. z.o.o. /7840003122/ Gniezno, Poland			–	–
Tractel Polska Sp. z o.o. /5272507916/ Warsaw, Poland			–	–
Lusotractel Lda. /503153516/ São Domingos de Rana, Portugal			–	–
Tractel Russia O.O.O. /1077762811092/ Moscow, Russia			–	–
Tractel Singapore Private Ltd. /199305624M/ Singapore, Singapore			–	–
Knot Yapi Ve Is Guvenligi Sanayi TIC. A.S. /743967/ Istanbul, Turkey			–	–
Tractel Inc/42435010/ Houston, United States			–	–
Tall Crane Equipment Ltd./105127138/ Port Coquitlam, Canada			–	–
James Hickey Industrial Training School Ltd./827348889/ Port Coquitlam, Canada			–	–
Carrying amount at year-end			**1,898**	**1,898**

Companies subject to disclosure exemptions:

In 2019 Alimak Hek GmbH and Avanti Wind Systems GmbH were merged into Manntech Fassadenbefahrsysteme GmbH which had its name changed to Alimak Group Deutschland GmbH, domicile in Mammendorf, Germany. This company is subject to disclosure exemptions pursuant to Sec. 264 para. 3 of the German Commercial Code ("HGB").

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Note A9. Other current receivables

	2022	2021
Tax recoverable	32	14
Other receivables	–	–
Prepaid expenses and accrued income	10	3
Total	**42**	**17**

Note A10. Other current liabilities

	2022	2021
Trade payables	1	1
Tax liabilites	26	22
VAT liabilities	1	1
Holiday pay	2	1
Other liabilities	5	2
Accrued wages	6	4
Accrued expenses and deferred income	23	4
Total	**63**	**35**

Note A11. Untaxed reserves

	2022	2021
Tax allocation reserves	102	96
Total	**102**	**96**

Note A12. Long-term borrowings

	31 Dec 2022			
Maturity structure	**Carrying amount**	**<1 year**	**1 year–5 years**	**>5 years**
Loans from financial institutions	5,428	2,259	3,606	–
Carrying amount at year-end	**5,428**	**2,259**	**3,606**	**–**

	31 Dec 2021			
Maturity structure	**Carrying amount**	**<1 year**	**1 year–5 years**	**>5 years**
Loans from financial institutions	50	0	51	–
Carrying amount at year-end	**50**	**0**	**51**	**–**

All long-term borrowings as of end of the year are related to the acquisition of Tractel, whereof bridge financing of MSEK 2,090 is to be repaid with proceeds from the rights issue.

Note A13. Assets pledged and contingent liabilities

	2022	2021
Assets pledged		
For direct pension commitments	18	20
Total	**18**	**20**
Contingent liabilities		
Guarantee for subsidiaries' liabilities to credit institutions	1,316	655
Indemnity bonds for subsidiaries' guarantees	334	286
Total	**1,650**	**941**

The Group has a defined contribution direct pension plan for both the current CEO and the former CEO. The pension plan is guaranteed via a pledged endowment policy owned by the Company.

Note A14. Equity

PROPOSED APPROPRIATION OF PROFIT, SEK

The following amounts are available for distribution by the Annual General Meeting	
Retained earnings	2,883,112,748
Net profit for the year	312,160,753

The Board of Directors proposes that the amounts are distributed as follows	
Dividend of SEK 3.65 per share be paid to shareholders[1]	194,965,663
To be carried forward	3,000,307,838

1. The proposed record day for dividend payment is 8 May, 2023. The amount proposed as dividend corresponds to SEK 3.65 per share, based on the existing number of shares, 54,157,861 and excluding the 742,611 shares held by the Group.

Note A15. Events after the balance sheet date

For information on events after the balance sheet date, see Note 29 to the Consolidated Financial Statements.

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The undersigned declare that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting principles, and give a true and fair view of the financial position and earnings of the Group and the Company, and that the Directors' Report for the Group and the Company give a fair overview of the development of the activities, financial position and financial results of the Group and the Company, and describe substantial risks and uncertainties that the Group companies face.

Stockholm, 15 March, 2023

Johan Hjertonsson
Chairman of the Board

Helena Nordman-Knutson
Board member

Christina Hallin
Board member

Tomas Carlsson
Board member

Sven Törnkvist
Board member

Petra Einarsson
Board member

Örjan Fredriksson
Board member & Employee representative

Fredrik Marklund
Board member & Employee representative

Ole Kristian Jødahl
President & CEO, Board member

Our Auditor's Report was submitted on March 17, 2023

Ernst & Young AB

Henrik Jonzén
Authorised Public Accountant

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To the general meeting of the shareholders of Alimak Group AB (publ), corporate identity number 556714-1857

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Alimak Group AB (publ) except for the corporate governance statement on pages 81–92 for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 66–135 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2022, and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2022, and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 81-92. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the statement of comprehensive income and statement of financial position for the group and the income statement and balance sheet for the parent company.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of Goodwill

Description	How our audit addressed this key audit matter
In the consolidated statements of financial position as per December 31, 2022, reported goodwill amounts to 5,950 MSEK, which equals 42% of the Company's total assets. As described in note 13 goodwill is reviewed for potential impairment whenever there is an indication that the current value may be impaired, or at least annually. Goodwill is allocated to cash generating units and if the book value of the unit exceeds the calculated recoverable amount the asset is impaired and written down to the recoverable amount. The recoverable amounts of the cash generating units are determined on the basis of value-in-use calculations. In note 13 it is described that the cash flow projections cover 5 years and is based on the Group's strategic plans approved by the top management and the Board of Directors with an assumed terminal growth rate of 2%. In note 13 it is further described that goodwill has been reallocated between the cash-generating units in 2022 due to the acquisition of Tractel. Due to the assumptions and judgments needed to calculate the value in use we have assessed the valuation of goodwill as a key audit matter in the audit.	In the course of our audit, we have evaluated the Group's process for impairment testing of goodwill. We have audited how cash generated units are identified compared to set criteria and compared this with how goodwill is followed up internally. We have evaluated the Group's valuation methods and calculation models, assessed the reasonability of assumptions and sensitivity analyses over changes in assumptions with the assistances of our internal valuation specialists and made comparisons against historical results and the precision of prior projections. We have assessed the reasonability of the applied assumptions for each of the cash generating units through benchmarking to market data and, where applicable, companies in the same industry. Moreover, we have audited this year's reallocation of goodwill to the cash-generating units. We have also audited the disclosures in the annual report relating to goodwill.

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Revenue Recognition

Description	How our audit addressed this key audit matter
In the Group's consolidated statements of comprehensive income for the period ended December 31, 2022, revenues amount to 4,512 MSEK. As described in note 2 revenues from goods sold are recognized at point in time when control of the good has been transferred to the customer. When the goods sold are highly customized and an enforceable right to payment is present, revenue is recognized over time using the proportion of cost incurred to date compared to estimated total cost. Revenue from services is recognized at point in time when the service is performed. Revenues from the leasing of the Group's self-manufactured equipment is recognized on a straight- line basis over the lease term. We have assessed that revenue recognition is a key audit matter since the Company makes assessments through the interpretation of agreements and delivery terms as well as estimations when measuring progress towards complete satisfaction of a performance obligation for revenue recognized over time which affects the accounting period in which revenue should be recognized.	In the course of our audit, we have evaluated the Group's process for revenue recognition. We have performed analytic reviews, obtained and agreed terms to agreements, and sampled revenue transactions and verified correct cut-off, in connection to the year-end close of December 31, 2021, against customer agreements and delivery terms. For highly customized goods where revenue is recognized over time, we have for a sample evaluated management's estimation when measuring progress towards complete satisfaction of a performance obligation and on a sample basis tested that incurred cost such as invoices and hours spent are related to the highly customized goods. We have also audited the disclosures in the annual report relating to revenues.

Business combination of Tractel

Description	How our audit addressed this key audit matter
In 2022 the Company has finalized a significant business combination through the acquisition of shares in Tractel. As described in Note 2, net assets acquired through business combinations are measured at fair value. The consideration exceeding the value of net assets acquired is recognized as goodwill. The fair value determinations of the Company's acquisition are disclosed in Note 28. As described in Note 2 the fair value determinations requires management judgement and assumptions. Due to the substance of the current year's business combination of Tractel and that the fair value determinations related to business combinations involves a high degree of management judgment we have assessed the business combination of Tractel as a key audit matter in our audit.	In our audit we have reviewed the purchase agreement and the opening balance at time of the acquisition. We have reviewed management's purchase price allocation process. We have, with support from our valuation specialists, evaluated management's assessments and valuations of identifiable assets and assumed liabilities including assumptions such as discount rate, expected cash flows and useful lives of the assets. We have also audited the disclosures in the annual report relating to business combinations.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–65 and 141–146. The other information also consists of the remuneration report that we obtained before the date of the auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF THE ADMINISTRATION AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Alimak Group AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Alimak Group AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Alimak Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 81–92 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Alimak Group AB (publ) by the general meeting of the shareholders on May 5, 2022, and has been the company's auditor since October 3, 2013.

Stockholm March 17, 2023
Ernst & Young AB

Henrik Jonzén
Authorized Public Accountant

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	2022	2021	2020	2019	2018
Order intake, MSEK	4,784	3,772	3,761	4,363	4,621
Revenue, MSEK	4,512	3,728	3,740	4,587	4,320
EBITDA, MSEK	759	614	456	762	558
EBITA adj, MSEK	616	483	396	629	555
EBITA adj margin, %	13.6	13.0	10.6	13.7	12.8
EBITA, MSEK	603	483	319	608	491
EBITA margin, %	13.4	13.0	8.5	13.3	11.4
EBIT, MSEK	546	448	278	565	439
EBIT margin, %	12.1	12.0	7.4	12.3	10.2
Result for the period, MSEK	376	307	183	394	344
Total comprehensive income, MSEK	743	487	–63	447	447
Cash flow from operations, MSEK	501	646	505	502	240
Cash flow for the period, MSEK	505	104	–66	–56	1
Cash flow from operations/EBITDA	0.66	1.05	1.10	0.66	0.43
Number of shares, thousands	54,158	54,158	54,158	54,158	54,158
Average number of shares, thousands	54,158	54,158	54,158	54,158	54,158
Earnings per share, SEK	7.04	5.68	3.37	7.28	6.35

	2022	2021	2020	2019	2018
Cash flow per share, SEK	9.46	1.92	–1.21	–1.02	0.02
Equity per share, SEK	81.94	70.91	65.14	68.03	62.96
Total assets, MSEK	14,327	5,902	5,619	6,417	6,032
Cash and cash equivalents end of period, MSEK	869	348	226	314	356
Equity, MSEK	4,377	3,840	3,528	3,684	3,410
Capital employed, MSEK	10,451	4,179	4,208	4,692	4,277
Net debt, MSEK	6,074	338	680	1,007	867
Net debt excl. lease liability (IFRS 16), MSEK	5,759	152	466	740	867
Equity ratio, %	30.5	65.1	62.8	57.4	56.5
Return on equity, %	8.6	8.0	5.0	11.1	10.6
Return on capital employed goodwill excluded, %	12.1	24.7	15.1	26.4	23.4
Return on capital employed, %	5.2	10.7	6.2	12.6	10.6
Interest coverage ratio, times	10.06	26.87	8.46	9.31	15.63
Net debt/EBITDA ratio (Leverage)	8.00	0.55	1.50	1.33	1.55
Net debt excl. lease liability/EBITDA ratio	7.58	0.25	1.03	0.97	1.55
Number of employees	3,100	2,057	2,049	2,286	2,360

The Share

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Alimak Group shares were listed in June 2015 and are traded on the Mid Cap list of Nasdaq Stockholm. The Group's market capitalisation at year end was SEK 4.0 billion.

SHARE PRICE AND TRADING

The share's EPIC is ALIG and its ISIN code is SE0007158910. A trading lot is one share. During 2022, a total of 13,692,728 shares were traded for an amount of MSEK 1,297 on Nasdaq Stockholm. The average number of shares traded per trading day was 54,121 and the average number of trades 259 per trading day. The closing price at year-end was SEK 74.60, representing a market capitalisation of approximately SEK 4.0 billion. The highest share price, SEK 117.00, was recorded on January 4 and the lowest, SEK 59.00, on October 3. The volume weighted average price for the year was SEK 94.71.

OWNERSHIP STRUCTURE

At year-end, Alimak Group had 5,302 known shareholders. The largest shareholder was Investment AB Latour, with 29.6%. The ten largest shareholders represented around 76% of the total number of shares outstanding. At year-end, Swedish ownership accounted for approximately 52% of the total. There are no restrictions on voting rights or authorisation to the Board.

SHARE CAPITAL AND VOTING RIGHTS

At year-end, Alimak Group's share capital totalled MSEK 1.1, represented by 54,157,861 shares. All shares carry the same voting entitlement and an equal share in the Group's profits and capital.

REPURCHASE OF SHARES

On December 17, 2021, the Board resolved to exercise the authority given by the Annual General Meeting and repurchase own shares. The main purpose of the repurchase is to ensure Alimak Group's commitments to deliver shares in accordance with the Group's call option programmes. The repurchase process was finalised January 7, 2022. In total 450,000 shares were repurchased according to the mandate of which 303,000 shares were repurchased in 2022. At year-end, Alimak Group held 1.4% of all its issued shares in treasury.

DIVIDEND

Alimak Group has a target of paying a dividend of approximately 40–60% of its net profit for the current period to its shareholders. However, decisions on dividends shall take account of the Group's financial position, cash flow, acquisition opportunities, strategic considerations and future prospects.

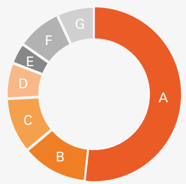
Subject to approval by the 2023 Annual General Meeting, the Board of Directors propose a dividend of SEK 3.65 (3.30) per share based on existing number of shares at year end for the financial year 2022.

Largest Shareholders December 31, 2022

Shareholder	Number of shares	Capital, %	Votes, %
Investment AB Latour	16,016,809	29.6	29.6
Alantra EQMC Asset Management SGIIC	6,572,891	12.1	12.1
NN Group N.V.	5,434,445	10.0	10.0
Peder Pråhl	3,421,043	6.3	6.3
First Swedish National Pension Fund	2,590,775	4.8	4.8
Royce & Associates LLC	1,895,227	3.5	3.5
C WorldWide Asset Management	1,553,537	2.9	2.9
RBC Global Asset Management	1,478,640	2.7	2.7
Sund AS	1,250,973	2.3	2.3
Dimensional Fund Advisors	821,324	1.5	1.5
Total shareholding – 10 largest	**41,035,664**	**75.8**	**75.8**
Other shareholders	12,379,586	22.9	22.9
Shares held by Alimak Group	742,611	1.4	1.4
Total number of shares	**54,157,861**	**100.0**	**100.0**

Shareholders by country

December 31, 2022
% of capital



A) Sweden, 51.94
B) Spain, 12.14
C) Netherlands, 10.28
D) United States, 6.49
E) Denmark, 4.09
F) Others, 8.39
G) Anonymous ownership, 6.67

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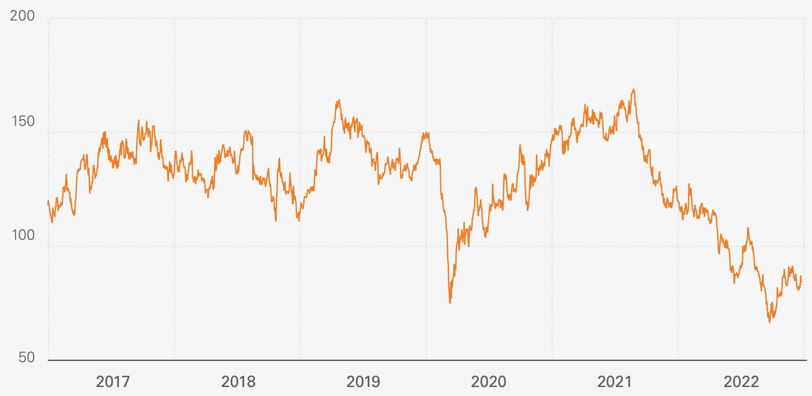
Data per Share

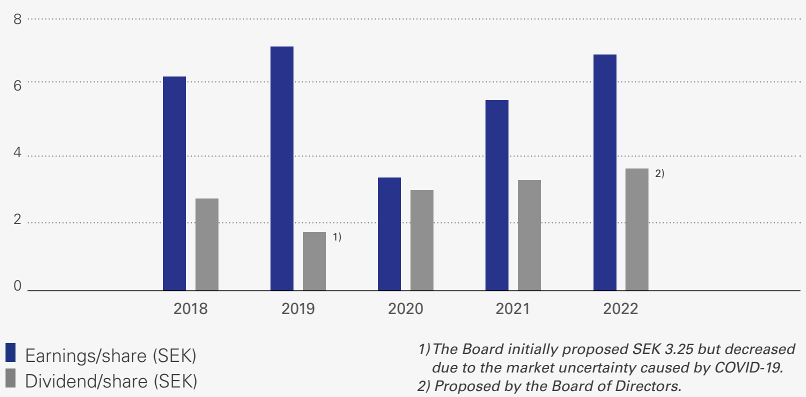
SEK/share	2022	2021	2020	2019	2018
Earnings per share[1]	7.04	5.68	3.37	7.28	6.35
Dividend[1]	3.65[2]	3.30	3.00	1.75	2.75
Dividend, %of EPS[1]	52[3]	58	89	44	43
Cash flow from operations[1]	9.38	11.96	9.33	9.27	4.43
Share price at year-end	74.6	114.4	131.0	140.0	110.0
Highest share price	117.0	158.2	144.0	159.2	148.0
Lowest share price	59.0	105.6	65.7	107.6	106.6
Average number of shares outstanding, millions	54.2	54.2	54.2	54.2	54.2

1) Calculated based on the number of shares outstanding adjusted for number of treasury shares.
2) The Board of Directors propose a dividend of SEK 3.65 per share (3.30) based on number of outstanding shares at year end 2022.
3) Based on the total dividend proposed.

Total Shareholder Return

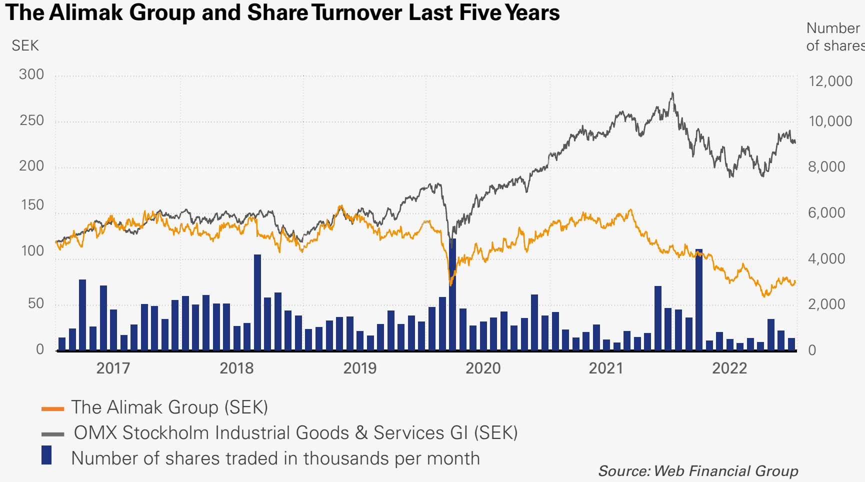


Dividend and Earnings per Share



1) The Board initially proposed SEK 3.25 but decreased due to the market uncertainty caused by COVID-19.
2) Proposed by the Board of Directors.

The Alimak Group and Share Turnover Last Five Years



Source: Web Financial Group

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The annual general meeting of Alimak Group AB (publ) will be held on Thursday, May 4, 2023.

NOMINATION COMMITTEE

The Nomination Committee shall prepare proposals for the 2023 Annual General Meeting regarding the Chair of the Meeting, number of Directors of the Board, fees to be paid to each of the Directors of the Board, election of Directors of the Board and Board Chair, remuneration to the auditor and election of auditor and, if necessary, proposal for changes in the instruction for the Nomination Committee.

The Nomination Committee for the AGM 2023 comprises the following members:

- Johan Menckel, Latour, Chair of the Nomination Committee
- Francisco De Juan, Alantra EQMC Asset Management
- Mats Larsson, Första AP-fonden
- Jakab Rikwide, representing the shareholding of Peder Pråhl
- Johan Hjertonsson, Alimak Group's Chair of the Board

DIVIDEND

May 8, 2023 is proposed as the record day. If the meeting approves this proposal, it is estimated that the dividend will be paid by Euroclear Sweden AB on May 11, 2023.

For more information, please contact investor@alimakgroup.com

FINANCIAL REPORTS ARE AVAILABLE ON REQUEST FROM ALIMAK GROUP

- Digitally at the Group's website: www.alimakgroup.com
- By telephone on: (Int.+46) (0)8-402 14 40
- Postal address: Alimak Group AB, Blekholmstorget 30, SE-111 64 Stockholm, Sweden

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In this report, alternative performance measures (APMs) are used, that is, key performance and earnings measures that are not defined in IFRS. APMs are used as guidance to both investors and management in their analysis of the Company's operations. The alternative performance measures used are described in the following.

R12M
Numbers for the last 12 months measured backwards from the reporting period.

Average number of shares
Weighted average number of shares outstanding during the period, plus potential additional shares.

Earnings per share
Earnings after tax in relation to the average number of shares basic and diluted.

EBITA
Operating profit before depreciation and amortisation of intangible assets.

EBITA adj
Operating profit before depreciation and amortisation of intangible assets. Items affecting comparability are added back.

EBITDA
Operating profit before depreciation and amortisation of property, plant and equipment and intangible assets.

Equity/assets ratio
Shareholders' equity as a percentage of total assets.

Equity per share
Shareholders' equity in relation to the number of basic shares outstanding at the end of the period.

Net debt
Interest bearing liabilities minus cash and cash equivalents.

Interest coverage ratio
EBIT in relation to interest expenses.

Non-recurring items
Nonrecurring income or cost items with a major impact on profit and of significance to an understanding of the trend of income.

Net debt/EBITDA ratio
Interest-bearing liabilities net (excluding shareholder loans) and assets, plus cash and cash equivalents.

Net debt/equity ratio
Net debt in relation to shareholders' equity.

Organic growth
Growth adjusted for acquisitions/divestments and currency effects.

Operating margin (EBIT %)
Operating profit (EBIT), as a percentage of revenue during the period.

Operating profit (EBIT)
Profit before financial items and tax.

Order intake
All orders where contracts have been signed and confirmed during the accounting period under review. Order intake generally cannot be used to accurately predict future revenues or operating performance. Orders can be cancelled, delayed or modified by the customer. Cancelled orders affect the reported order intake if cancellation takes place during the year the order was booked.

Return on capital employed
Operating profit (EBIT), rolling 12-month amount, as a percentage of average capital employed. Capital employed is the sum of net debt plus shareholders' equity plus shareholder loans.

Return on equity
Profit after tax for the period, rolling 12-month amount, as a percentage of the average shareholders' equity excluding shares without a controlling interest.

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