Annual & Sustainability Report 2023

ALIMAK GROUP

Moving people, material, and businesses safely to new heights

Content

This is an interactive, clickable pdf

Moving between the different sections is easy with the help of the navigation menu on the right. The house symbol links back to this page.

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

Alimak Group Photo Competition

Alimak Group has a photo competition where the employees participate with own photos from the every-day-business. Every month, a winner from each divison is chosen. In this annual report you will see some of the winning photos.

This symbol indicates a photo from the competition.

The picture on the front page shows a CoxGomyl 5000 series BMU on top of the WOW Hotel in Dubai.
Balaji Chandrababu

April 2021
Melbourne, Australia
Russell Knight

March 2023
Benelux
Peter Koevoets

May 2021
West Virginia, USA
Aaron Brzezinski

October 2021
Lagoa do Barro, Brazil
Felipe Martins

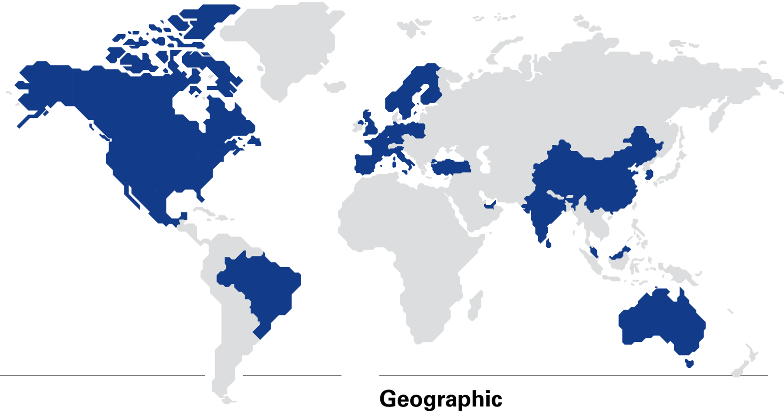
Mars 2022 , UK
James Humphrey

Alimak Group in Brief

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.

Founded in Sweden in 1948, the Group has its headquarters in Stockholm and approximately 3,000 employees around the world.

Alimak Group has a global network of sales offices, distributors and service partners. This 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.



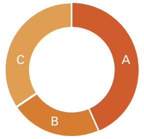
Revenues

MSEK

7,097

Per region

- A) Europe, 43
- B) APAC, 22
- C) Americas, 34
- D) ROW, 0



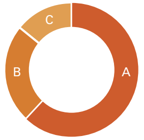
Average number of employees

Dec. 31, 2023

2,956

Per region, average 2023

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



Geographic

No. of countries

120+

Our brands

ALIMAK AVANTI COXGOMYL manntech SCANCLIMBER Tractel

Our divisions

Facade Access

Service share of sales	34%	Share of Group Revenue
EBITA margin	6.3%	28%

Construction

Service share of sales	34%	Share of Group Revenue
EBITA margin	18.0%	24%

Height Safety & Productivity Solutions

Service share of sales	20%	Share of Group Revenue
EBITA margin	19.1%	19%

Industrial

Service share of sales	57%	Share of Group Revenue
EBITA margin	23.2%	20%

Wind

Service share of sales	33%	Share of Group Revenue
EBITA margin	17.9%	9%

A transformative year for Alimak Group

In 2023, Alimak Group continued to deliver on the New Heights programme and strengthened the position as the global leader in sustainable vertical access solutions. The integration of 1,000 new employees and the additions of a new division contributed to a more resilient industrial company with a broader geographic presence and an expanded product and services portfolio.

Continued execution of the New Heights programme

We sustained our commitment to a profitable growth agenda, achieving a record-high order intake of MSEK 7,027 (4,784) and MSEK 7,097 (4,512) in revenue. EBITA reached MSEK 1,145 (603), with an EBITA margin of 16.1 percent (13.4). Our robust performance is underscored by a strong cash flow from operations at MSEK 1,067 (501), a result of increased earnings, enhanced working capital management and controlled capital expenditure.

Rights issue completed

Alimak Group completed a rights issue during the year to repay the bridge loan facility that was raised in conjunction with the acquisition of Tractel. The rights issue was fully subscribed to and provided Alimak Group with proceeds amounting to approximately SEK 2,500 million.

Integrating 1,000 new employees

A primary focus has been on integrating the over 1,000 employees from Tractel who joined our Group by the end of 2022. Recognizing employees as our most valuable asset, it has been truly impressive to witness the high level of engagement and dedication demonstrated by our team in building a stronger and more resilient industrial Group with a global reach.

Recognition for best digital development

On 20 April, My Alimak was awarded the 'Best Digital Development Award' at the International Awards for Powered Access in Berlin. It is a great recognition that shows Alimak Group is at the forefront of digital development in our industry.

Continued product and services development

Innovation and technological leadership are pivotal focuses within our strategy for profitable growth. Among product launches this year, the Scando 650a has a reduced environmental impact with 28 percent lower energy consumption. The Medius 350 boasts a compact base, facilitating convenient transportation on conventional trucks and optimizing logistics. Designed for secure and efficient access to confined spaces, Tracrod is another highlight. Meanwhile, the Silo Lift SE240L is tailored for silos, storage vessels, tanks, and small cranes. Addressing the unique needs of offshore wind support vessels, the ME Gangway Lift is specifically adapted for this demanding environment.

Updated financial targets and new sustainability targets

On 14 June, our updated financial and new sustainability targets were presented at a Capital Markets Day in Stockholm, Sweden. The background is the successful achievement of the financial targets set two years ago. The targets not only reflect our vision for accelerated profitable growth but also underscore our commitment to workplace safety, social responsibility, and the reduction of our climate impact.

Changes in the Group Leadership Team and Board of Directors

As of 1 September, Jens Holmberg assumed the position as Executive Vice President for the Industrial division. Jens Holmberg transitioned to Alimak Group from Sandvik, where his most recent role was as Division President of Sandvik Rock Tools in the Mining and Rock Solutions Business Area. Furthermore, Zeina Bain was elected as new Director of the Board. Fredrik Marklund, an employee-elected board member, resigned from the Board of Directors, and Urban Granström was appointed as his successor.

The Year in Key Figures

Key Figures

	2023	2022	2021	2020	2019
Order intake, MSEK	7,027	4,784	3,772	3,761	4,363
Revenue, MSEK	7,097	4,512	3,728	3,740	4,587
Operating profit adj* (EBITA adj), MSEK	1,150	616	483	396	629
Operating profit adj* (EBITA adj), %	16.2	13.6	13.0	10.6	13.7
Operating profit (EBITA), MSEK	1,145	603	483	319	608
Operating profit (EBITA), %	16.1	13.4	13.0	8.5	13.3
EBIT, MSEK	945	546	448	278	565
Profit for the period, MSEK	515	376	307	183	394
Earnings per share, SEK[1]	5.25	5.26	4.24	2.52	5.44
Earnings per share adj*, SEK	6.76	5.90	4.57	2.92	5.94
Cash flow from operating activities, MSEK	1,067	501	646	505	502
Dividend, SEK	2.50[2]	1.82[3]	2.46[1]	2.24[1]	1.31[1,5]
Leverage (Net Debt/EBITDA)*	2.26	8.00[4]	0.55	1.50	1.33

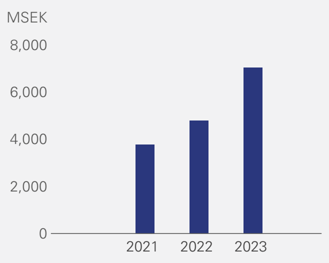
[1] Recalculated in comparison periods to consider rights issue.
[2] Proposed by the Board of Directors based upon number of outstanding shares as of year end 2023.
[3] Dividend per share according to amount of shares at the time of dividend payment.
[4] EBITDA in leverage calculation only include 5 weeks from Tractel
[5] Lowered due to the market uncertainty caused by COVID-19. The Board's previous proposal was a dividend of SEK 3.25 per share.
* Definitions see page 121.

Sustainability KPI

	2023	2022	2021	2020	2019
Electricity and district heating, MWh/revenue in MSEK[1]	2.16	2.32	2.93	3.02	3.01
Share of renewable electricity, %	56	N/A	N/A	N/A	N/A
CO_2e emissions, ton/revenue in MSEK[1]	1.53	1.65	2.05	1.98	2.35
Share of product range covered by LCA studies, %	52	50	8	N/A	N/A
Lost time injury frequency rate (LTIFR), all sites	6	5	9	7	10
Total recordable injury frequency rate (TRIFR[2]), all sites	12	10	17	12	19
e-NPS	+15	+6[3]	N/A	–6	–14
Supplier assessments, %	60	N/A	N/A	N/A	N/A

[1] Previous years have been recalculated due to the acquisition of Tractel.
[2] TRIFR includes MTI, LTI and FTI.
[3] Average from three surveys (–2, +7, +13)

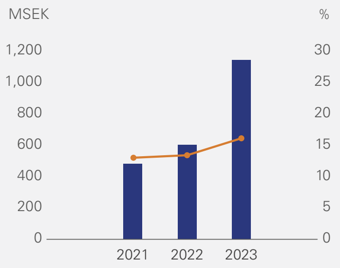
Order Intake



Order intake

Order intake increased by 47% compared with last year, with 4% organic decrease, to MSEK 7,027

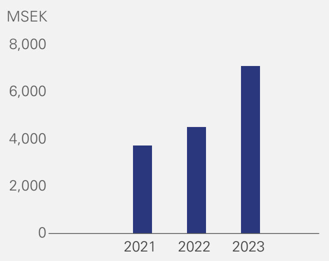
Profitability



EBITA
EBITA margin

EBITA increased to MSEK 1,145, with a margin of 16.1%

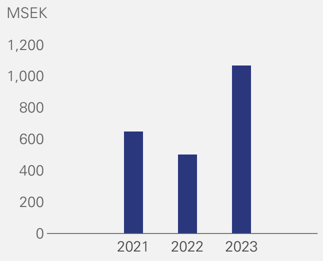
Revenue



Revenue

Revenue increased with 57% compared with last year, increased 5% organically, to MSEK 7,097.

Cash Flow



Cash flow from operations

Cash flow from operations was MSEK 1,067.

CEO letter 2023

Reaching new heights with a more resilient and profitable Group

Despite a challenging macro-economic environment, Alimak Group delivered strong growth, profitability and cashflow in 2023, and we took important steps in the execution of the New Heights programme.

It was another year with economic, political, and climate-related challenges, contributing to a complex macro-economic landscape. The most notable effect on our business was higher interest rates, which created a general uncertainty in many markets. At the same time, there are strong trends that continued to support our business: urbanisation, verticalization of cities, electrification, and increased global focus on health and safety. Beyond these trends, the right strategy, the right organisation and the best people to execute the strategy are our key success factors.

Delivering on the New Heights programme

Since the launch of our strategic direction, the New Heights programme, three years ago, we have firmly followed our plan. We laid the foundation in 2020, achieved margin improvements in 2021, and commenced our profitable growth journey in 2022. We have since then taken substantial steps in the execution of our strategy, with all divisions making important contributions to the profitable growth to the Group. The results for 2023 again proves that we are on the right track, with a revenue increase of 57 percent, reaching BSEK 7.1, and a corresponding 90 percent increase in EBITA, totalling BSEK 1.1.

"Since the launch of our strategic direction, the New Heights programme, three years ago, we have firmly followed our plan. The results for 2023 again proves that we are on the right track."

In the Facade Access division, where we struggle with profitability, we have launched, and are executing, on a transformation programme. There is still much more to be done and we expect substantially improved margins over the next two years.

Despite a weak market situation, the Construction division demonstrated impressive sales and earnings performance. This showcases the effectiveness of our strategic initiatives and organisational focus on key priorities.

Height Safety & Productivity Solutions experienced record sales and revenue. We are now increasing our investments in sales, marketing and product development to secure and increase growth.

In the Industrial division, our customer- and segment focused approach paved the way for continued solid performance. With a wide and diverse customer base, the division is working close to our customers to develop the right products and solutions for their specific needs. The positive trend for the service business continued across most regions and within all customer segments.

In the Wind division, there has been a remarkable turnaround over the last year, with steady improvement quarter by quarter. Our strategic focus on becoming the preferred partner for our customers is gaining strong traction, enabling us to advance our market position and actively contribute to the transition towards increased renewable energy and reduced CO_2e emissions.

Increased resilience and broadened offering

The acquisition of Tractel not only added 1,000 skilled professionals but also transformed us into a more diversified and resilient industrial Group. The integration into our business has been a priority. We've successfully achieved this, reinforcing our market position through a combined offering and enhanced engineering capabilities. The main synergy effects of the acquisition are still to be capitalized on.

With a strong customer-centric focus, we are driving innovation in the development of new products and services while exploring untapped market segments. Combined with our strong global service and aftermarket offering, this proactive strategy continues to enable our profitable growth.

Updated financial and new sustainability targets

In June, we announced updated financial and new sustainability targets at a Capital Markets Day. The updated financial targets represent the potential for accelerated profitable growth

> *"The acquisition of Tractel not only added 1,000 skilled professionals but also transformed us into a more diversified and resilient industrial Group."*

that we see. Our target is to achieve an average annual revenue growth of 6-10 percent, with an adjusted operating EBITA margin exceeding 18 percent within 2-3 years' time. The Group will maintain an effective capital structure with a net debt below 2.5x EBITDA over a cycle.

Our new sustainability targets underscore our commitment to enhancing workplace safety, upholding social responsibility, and mitigating our environmental footprint. A key aspect of this is that we will submit an application to the Science Based Targets initiative. With our employees as our most valuable asset, we are dedicated to achieving a zero-accident vision in the workplace and maintaining a target of fewer than 2 injuries per million working hours. To realize this goal, we are intensifying our efforts to cultivate a safe and healthy working environment. Additionally, we consistently measure employee satisfaction and have set a target for the Employee Net Promoter Score (NPS) to exceed 40. For our direct material suppliers, we are committed to conducting Environmental, Social, and Governance (ESG) assessments for more than 80 percent of them.

Technology leadership

In our pursuit of delivering optimal solutions for our customers' needs, we remain dedicated to the continuous development of new products and services. This year marked the introduction of the Scando 650a, characterized by a reduced environmental impact attributed to a 33 percent lighter hoist car and up to 28 percent lower energy consumption. Adding to our portfolio, the Medius 350 features a compact base, facilitating easy transportation on conventional trucks and enhancing overall logistics.

Introducing Tracrod, an innovative solution designed for safe and efficient access to confined spaces. This technology empowers technicians to navigate a broader range of locations in confined spaces with increased ease and safety. Meanwhile, the Silo lift SE240L, tailored for silos, storage vessels, tanks, and small cranes, opens up new opportunities in its respective market segment. The ME Gangway Lift, specifically adapted for offshore wind support vessels, expands our reach in the growing offshore wind market.

We also continued to enhance our digital offerings that elevate the overall customer experience. The development of more intelligent machines, equipped with real-time data access and smart service tools, not only adds significant value for our customers but also enhances our ability to reduce scope 3 emissions.

Strong financial position creates opportunities

Robust earnings and cash flow have allowed us to successfully deleverage the temporary increase in debt following the acquisition of Tractel. This has brought us back, and well within, our targeted net debt/EBITDA ratio of under 2.5x.

Our strong financial position enables increased investments in products and services that will elevate our customer offering. We also see opportunities for bolt-on acquisitions that can complement our existing offerings. We are operating in a fragmented market and there are many exciting opportunities for us to add acquired growth to our organic growth.

I look forward to 2024 with confidence, and I would like to express my deep gratitude to all employees, customers, business partners and shareholders for the past year. Our strategic direction delivered positive results in 2023 and we will continue to execute on our sustainable profitable growth agenda going forward.

Ole Kristian Jødahl
President & CEO

Alimak Group
as an investment

Our business is supported by several mega trends, of which urbanisation, verticalization of cities, electrification, and increased global focus on health and safety are the most significant. There is also a growing demand for efficient access solutions that reduce our customers' climate footprint and increase productivity. All of this brings fundamental growth to our business.

A broad industrial Group with high customer retention
Alimak Group has a long history and a market leading range of high-quality products and services in selected niches. With a presence in more than 120 countries, the Group develops, manufactures, and sells vertical access and working at height solutions with a wide range of usage that add customer value through enhanced safety, higher productivity, and improved cost efficiency. This is a comprehensive offering that creates strong customer loyalty and retention.

Decentralized and customer-centric organisation
Alimak Group is organised into five decentralized, customer-centric divisions that are responsible for the full customer journey: asset lifecycle, original equipment, spare parts and service. With a high degree of responsibility and a close relationship with our customers, we develop and innovate effective and sustainable solutions that benefit our customers and drive solid profitability for the group.

Stable service and aftermarket revenue
Each division operates a global service organisation that provides support throughout the entire lifecycle of equipment, including performing routine maintenance, repairs, renovations, retrofits, and replacements. Our wide range of services plays a pivotal role in prolonging product lifetime, reducing environmental footprint, ensuring continued safe product operations, and enhancing customer utilization and cost efficiency. It is a fast-growing segment, and we see significant potential for further growth.

Cash-generative business model
Alimak Group has a capital light model and maintains a longstanding track record of profitability and robust cash generation, driven by strong earnings, a focus on working capital improvements, and limited capital expenditure requirements.

We are on a growth journey
In 2023, Alimak Group took significant steps in our profitable growth journey, based on the New Heights programme. Most of our divisions performed well during the year, and the ongoing transformation program within Facade Access is expected to lift the division's margin over time. As we are active in a fragmented market, we also see many opportunities for bolt-on acquisitions that will enhance our offering, expand our footprint, and fuel growth.

Read more about the New Heights programme on page 10.

Our mission

Moving people, material and businesses safely to new heights.

This is what we promise to deliver to our customers. Alimak Group has a market leading position, and we see good opportunities to grow and strengthen profitability as well as to accelerate value creation for all stakeholders. Through our products and services, we help our customers to enhance safety and productivity, and reduce their climate impact.

March 2022, Atlanta, USA
Efriam Fakhry

Strategy & Targets

Content

May 2021, Madrid
Daniel Montilla

The New Heights programme
a strategic roadmap for profitable growth

During 2023, Alimak Group continued to execute the strategy to build a strong and resilient industrial group with a focus on sustainable, accelerated profitable growth.

Launched in 2020, the New Heights programme consists of three steps. The initial phase involved the establishment of a solid foundation, creating an efficient and empowered organisation with a customer and market-centric focus. The next step, centered on securing margin improvements, implemented various measures such as active price management, cost control, and efficiency enhancements.

Having successfully completed the initial phases, our primary focus in 2023 has been the ongoing pursuit of our profitable growth agenda. A pivotal milestone in this journey was the integration of Tractel, introducing 1,000 highly skilled employees into our organisation. The addition of the highly profitable Tractel Facade Access business led by Philippe Gastineau, the former CEO of Tractel, is now focusing on significantly enhancing the division's margins over time. This strategic acquisition also brought in a new division, Height Safety & Productivity Solutions, with a robust market position and impressive earnings within its segment.

The turnaround in the Wind division, coupled with strong results in the Construction and Industrial divisions, serves as tangible evidence that our operational approach is yielding positive outcomes.

Having successfully integrated Tractel in 2023 and strengthened our market position, we remain dedicated to the continuation of our profitable growth journey. We are confident in the direction of our current strategy and believe that we have the right team in place to execute it effectively.

2025

3 Profitable growth

Focus on driving strong profitable growth, both organically and through acquisitions.

Construction | **Industrial** | **Wind**

Height Safety & Productivity Solutions

2 Secure margin improvements

- Elevate our understanding of customer needs and the factors influencing our business.
- Define effective division strategies.
- Strong focus on improving profitability.

Facade Access

2020

1 Establish the base

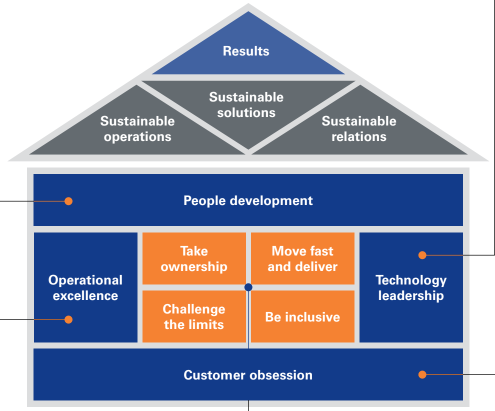
- Having the right organisation structure in place to drive value creation.
- Elevate customer and market understanding.
- Increased focus on people and culture; establish efficient and empowered organisation.
- Accelerated product and solution development.
- Focus on total asset lifecycle.

Read more about the divisions and the strategic priorities on pages 16–35.

In Brief
Strategy & Targets
The New Heights Programme
Group Strategy
Group Targets and Progress 2023
Business environment and trends
Divisions
Sustainability
Board Report
Financial Statements
Other

Generating sustainable and profitable growth

Our strategy builds on the New Heights programme. It consists of four pillars with the objective to create value to our stakeholders by generating sustainable operations, solutions and relations.



People development:
Our most valuable asset

Recognizing that our people are our greatest asset, we invest considerable effort in fostering a supportive and empowering environment. We continually strive to enhance our skills, knowledge, and collaboration, pushing the boundaries of what we can achieve together.

Operational excellence:
Maximizing every opportunity

We are dedicated to optimizing every part of our operations. Learning from today, we strive for constant improvement by utilizing our resources to their fullest potential. This commitment to operational excellence ensures that we are not merely moving forward but progressing with purpose.

Technology leadership:
Pioneering progress

Striving to be at the forefront of our industry, we commit to technology leadership. Our mission is to be innovators, developing efficient, safe and sustainable solutions that set industry standards and exceed customer expectations.

Customer obsession:
Putting the customer at the forefront

Our first and foremost commitment is to our customers. They are the reason to we exist; and to maintain their trust and loyalty, we must continually focus on delivering high quality products and services that meet the requirements of our customers.

Our values

With people being recognized as our most valuable asset, we have defined four values that provide a shared framework to guide the actions, decisions, and interactions of individuals within the organisation, contributing to a cohesive and purpose-driven corporate culture.

Take ownership

We expect every member of our team to take ownership of their responsibilities. Understanding our individual roles and embracing accountability ensures proactivity and an effective work environment.

Move fast and deliver

Our ability to progress swiftly and conclude tasks is a testament to our dynamic nature. We believe in delivering tangible results, paving the way for innovation and achievement.

Challenge the limits

We challenge the status quo. To expect different outcomes, we must dare to think outside the box, encouraging a culture of innovation and continuous improvement.

Be inclusive

Our commitment to inclusivity underscores the importance of teamwork, mutual support, and collective elevation. Together we will reach to new heights.

More efficient and more innovative

Annika Haaker is Chief People & Culture Officer at Alimak Group. She presents some examples of how employee development improves the business.

How does the work strengthen Alimak Group?

The People & Culture function might be new to the company, but I think we've come a long way. We support the company culture, the organisation and our leaders. The strategic initiatives we drive can, for example, reduce employee turnover, thereby cutting costs. Through structured approaches to succession planning and performance management, we improve efficiency and mitigate risks. We also emphasize the importance of every individual, ensuring that everyone's voice is heard, contributing to continuous improvements. When we make a global investment in company health, as we did in 2023, I truly believe it helps reduce sick leave and strengthens our employer brand.

What tools are used?

One tool is The Voice survey, measuring employee engagement. The focus is on understanding the strategy, one's own role, and the importance of feedback—elements that make us an efficient and profitable company. Another example is Performance Conversations, where each employee, along with their manager, sets goals for work and learning. Regular follow-ups ensure individuals are moving in the right direction, strengthening the company and increasing our ability to achieve business targets.
I would also like to mention our onboarding programme that enables new employees to feel welcomed and quickly get up to speed. With our intranet and Viva Engage, a social media channel, we facilitate knowledge sharing and best-practises. This creates a feeling of being part of something bigger – a global Group.

Group Targets
and Progress 2023

Alimak Group has taken another step in the profitable growth journey. In 2023, the Group launched updated financial targets.

CFO Comment on the financial targets

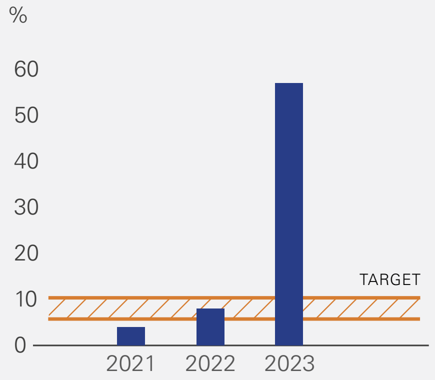
"The organisation has been and will be focused on improving performance and delivering the financial targets. Strong cash flows in 2023 led to a leverage of 2.26, giving us the space to finance future bolt-on and value-creative acquisitions."

Further to the successful Tractel acquisition and an update in our strategy, we decided to revise and communicate in June our updated financial targets. We trust they strike the right balance between ambition and achievability given where we stand in our profitable growth journey. In particular, those updated targets reflect the expected sales and cost synergies generated by the Tractel integration. We have factored as well the cash generative business model (high profitability, light capex and controlled working capital) allowing effective de-leveraging.

Sylvain Grange, Chief Financial Officer

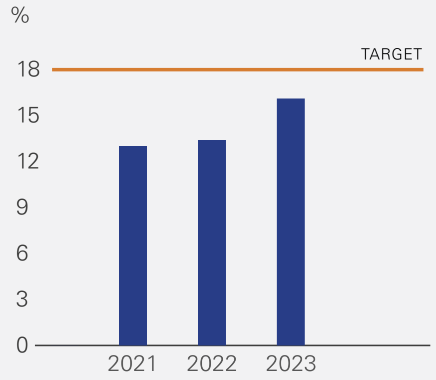
Financial Targets

Revenue growth 6–10%



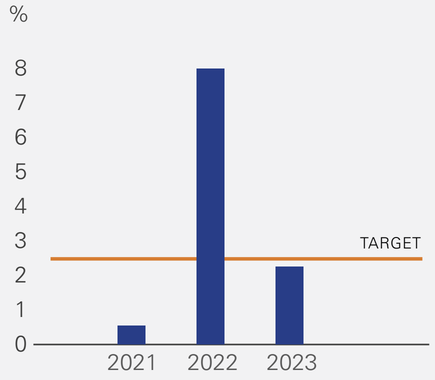
2023 revenue increased by 57.3% to MSEK 7,097. Acquisitions had a positive impact of 47.2%.

EBITA margin >18%



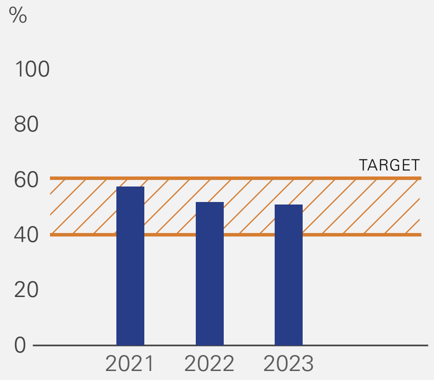
The 2023 margin increased by 2.7 percentage points to 16.1%.

Leverage ratio <2.5x



Leverage (Net debt/EBITDA) decreased to 2.26 by the end of 2023, due to the Rights Issue, the increased profitability and the strong cash flow generation. 2022 EBITDA include 5 weeks of Tractel only.

Dividend pay-out policy 40–60%



The Board of Directors propose a dividend of SEK 2.50 (1.82) per share based on number outstanding shares at year end.



Comment on the sustainability targets

"Our corporate sustainability targets prioritise environmental management, social responsibility and economic viability. We are committed to reducing our carbon footprint, promoting diversity and inclusion, and nurturing ethical business practices to create a positive impact on our planet and society."

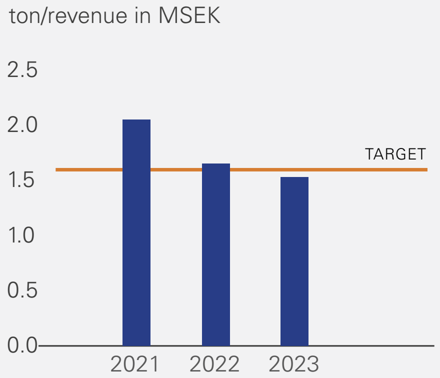
Charlotte Brogren
Chief Technical Officer

Annika Haaker
Chief People & Culture Officer

Rhys Baker
Senior HSEQ Manager

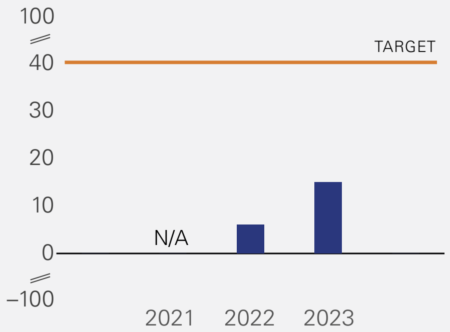
Sustainability Targets

CO_2e reduction[1] to 2025 — 30%



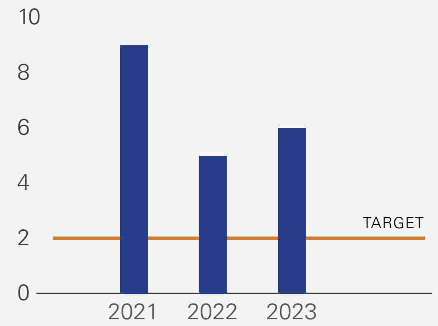
Alimak Group has a target to reduce total CO_2e emissions relative to revenue with 30% by 2025, in comparison with 2019. Emissions from the group's operations have decreased by 35% between 2019 and 2023. Mapping emissions connected to the value chain is in progress.

Employee NPS — >40



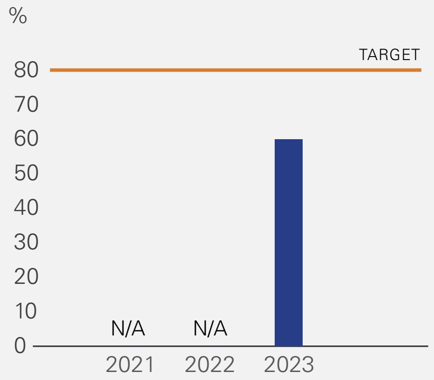
Employee Net Promoter Score is the average score given by engagement survey respondents in response to the question How likely is it that you would recommend Alimak Group as a place to work? 15 is in the middle range compared to benchmark. 40 would be in the top 25% of employers, which is our long term ambition.

LTIFR[2] — <2



Lost Time Injury Frequency Rate (LTIFR) is used to measure the effectiveness of health & safety improvement programs across the Group. The current LTIFR target for Alimak Group is <2 LTIFR, and we are making good progress in support of our zero-harm objective.

ESG assessment of suppliers[3] — >80%



During 2023 the group started to map suppliers from an ESG perspective using self-assessment questionnaires. The group has been successful in working towards the initial goal of assessing suppliers representing 80% of direct materials spend.

[1] Scope 1, 2, 3, normalized based on revenue, reduction compared to 2019.
[2] Injury rate per million working hours.
[3] Corresponding to 80% of direct material spend.

Macro trends,
how they impact and our response

Global trends that are impacting our industry are urbanisation, digitalisation and sustainability. Alimak Group is driving a number of activities to respond to the trends.

Urbanisation

Impacts on our industry

- Urbanisation is driving increasing investments in infrastructure and increased activity in the construction sector, specifically for building at height. Boosting demand for vertical access solutions, both in the construction phase but also for the ongoing maintenance of the buildings and structures.

Examples how Alimak Group responds to the trend

- Alimak Group offers a wide range of vertical access solutions for construction and maintenance of buildings, mainly in the Facade Access and Construction divisions.
- Alimak Group also have a large offering of products for infrastructure projects, mainly in the Height Safety & Productivity Solutions and Industrial divisions.

Digitalisation

Impacts on our industry

- Automation, big data and AI tools are creating smarter and more efficient ways to develop, produce, operate and maintain advanced machines.
- It also creates opportunities to optimize and further develop internal processes.

Examples how Alimak Group responds to the trend

- During 2023 Alimak Group launched MyAlimak, a customer portal enabling easy access for customers to key machine data and information.
- Alimak Group has a large library of building information modelling, BIM, for the Construction, Industrial, Facade Access and now also Height Safety & Productivity Solutions divisions, enabling the planning phase of new projects to be carried out in a more efficient way.
- Implementing digital service tools to run service more efficiently and prepare for predictive maintenance.

Sustainability

Impacts on our industry

- Increasing demand from customers for products with a low climate impact.
- Stricter regulatory requirements with respect to improved resource efficiency and reduced climate impact.
- Increasing regulatory requirements on health and safety.

Examples how Alimak Group responds to the trend

- Alimak Group has defined four sustainability targets including the target to reduce its carbon footprint by 30 percent (Scope 1, 2 and 3). Aiming to submit an application for Science Based Targets in 2024.
- Alimak Group has started to assess the supply chain from an ESG perspective.
- Alimak Group is using product lifecycle analysis to focus the efforts where we have the biggest environmental impact.
- Safety always comes first at Alimak Group and by our products and services we improve the safety of customers operations.
- Launched zero harm concept.

Macro challenges in 2023

In 2023 we saw a continued trend of regionalization of markets and changed supply chains due to growing protectionism and trade policy restrictions. To mitigate the risks associated with geopolitical events we have a flexible and diversified sourcing strategy. Alimak Group also has a regional production and assembly set-up with 26 production sites in 15 countries, being closer to the end-markets and reducing supply chain risks.

During 2023 we experienced high inflation and increased interest rates. We worked actively on mitigating the effects from inflation by addressing costs and pricing management. We have also during 2023 conducted a successful rights issue and by strong cash flows continued to decrease our debt, reaching a leverage ratio in line with our target of <2.5x.

Divisions

Content

October 2022, Spain
Javier Raso Gomez

ALIMAK GROUP

Facade Access division

August 2022, Dubai
Khaldoun Aldamour

Strong customer and project focus

The division's work was strengthened by the acquisition of Tractel, which provided new leadership and a more efficient way of working with a clearer focus on the right customers and projects. Based on three strong global brands, efforts to increase the division's profitability will intensify.

Brands

Tractel
COX GOMYL
manntech

2023 highlights

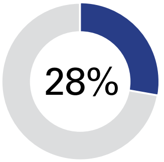
Order intake	+31%
Revenue	+45%
EBITA margin	6.3%

Key figures

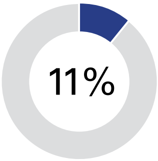
MSEK	2023	2022	2021
Order intake	1,815	1,389	1,023
Revenue	1,992	1,372	1,063
EBITA	125	56	34
EBITA margin, %	6.3	4.1	3.2

Share of Group

Revenue[1)]



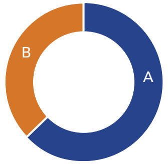
EBITA



[1)] External revenue.

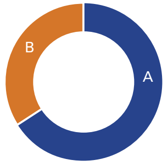
Split 2023, %

Order Intake



A) Equipment, 63
B) Service, 37

Revenue



A) Equipment, 66
B) Service, 34

Facade Access offers equipment and systems that are permanently installed and provide access to various kinds of infrastructure – mainly buildings, but also bridges, tunnels and industrial installations. The various solutions are used for construction, cleaning, regular maintenance and repairs. The offering comprises sales of new equipment in turnkey installation solutions as well as services for existing infrastructure. The division has three strong global brands – Manntech, CoxGomyl and Tractel. New products are continuously developed in a process where digital solutions are becoming increasingly important.

New business model is driving growth

The acquisition of Tractel led to the introduction of a business model that has stepped up the momentum of the entire operation. A new organisational structure and working methodology have been established based on customer-focused leadership. This has enabled more efficient project management, where decentralisation and local responsibility have significantly strengthened business acumen. This business acumen is based on entrusting employees with the responsibility for aligning the business with the right customers and projects. These basic changes are now creating the conditions for accelerating the profitability of the Facade Access division in the years ahead.

A clear competitive advantage is that the division offers access solutions with various levels of complexity, from simple davit systems to highly engineered Building Maintenance Units, where engineering know-how is used to produce the exact right solution for each customer and each project. In addition, all solutions are combined with bespoke services, and digital tools are also becoming increasingly important. The services enable long-term earnings and will present significant growth opportunities moving forward.

Based on customer needs

The new equipment business is project-driven, with many installation projects spanning over a long time. To meet customer needs in the right way, the new equipment business is handled by specialized teams. This creates the focus that is so central to business acumen, where precision, from pricing to project management, is crucial. The services business requires very strong local presence and is offered by a network of local branches and units. That ensures proximity to customers and the services comprise preventive maintenance programmes, inspections, repairs, refurbishments, replacements, training and digital remote monitoring.

Through the acquisition of Tractel, the division has established a global presence in all major markets and is the leading player in most regions. These include North America, Europe, the Middle East and Africa, and the Asia-Pacific region. The combined product portfolio is continuously broadened and comprises access solutions from simple "off the shelf" solutions (davit systems, monorails), to highly complex ones requiring a high degree of engineering. The division's base of installed units for building maintenance contains more than 10,000 units. These create major and exciting opportunities for growth in the service business.

A strong offering

The division's customers are public enterprises, property owners, construction companies and property management companies, as well as infrastructure owners and developers. Sales of new equipment are focused on general contractors for large-scale construction or infrastructure projects. They require a strong offering from a supplier that can install complex access solutions reliably and cost efficiently. The services are provided to customers who own or manage properties and other infrastructure. These customers want a service that ensures the quality and value of their assets over time. This is also something that Facade Access's adapted services can contribute to.

Mars 2023, Dubai
Balaji Chandrababu

"A competitive advantage is that the division offers access solutions with various levels of complexity, where engineering know-how is used to produce the right solution for each customer."

Philippe Gastineau
Senior EVP, Facade Access

Sustainability focus 2023

- Reducing our carbon footprint in daily operations and in the development of new, lighter products.
- Wherever available, renewable energy is used.
- More local purchases and reduced business travel.

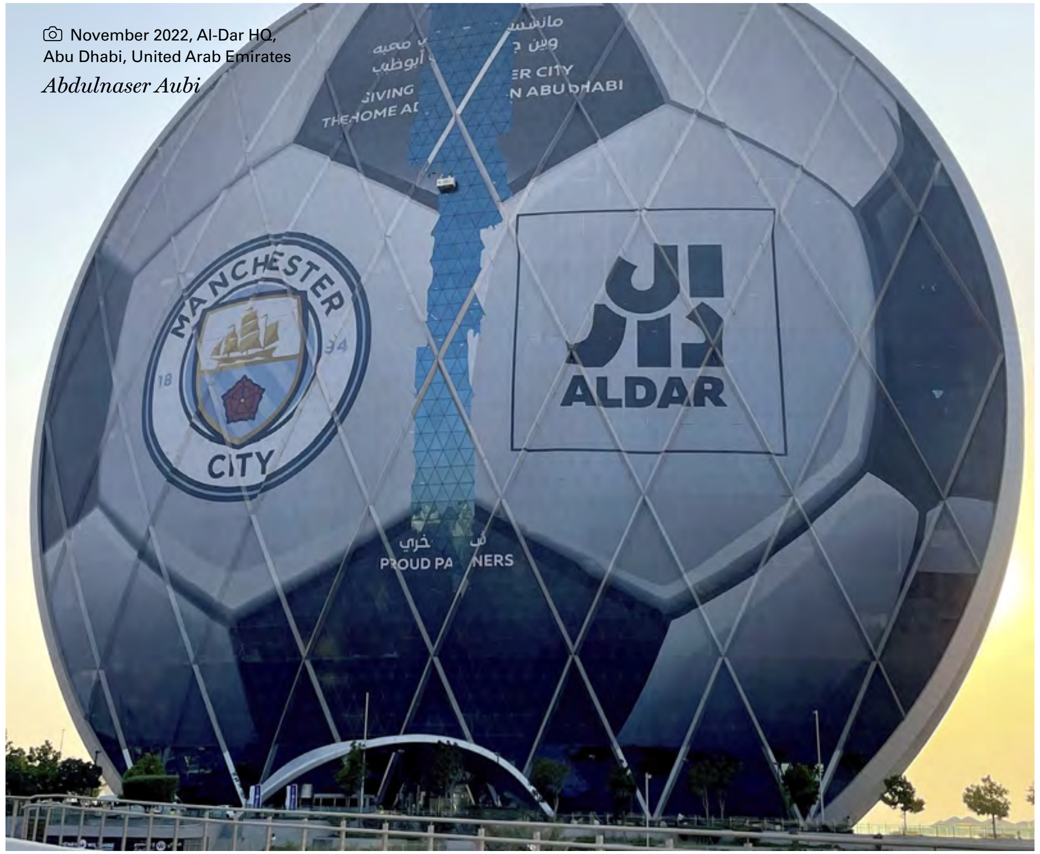
Developments in 2023 – strengthened market position

The year was characterised by the acquisition of Tractel, and the integration of a highly profitable Facade Access business. The target to reach higher margins meant that the division was more selective in the projects it wanted to win. In general, however, the market position was strengthened by the combined offering and the technical expertise added by Tractel. The Facade Access division continues to implement its transformation programme, which will eventually deliver considerably improved margins.

The service segment continued to make a positive contribution. The acquisition also enabled cost synergies in sourcing, for example. During the year, many internal changes were made in areas such as strategy, channels to market, regional organisation, leaders selection, brands, manufacturing footprint, tendering & project management. The division will now be focused on implementation in 2024.

Energy-efficient equipment

Reducing our carbon footprint is a priority in the day-to-day operations, but also in the development of new products where installed equipment with a lower weight is more energy-efficient. A lower weight reduces the lifetime energy consumption, but even more importantly, the carbon footprint related to the material used in the equipment. A typical example is CoxGomyl 5000 standard series, a roof-mounted access solution, where the weight was reduced by 15 percent. Where available, renewable energy is used at facilities. The division is also striving to minimise the number of trips required to transport goods by making more local purchases, and to reduce business travel.



November 2022, Al-Dar HQ, Abu Dhabi, United Arab Emirates
Abdulnaser Aubi

Strategy for profitable growth

- **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.
- **Replacement and refurbishment**
  Address the growing opportunities of replacement and refurbishment of aged assets in mature markets. This will start with older units currently signed to our service contracts.
- **Rationalize and expand the product range**
  Rationalize the existing brand portfolio (CoxGomyl, Manntech and Tractel) into a more consistent one. Develop the connectivity to enable remote monitoring and preventive maintenance.

Snoqualmie, Washington, USA

Architectural challenges

Snoqualmie Casino in the US state of Washington is undergoing a multi-phase expansion and renovation. The project includes the addition of a new hotel, a spa and an entertainment and conference centre.

The sprawling complex is segmented into Tower and Podium sections. The unique architectural and structural challenges necessitated a high level of collaboration and expertise, which was a perfect match for Facade Access's innovative approach. The team worked in close collaboration with construction firm Skanska to produce a proposal. This presented a prime opportunity for Alimak Group's advanced design services to play a key role in the access solution that was later delivered.

A suspended platform was designed for the Tower section. It serves as a platform for the maintenance workers and carries both materials and workers. The platform is attached via an underslung monorail fixed to the perimeter of the building. It has two motorized climbing trolleys and a service height of up to 45 metres. The system has to navigate around complex structural elements like vertical beams and horizontal elements. Given the regulatory constraints and spatial limitations, worker access to platform rigging also required an innovative solution. For height safety, 250 metres of lifeline and anchors were designed for the roof and bulkheads. These elements were vital in meeting stringent fall protection and height safety regulations.

The challenges of the podium sections were the multiple roofs that required anchors for height safety. Snoqualmie's new hotel and casino is slated to open in early 2025.

ALIMAK GROUP

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ALIMAK GROUP

Construction division

Growth in new segments

Despite a weak market situation, the Construction division continued to grow the business and take market shares. A priority area right now is growth in new customer segments, where customer-driven product development is helping to bring even more new and innovative solutions to market.

February 2022, Paris, France
Ricardo Veguillas

Brands

ALIMAK

SCANCLIMBER

2023 highlights

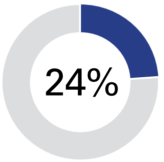
Order intake	+20%
Revenue	+30%
EBITA margin	18.0%

Key figures

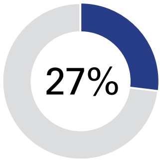
MSEK	2023	2022	2021
Order intake	1,753	1,466	1,156
Revenue	1,748	1,346	1,104
EBITA	315	243	200
EBITA margin, %	18.0	18.1	18.1

Share of Group

Revenue[1)]



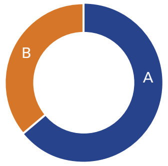
EBITA



[1)] External revenue.

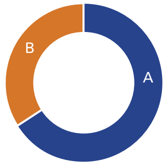
Split 2023, %

Order Intake



A) Equipment, 64
B) Service, 36

Revenue



A) Equipment, 66
B) Service, 34

Construction sells and rents new and used equipment for temporary use in construction, industrial and refurbishment projects. The offering is broad and comprises construction hoists, transport platforms, suspended platforms and mast climbing work platforms. There is also a range of services linked to the equipment, such as spare parts, maintenance, installation services, application expertise, project management and digital solutions. The products are offered under the brands Alimak and Scanclimber.

Business development is driving growth

Through the acquisition of Tractel, the division has gained access to Scanclimber's technical solutions. Mast climbing work platforms have been added to the range and strengthen the global position. Through this wider product range, the maintenance, refurbishment and conversion of existing buildings has also become more important growth areas.

Sales of equipment show favourable growth, linked to the division's successful business development. This is based on the Group-wide strategy, where customer focus, technical leadership, product development and improved margins are key elements. Another important area is the internal business culture. Accountability and the authorisation to act in a customer-oriented manner enable employees to grow and develop the business in the right direction. As the technical leader, several new digital solutions have been launched, such as the My Alimak portal. The division's equipment usually serves as a hub at construction sites. Many professions benefit, and productivity in general, when this equipment is digitally connected.

Reliable and high-quality equipment

The equipment is manufactured in plants in Sweden, Spain, Poland and China. Continued products and services development is a priority. The increased focus on digital solutions has also become a competitive advantage for Alimak. My Alimak received several new features during the year and was honored Best Digital Development Award at the International Awards for Powered Access in Berlin.

The competitive advantages also include a global presence, where sales companies and manufacturing units collaborate. This brings sales and manufacturing even closer to customers and their needs. Safety is a key element of the customer value that the division delivers. Working at height is associated with risk, which solutions from Alimak and Scanclimber address with credibility. The reliability and versatility of the equipment increase the benefits and make customers more productive.

Improved workplace safety will always be our main priority

A tragic workplace accident occurred in Stockholm in December, involving a construction hoist. A team of experts from Alimak Group assisted the investigators from the authorities. Based on the observations made on site, our experts concluded that two of the mast sections holding the hoist in place had not been bolted together, a significant deviation from the installation instructions, which may be the reason why the hoist fell to the ground. The installation was not carried out by Alimak Group. Our foremost thoughts are with those affected and their families; we are committed to do everything we can to help prevent similar accidents in the future.

Expanded market presence

Alimak holds a strong global position, while Scanclimber is well-established in the Nordic market, among others. Customers include construction contractors and companies that rent equipment to end customers in the construction and civil engineering sector. A growing area is also sales of used equipment that has been refurbished and upgraded.

Core markets are Europe, North America and Australia. The acquisition of Tractel has during the year strengthened the geographic presence in North America and Europe. In new emerging markets in the Middle East, Southeast Asia and Africa, the division collaborates with local distributors.


June 2022, Dallas, USA
Tim Isbell

"Sales of equipment show favourable growth. This is based on the Group-wide strategy, where a customer focus, technical leadership, product development and improved margins are key elements."

David Batson
EVP Construction Division

Developments in 2023 – strong trend in a weak market

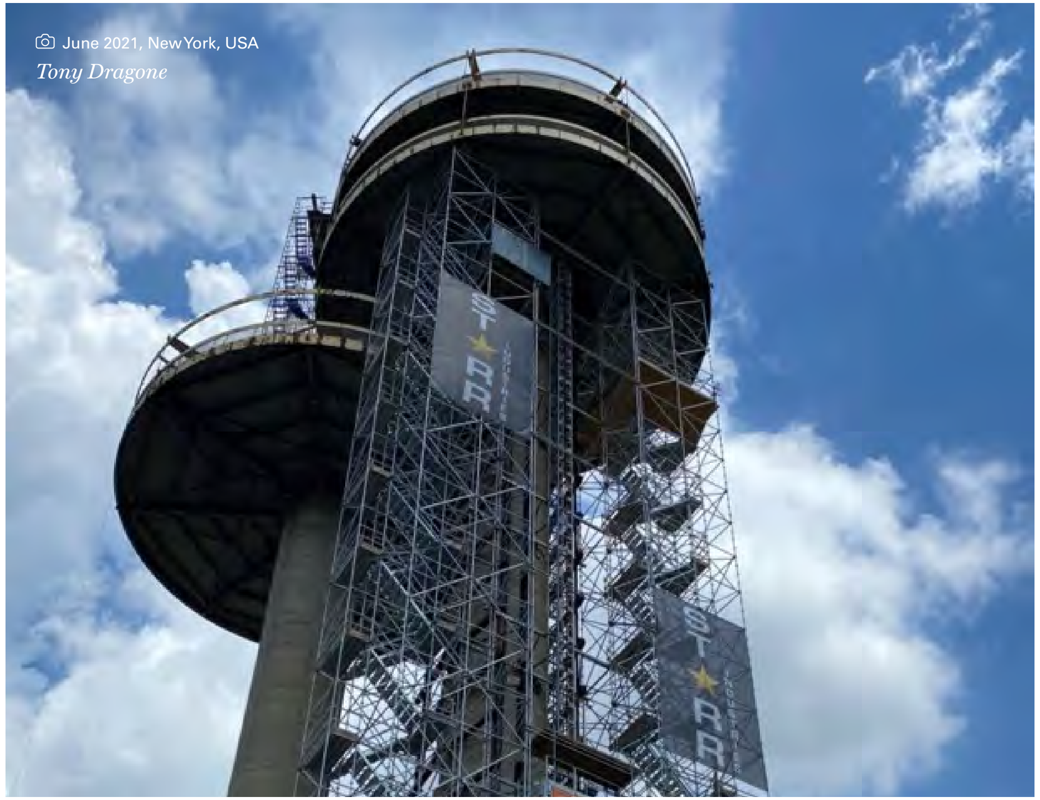
The year was characterised by a challenging market, where high interest rates had a negative impact on growth in the construction and civil engineering sector in many countries. Nevertheless, the division delivered an impressively strong performance. This is linked to the fact that the Group's business model – where a customer-centric approach is applied in areas such as sales and product development – is working. Alongside of its core area of properties, the business also grew in infrastructure, where the focus lies on equipment for tunnel and bridge projects, as well as railways. Demand was cautious in markets across the Nordics and the US, but showed a stronger trend in Australia and Canada.

Renewable energy solutions

Manufacturing is located close to customers, which minimises the need for long-distance transportation. Wherever possible, renewable energy is used at the sites. Through product development, more sustainable products and solutions are introduced to the market, with the all-new Scando 650a that reduces energy consumption with 28 percent as a good example. Investments in digital solutions – which ensure that the right equipment is used for the right projects – also help to make customers more energy efficient.

Sustainability focus 2023

- Efforts to reduce our carbon footprint by minimizing long-distance transportation.
- Wherever possible, renewable energy is used.
- Digital solutions – which ensure that the right equipment is used for the right projects.



June 2021, New York, USA
Tony Dragone

Strategy for profitable growth

In efforts to ensure long-term profitable growth, three areas were identified:

- **Increase the geographic presence** by, for example, expanding the new product portfolio that the division has gained access to via Scanclimber and suspended platforms.
- **Develop the offering** by launching more products and driving the digitalisation of the offering. This also digitally connecting more of Scanclimber's products.
- **Broaden the offering in service and spare parts**, by increasing the number of maintenance and installation services as well as the range of spare parts.

Saumur, France

Restoring 16th-century chapel

A hoist from Alimak Group is being used to renovate the 16th-century chapel of Notre-Dame-des-Ardilliers. The chapel lies in the French town of Saumur and an Alimak Medius 350 is being used for the work. The hoist has a compact design and is easy to transport and install. That makes it perfect for the project in Saumur, which lies in a relatively remote area.

The hoist is used to transport materials and workers safely to various levels of the renovation. Alimak Medius 350 has a maximum payload capacity of 1,000 kg, or 11 passengers, and a lifting height of 100 metres.

Easy to install

The compact design of the Alimak Medius 350 makes it easy to transport on a truck. Installation is fast with a new lifting device, making it easy to lift the base unit with a crane. The hoist is compatible with several of Alimak Group's other solutions such as landing equipment and transport platforms.

The benefits of this particular hoist solution are cost-efficiency and adaptability. It is a versatile and flexible alternative that can be used for a variety of applications. That makes the Alimak Medius 350 an ideal choice for contractors who want a reliable and efficient vertical access solution.

Broad experience

Alimak Group has been involved in many technically complex restoration projects over the years, including the Statue of Liberty in New York, the Eiffel Tower in Paris, the Duomo di Milano in Milan, and the Baptistery of San Giovanni in Florence.

Height Safety & Productivity Solutions division

With growth in focus

The Group's newest division has shown a stable trend with good profitability. The focus ahead will be increased growth through investments in marketing, sales and product development. The strong link between product development and marketing will ensure a focus on the right customers and users.

Brands

Tractel

2023 highlights

Order intake[1]	+9%
Revenue[1]	+11%
EBITA margin	19.1%

[1] Aggregated numbers as if Tractel was acquired as of 1 January 2022.

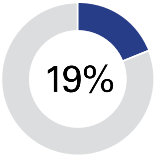
Key figures

MSEK	2023	2022[1]	2021
Order intake	1,407	111	–
Revenue	1,410	111	–
EBITA	269	30	–
EBITA margin, %	19.1	27.2	–

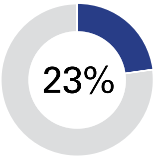
[1] Reflects 5 weeks of Tractel.

Share of Group

Revenue[1]



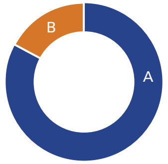
EBITA



[1] External revenue.

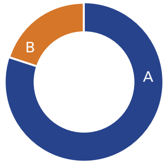
Split 2023, %

Order Intake



A) Equipment, 83
B) Service, 17

Revenue



A) Equipment, 80
B) Service, 20

The division's largest product category is wire rope hoists for manriding and material lifting applications, and lifting equipment. The strong, broad offering also comprises personal protective equipment, confined space access and rescue equipment, and systems such as lifelines, safety ladders and guardrails. The aftermarket business comprises service, maintenance and training. The products are gathered in a competitive portfolio, with brands including iconic brands such as Tirfor, Minifor, Tirak, Faba and Dynafor.

Stable underlying business

The underlying business is stable with many recurring customers, which has helped to secure profitability. The business is based on the same strategic tools that have shaped Alimak Group in recent years, with customer focus, technical know-how and operational efficiency as guiding stars. This also includes the employee development process, which can be more challenging in times of major change. The division has handled these issues successfully, which has created stability for employees and had a positive effect on local entrepreneurship. The focus now is to increase growth and expand the business in a profitable way – also through compatible acquisitions.

Customer-focused product development

The focus on innovation is strong. During an average year, the division runs about 50 development or improvement projects. Some ten products were launched in 2023 alone. The innovation projects are now linked to marketing and the ongoing dialogue with customers, which is partly handled via digital channels. The connection between marketing and innovation, led by the division's MIT (Marketing, Innovation & Transformation) organisation, makes product development more targeted and adapted to customer needs.

The life of the products is a competitive advantage. Via recurring maintenance, some of the solutions maintain their performance for more than 30 years. Another strength is the division's network of service, maintenance and logistic points. With these, the division reaches out to distributors and end customers in their local markets. This proximity enables fast and efficient service, while also strengthening customer relationships.

Broad sales network

Demand is driven by trends such as industrialisation, higher safety standards and requests for high productivity and sustainable solutions. The end customer base is diverse and includes such sectors as energy, construction, industry, infrastructure and telecom. Products and equipment are sold to both distributors and end customers, where distributors account for the largest volumes. Via this broad network, the division reaches customers in 120 countries. As distributors become more digital, sales support and marketing are being adapted to stimulate growth in this customer group. In view of the broad and diverse customer base, efforts are focused on the customer segments that offer long-term profitable growth. This new division also offers great potential for cross-selling equipment with the Group's other operations, in particular the Facade Access division.

February 2023, France
Gery Houssiaux

"The focus on innovation is strong. During an average year, the division runs about 50 development or improvement projects. Some ten products were launched in 2023 alone."

Philippe Gastineau
Senior EVP, Height Safety & Productivity Solutions

Sustainability focus 2023

- Improving working at height safety.
- Technical equipment that minimises the risk of repetitive strain injuries.
- Robust products that can be efficiently maintained, which gives them a long life.

Developments in 2023 – strong, positive trend
Development was positive during the year with strong growth in several markets and many customer segments. One underlying cause is the division's ongoing work with innovation, where products launched over the past 18–24 months have made a strong contribution to the sales trend. The clear focus on marketing and sales efficiency has also yielded results and contributed to time and resources being spent on those customers that are helping the business to grow.

Improve working at height safety
Improving working at height safety is a focus area for sustainability. Another area is employee productivity, which is ensured with technical equipment that minimises the risk of repetitive strain injuries, for example. Equally important is that the division can offer products that are robust and can be efficiently maintained, which gives them a long life and a competitive total cost of ownership.

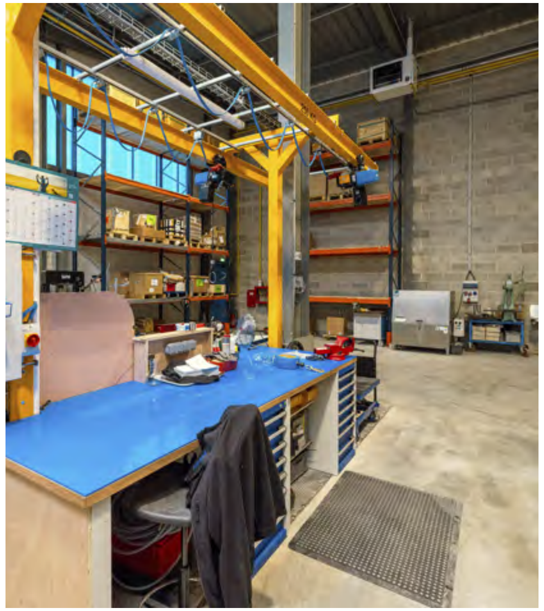
Strategy for profitable growth

Efforts with profitable growth are focused on the following areas:

- **Innovation, marketing and efficient sales**, where the innovative solutions developed by the division are supported by digital marketing campaigns, and by an efficient sales process where the right resources are allocated to the right customers.
- **Synergies**, whereby coordination gains, new business opportunities and cost synergies are leveraged in collaboration with other divisions in the Group.
- **Compatible acquisitions**, where the fragmented market in which the division is active presents opportunities for acquisitions that strengthen positions in selected areas.

Saint Hilaire, France

Setback turned into opportunity



In September 2021, before Tractel became part of the Alimak Group, a fire destroyed one of the company's production and logistics facilities in France. All that remained was a burnt out, collapsed ruin. Based on a shared conviction that setbacks can lead to opportunities, reconstruction soon began.

Following an intensive period of invaluable work by a large number of people, the new building was in place just two years later. With bright and welcoming premises, and a workshop space optimized for future growth with more efficient production and logistics.

A new combined training and demonstration area was also created, where customers can test products, learn how they are used, undergo training and much more. At the same time, many internal processes were developed and improved. With more efficient logistics and order processing, products will now reach customers faster.

Based on the fundamental principles of always improving and developing, daring to act outside your own comfort zone and being responsive to customer needs, the new facility has been a success. After a period of setbacks and challenges, the business is now better equipped than ever to continue growing and offering customers the products and services they require.

Industrial division

Successful change journey

With a dedicated focus on the needs of industrial customers, the division has grown and developed its business. While the needs of these customers are highly varied, a responsive and pro-active approach ensures the right products are developed for each situation. In addition, the division has a strong and varied service offering, with the ambition to service all of our products.


January 2021, Barcelona, Spain
Javier Fernando Velasco Olate

Brands

ALIMAK

2023 highlights

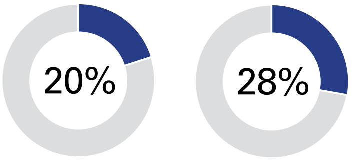
Order intake	+12%
Revenue	+22%
EBITA margin	23.2%

Key figures

MSEK	2023	2022	2021
Order intake	1,457	1,303	999
Revenue	1,386	1,140	885
EBITA	322	217	186
EBITA margin, %	23.2	19.0	21.0

Share of Group

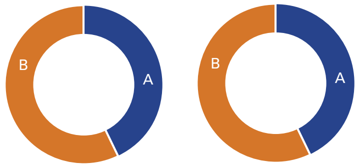
Revenue[1)] EBITA



[1)] External revenue.

Split 2023, %

Order Intake Revenue



A) Equipment, 43
B) Service, 57

A) Equipment, 43
B) Service, 57

Industrial works with installed elevators for permanent use. The equipment is used for maintenance and secure access for people and goods in various industrial sectors, often in demanding environments. The offering comprises traction and rack and pinion elevators, where rack and pinion elevators are the largest category. New elevators account for about 40 percent of sales. The remaining share comprises services. The broad, complete service offering comprises preventive maintenance and repairs, inspections, refurbishments, genuine spare parts and customer training.

Meeting industrial customer needs

The dedicated focus on industrial customers has made a substantial difference. Targeted marketing has yielded clear benefits for various segments in a broad sector with varying needs. With increased industrial expertise and an understanding of customers' various needs, the division develops and offers the right products and equipment. The change journey is based on Alimak Group's strategic plan, where customer understanding, specifically, determines the design of each offering. To this is added that employees are given responsibility and trust to develop the business in each local market.

A strong competitive advantage is the global reach, which means that the division is always close to customers with equipment and service. High quality and reliability are also strengthening this competitiveness. Customers must be able to trust that the equipment is reliable. Unplanned downtime for port operations, for example, could otherwise be very costly and lead to supply chain disruptions. Several new products were launched in 2023, including a rack and pinion elevator that is installed on, for example, silo buildings, and a new elevator for motion-compensated gangways for the marine sector.

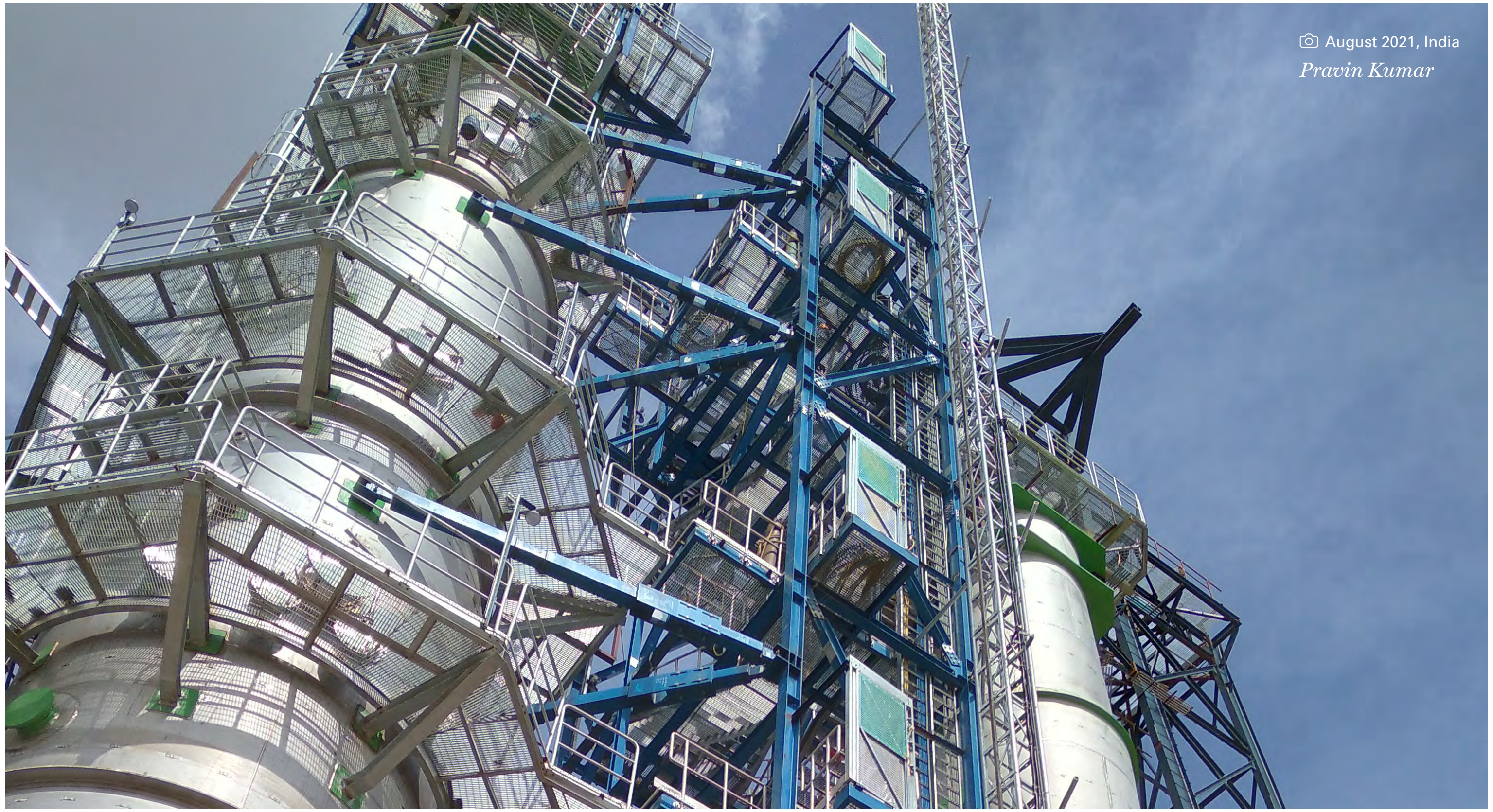
The elevator for marine customers is an innovative solution for a new market and one example of the customer-focused product development that is making the division competitive.

Service – a growth area

Most of the equipment has a lifespan of 25–30 years. The service solutions cover the entire lifecycle and optimise total cost of ownership for the owner. The division is developing more and more digital services, such as smart control systems that show how the equipment should be used and the maintenance interventions that may be relevant. The My Alimak portal provides access to real-time information, which facilitates troubleshooting and operational data analysis. The service technicians have access to digital service protocols, which simplifies planning and service. The service market continues to offer significant opportunities for growth. Primarily because the division can offer services to a higher proportion of the global customer base who currently use elevators from Alimak Group. To facilitate this growth, Industrial is focused on recruiting more technicians and introducing new connected products.

World-leading position

Core markets are Europe followed by North America, Asia and Australia. The diverse customer base includes the oil and gas industry, marine sector, ports, the petrochemical industry, power plants, the cement and concrete industry, mining and infrastructure. There are a few players in the market for rack and pinion elevators, where Alimak Group holds a world-leading position. Traction elevators are a niche product for Alimak and mainly delivered to offshore and marine sectors.


August 2021, India
Pravin Kumar

“Customers must be able to trust that the equipment is reliable. Unplanned downtime for port operations, for example, could otherwise be very costly and lead to supply chain disruptions.”

Jens Holmberg
EVP Industrial Division

Sustainability focus 2023

- Improve energy efficiency by reducing the weight of the equipment, which will also reduce the carbon footprint for the customer.
- Reduce our carbon footprint by shifting more spare parts freight from air to sea.

Developments in 2023 – strong trend in many markets

2023 started and ended strongly both for new equipment sales and aftermarket. We had growth in multiple customer segments and geographical areas. Northern Europe and APAC markets performed well throughout the year, and with a strong ending of the year in North America and Middle East and Africa.

Secure energy efficiency

The energy efficiency of the products is the most important issue for sustainability. This efficiency can be improved by reducing the weight of the equipment, which will also reduce energy consumption and the carbon footprint for the customer. In the aftermarket business, a review of logistics management is being carried out to reduce both costs and our carbon footprint by, for example, shifting more spare parts freight from air to sea.

Strategy for profitable growth

Efforts with profitable growth are focused on these areas:

- **Broaden the product portfolio,** where the division targets new customer segments.
- **Expand the aftermarket** by developing the offering and selling services to more of the customers that are currently using elevators from Alimak Group.
- **Develop the sales process** by increasing the internal coordination of the sales organisation, more efficient project management and a review of the division’s pricing strategy.

May 2021, USA
Aaron Brzezinski

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Barcelona, Spain

Historical elevator partnership

During the year, an historically significant partnership commenced. It involved the modernisation of two elevators from Alimak Group. They were initially installed in the Torre de Collserola tower for the 1992 Summer Olympics in Barcelona. The tower was designed by the famous architect Norman Foster.

The Torre de Collserola renovation project is one example of Alimak Group's commitment to solving its customers' challenges – in this case, the conservation of architectural heritage. It is also an example of how our vertical access solutions meet high expectations. Both elevators hold historical significance and are an integral part of the tower's history. The modernisation will enable the elevators to function efficiently and safely for many years to come.

Popular tourist attraction

One of the elevators is used to transport service staff and materials, and has a load capacity of 2,000 kg. The size also enables the transportation of large satellite dishes. The other elevator is for visitors to the tower, where the observation deck is 145 metres above the ground and a popular tourist attraction. The modernisation project will improve the performance and safety features of the elevators, and provide a more comfortable ride for both visitors and service staff.

"We are happy to be working together with Torre de Collserola on this significant project," says Carlos Salinas Rodríguez, Sales Manager for Alimak Group in Spain. "We are now looking forward to elevators that will function safely and efficiently for many years to come."

The Torre de Collserola project is scheduled for completion in spring 2024, when the elevators will be fully operational for both visitors and service staff.

Wind division


February 2023, Rödene Wind Farm, Sweden
Gonzalo Antúnez Poropat

Clear growth

The division is gaining market share in a wind power sector that is growing and where investments are increasing. The strategic focus on becoming the preferred partner for our customers and improved operational performance has substantially increased the profitability during the year.

Brands

AVANTI

2023 highlights

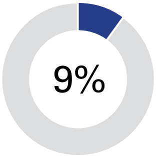
Order intake	+34%
Revenue	+24%
EBITA margin	17.9%

Key figures

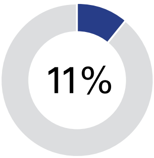
MSEK	2023	2022	2021
Order intake	689	514	594
Revenue	674	542	676
EBITA	120	69	63
EBITA margin, %	17.9	12.7	9.3

Share of Group

Revenue[1)]



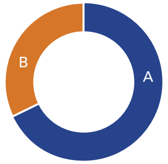
EBITA



[1)] External revenue.

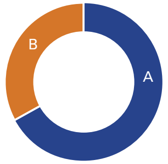
Split 2023, %

Order Intake



A) Equipment, 68
B) Service, 32

Revenue



A) Equipment, 67
B) Service, 33

The products in the Wind division are supplied under the Avanti brand, which holds a world-leading position. The offering comprises service lifts, ladders and safety solutions, as well as services and spare parts. The Wind division is a specialised player with a broad geographic reach. The products are designed for use in wind farms, ensuring reliable operation throughout the life of the turbines.

August 2023, Anhui, China
Youjun Luo

Customer-driven growth

The fact that the Wind division is growing and gaining market share is linked to successful internal change management. It follows Alimak Group's strategic plan, which is based on a customer-centric approach that guides initiatives related to product development and operational efficiency. Active work with employee development is also carried out, which boosts business acumen by entrusting responsibility to those employees who work closest with customers. In recent years, business development in the Wind division has paved the way for successful, targeted product development – in a sector where the majority of technical solutions are tailored to each customer. The favourable growth is also boosted by a resurgence of wind power investments in many markets.

Ongoing digitalisation

Ladders are the largest product category, where the division is a global market leader. Ladders account for approximately 40 percent of sales, and lifts about 20 percent. Avanti is one of the three largest players in this category. Service and spare parts account for about one-third of sales. The services comprise installations, customer training and regular inspections of lifts, ladders and personal protection equipment.

The products are manufactured at facilities in Europe, Asia and North and South America. Sales and service are coordinated through ten sales and service companies. Avanti leadership is based on highest quality, technical and operational performance, customization and the capacity to offer services, training and spare parts close to the customers. Training is increasingly based on e-learning, which is more accessible, as well as more sustainable and practical for customers.

The ongoing digitalisation is streamlining administration and manufacturing, and developing more service and support services that make life easier for customers. These services will include connected products and sensor technology. This will enable better monitoring and more preventive maintenance.

Bespoke solutions

The largest customer groups are Original Equipment Manufacturers (OEMs), wind tower manufacturers and wind farm owners. The division's bespoke solutions are helping to increase productivity and workplace safety for customers, which makes wind power more competitive. The OEM market is dominated by about ten companies, while well over a hundred companies are building wind turbine towers. OEMs make up the most important customer group, and account for about 65 percent of sales. Over the years, the division has installed about 40,000 lifts in wind turbines all over the world. In 2023, an additional 2,000 lifts were installed. The largest markets are Europe, Asia, North America and South America. Demand for wind energy is expected to grow in the coming years, including a growing market for offshore installations. In the US, investments are stimulated by the Inflation Reduction Act (IRA), which is encouraging investment in green energy projects and that has had positive impact on our business in the US.

"Avanti leadership is based on highest quality, technical and operational performance, customization and the capacity to offer services, training and spare parts close to the customers."

José Maria Nevot
EVP Wind Division

Sustainability focus 2023

- Reducing the carbon footprint of the division, as well as for products and suppliers, with positiv impact for customers.
- Initiatives are focused on reduced energy use and increased use of renewable energy.

Developments in 2023 – expansion in China and in service

A turnaround in the division's operations has been evident over the past year. Improvements were achieved each quarter in most markets. Growth in services was substantial in both the US and Europe. The strategy to be the partner of choice for customers was successful and strengthened the market position. In addition, the division's own margins improved due to efficient cost control and a proactive pricing policy.

Reduced carbon footprint

An important part of the division's sustainability work is to reduce the carbon footprint in scope 1, 2 and 3. The division has already achieved the Group-wide target of a 30 percent reduction in own operations and is now aiming to reduce its carbon footprint by 50 percent. Internal initiatives are focused on reduced energy use, increased use of renewable energy and reduced business travel. In the value chain, the Group's life cycle assessments are an accepted tool. Other initiatives include increasing the proportion of recycled raw materials, reducing the weight of products and shifting to remote-controlled service and maintenance interventions.

October 2021, Lagoa do Barro, Brazil
Felipe Martins

Strategy for profitable growth

In the process to secure long-term profitable growth, the following three main areas have been identified:

- **Increase market share in the lift segment,** where the offering in the Chinese market should be further developed via adapted solutions for these customers. In other markets, the aim is to develop the next generation of sustainable lifts via more digital tools, including sensor technology, which makes service and maintenance work more cost-efficient.
- **Growth in safety solutions,** by increasing the focus on cable-based fall protection, and by leveraging the products and services enabled by the integration of Tractel.
- **Develop the service and aftermarket business,** by adding new safety solutions and long-term service concepts to the offering, and by expanding into more geographical markets.

Inner Mongolia China

Avanti service lifts – the first choice

The wind farm in Xing'an League is the first phase of a large-scale wind project. The farm will have a total capacity of 3,000 MW and is located in Inner Mongolia. The aim of the project is to supply various Chinese provinces with power, including the Shandong Province in eastern China.

Lower carbon footprint

The wind farm's expected contribution of more than 3 billion kWh of electricity annually to the grid corresponds to more than 80 percent of the region's entire energy production. The amount of renewable energy generated can replace more than 920,000 tonnes of coal, equivalent of CO_2 emissions of 2.5 million tonnes.

Superior quality

In the turbine towers, the customer opted to install Avanti Shark L01 service lifts. The prerequisite for the partnership is how we work closely with customers, understand their conditions and find the best solutions. Avanti is known for its high product quality, wide range of safety functions and high installation and maintenance capacity. This combination has made Avanti a reputable brand in the Chinese wind market.

About the project

- 370 Avanti Shark L01 service lifts are being installed between 2022 and 2024
- Comprises a five-year service agreement
- Capacity of 4.5 MW per turbine
- User: China General Nuclear (CGN) Renewable Energy
- OEM: Dongfang Electric Corp (DEC) Wind

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May 2021, Arkona Becken, Baltic Sea
Armin Asmus

A more sustainable Alimak Group

Alimak Group's activities have a strong connection to sustainability, where products and services ensure that work at height can be carried out safely and efficiently. In 2023, new targets were set that reflect the broad link between a sustainability perspective and our strategy.

The Group's state of the art solutions meet the needs of a growing global population, ongoing urbanisation and the emergence of cities with a need for new infrastructure, smart housing and renewable energy. For many decades, these solutions have met our customers' needs for lifting people, materials and companies to new heights safely. Safety is in our DNA. At the same time, safety is a prioritised sustainability topic all over the world. This is exemplified in the UN Sustainable Development Goals (SDGs), where the importance of health, well-being, decent work and sustainable infrastructure is emphasised in several of the 17 goals.

Our products and services play a key role in improving sustainability. We make a concrete contribution to the targets by delivering quality products that are safe to use and last for many years, often 30–40 years. The services we provide help to extend the life of the products, and at the end of their life, most of the material in our products is recyclable. At the same time, sustainability is a catalyst for innovation in product design, business models and services, which can further strengthen stakeholder value and increase our competitiveness. When developing new products, digital solutions are an important part to make us more resource-efficient and add new customer values in terms of lower carbon footprint of the products throughout the lifetime.

To focus our work, three focus areas have been defined and these areas are also used for sustainability reporting:

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

New sustainability targets

As part of our broader approach to sustainability, new sustainability targets were set in 2023. In addition to our existing emissions-reduction targets, targets have now been set for the Employee Net Promoter Score (eNPS) and the Lost Time Injury frequency rate (LTIFR). Given the increased focus on responsibility in the value chain, a target has also been set for supplier assessments. The plan is that Alimak Group will submit an application to the Science Based Targets initiative in 2024 for validation of the emissions-reduction target.

Sustainability targets

CO_2e emissions, reduction by 2025	30%
eNPS	>40
Lost Time Injury frequency rate (LTIFR)	<2
Supplier assessments	>80%

The framework is organised into three focus areas:

Sustainable Relationships – who we are. *Se page 39*

Sustainable Solutions – what we deliver. *Se page 42*

Sustainable Operations – how we work. *Se page 45*


February 2022
Griffin Wind Farm, Scotland
Dale Crosbie

About this report

Pages 36–55 make up the Group's statutory Sustainability Report pursuant to the Swedish Annual Accounts Act.

Alimak Group is a participant in the United Nations Global Compact, an initiative with the ambition to help companies align their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption. These pages also constitute Alimak Group's Communication on Progress.

For information about our sustainability performance in 2023, refer to page 49. Sustainability risks are presented on page 62.

Materiality analysis 2023

	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

Materiality assessment

The materiality assessment gives a direction on the sustainability topics we need to focus on. It also provides a basis for dialogue with stakeholders and for engagement in the ecosystem linked to our sector. The assessment identifies those areas of the value chain that the business is most able to influence and ensures optimum management of sustainability-related risks and opportunities. It covers fourteen topics, classified from a compliance, operational and strategic perspective.

October 2021, New York, USA
Tony Dragone

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→ A more sustainable Alimak Group

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Sustainability Governance

Sustainability Data

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Focus area
Sustainable Relationships

Sustainable relationships reflect who we are and how we act responsibly to develop our business, also in collaboration with external stakeholders. During the year, the Tractel acquisition led to an entire new organisation of 3,000 employees.

Employees play a key role in our endeavor to create and develop sustainable relationships. The process is based on respecting and supporting employees in their professional and personal development. Through recognition and feedback – combined with hard work and commitment – everyone is able to develop their skills and advance professionally. We seek to find and develop employees who can take responsibility, think creatively and identify new solutions – solutions that challenge the status quo and push boundaries in a way that paves the way for growth and success.

Motivate and inspire commitment

Alimak Group strives to be an attractive employer, where strong core values help us recruit, develop and retain talented and motivated employees. We benefit from being a leading company with some of the world's most spectacular projects in our customer portfolio, but also from being an exciting workplace with many development opportunities.

With the acquisition of Tractel in 2022, the organisation has grown to just over 3,000 employees, of which around 1,000 joined from Tractel. To enable effective communication and collaboration we focused strongly on ensuring all employees were on the same operating platform, which provided access to communication channels that allowed us to easily reach a substantial portion of the total workforce with critical and relevant information. Once these joint channels were established, they were used to provide clarity on strategy, goals and core values for the entire organisation, therefore increasing the feeling of inclusiveness and understanding of where the organisation is progressing.

The global employee engagement survey, called 'The Voice', had extra significance in the year's efforts to create unity and a joint organisation. The quarterly survey measures engagement across multiple drivers and now in 2023 encompasses all of Tractel's previous employees as well. The results are presented as an Employee Net Promoter Score (eNPS), which has been one of four sustainability targets since 2023. The survey asks employees to score their experience across various areas, and where they would like to see the greatest improve-

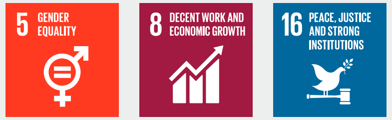
Agenda 2030

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

Goal 16 Peace, Justice and Strong Institutions



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.

"We benefit from being a leading company with some of the world's most spectacular projects in our customer portfolio, but also from being an exciting workplace with many development opportunities."

Annika Haaker
Chief People & Culture Officer

ments. While we acknowledge there's progress to be made, we are resolute in our determination to attain our objective. The results are used to create action plans at both global and local levels.

The areas that employees were most satisfied with in 2023 were aligned to goal setting, autonomy and meaningful work. Areas for focus included recognition and communication of strategy. In recent surveys Health and Wellbeing was identified as an area of focus for 2023.

One successful initiative during the autumn was a global health challenge: 'Active Together'. The global challenge contributed to our employees getting physical exercise a natural part of their everyday life, as well as the increased social interaction and team spirit at work. The challenge engaged nearly 500 employees across the global business and the enormous numbers of photos and videos people posted along with their exercises, was an amazing proof of the result; improved health and team spirit, and in the longer run also a step closer to the integration of Tractel.

Also, to strengthen motivation, engagement and recognition, a 'Years of service awards recognition' was introduced, where the company acknowledges and celebrates how long an employee has been working at Alimak Group.

Diversity is a strength

We believe that workplaces characterised by openness, diversity and inclusion are both stronger and more competitive. We therefore strive to ensure that all qualified applicants have equal opportunity for employment and development in the company, regardless of ethnicity, religion, colour, sex, national origin, disability, age or any other status protected by applicable law.

At year-end, the proportion of women in the Group was 17 percent (14). In the Group Leadership Team, the proportion of women was 3 of 10 (4 of 9). The proportion of women on the Board elected by the annual general meeting was 43 percent (44). A total of 22 percent women were members of the leadership teams of the divisions and Group functions.

To accelerate the process to achieve a gender balance, the 'Women lifting women' network was established in 2021 and had 50 participants at that time. The network is open to all women employees. The participants hold meetings to discuss everything from their own work to strategy, career development and sustainability. The network grew through the acquisition of Tractel and now consists of around 200 people.

Business ethics and human rights

The Code of Conduct is based on the UN Global Compact and governs the areas of human rights, labour and anti-corruption. According to the Code, all employees must be treated fairly and equally. We do not accept fraud, bribery or any form of corruption. When working with business ethics and human rights, it is important to ensure that employees understand and comply with the Code of Conduct. This is mainly secured via an e-learning course. In 2023 we introduced a more comprehensive Code of Conduct training course which was rolled out to all employees with twelve language versions to ensure an understanding across the entire workforce. By the end of 2023 over 90 percent of our employee base had completed the training. The Group also has a Code of Conduct for suppliers and business partners, as well as procedures for monitoring compliance with the Code. Monitoring is based on self-assessments and local audits. In 2023, the Group introduced a specific sustainability target for supplier assessments.

A total Employee Experience

Employer branding has been in focus in 2023, and by improving and optimizing the employees experience we will position all of our employees to be ambassadors for Alimak Group. Efforts are therefore ongoing to strengthen every part of the employee experience cycle. This cycle begins with recruitment or the integration of an employment through acquisition. From the induction phase, the experience is built up over the duration of the employment. Skills development, encouragement, reward, feedback and teamwork are all key factors in the total experience.

Ecosystem for development

Industrial and academic collaborations help to strengthen the market position, and to develop new standards and technologies that promote safety, productivity and sustainability. Alimak Group takes an active role in Latour's sustainability network for experience sharing. The collaboration spurs ideas and inspiration, and promotes new ways of working. Latour Sustainability Day is held every year, where panel debates and presentations are interspersed with discussions in selected areas. Alimak Group also takes part in the following collaborations:

- Linköping University – with the aim of further reducing the carbon footprint of our solutions.
- University in Zaragoza – a digital solutions partnership.
- Scaffcalc AB – collaborative project to integrate our transport platforms with Scaffcalc's application for safe scaffolding installations.
- Digital construction industry – part of an EU-funded project to evaluate future technologies for the construction industry.
- Production 2030 – an innovation programme to drive the development of new technologies for competitive production.
- Smart Built Environment – an innovation programme for digitalisation in the construction industry, with a focus on productivity and sustainability.
- Mistra REES – an R&D program to help Swedish industry transition to circular business models.

As part of its corporate social responsibility, Alimak Group supports Engineers Without Borders Sweden (EWB-SWE). This is a volunteer-driven organisation that leverages the engineering expertise of its members to solve challenges related to inequality and global development, and to engineer a sustainable future. The companies contribute financial support and expertise to EWB-SWE's global development projects. In 2023, Alimak Group was involved in a building materials project in Nepal. The Group's various operations also support organisations and associations in their local markets.

Alimak Group Sustainability Week

Sustainability is part of our DNA. In November, we celebrated this topic with a week dedicated to increasing sustainability awareness, improving health and wellbeing, working towards reaching sustainability targets and optimal employee engagement.

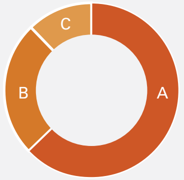
The week was a success across all 26 countries:

- Our leaders creating popular global videos to engage on sustainability topics.
- 500 employees signed up to the four-week Active Together challenge to promote physical health activities.
- A new Health and Safety policy was launched, and a global photo competition
- Our talented engineers worked with Engineers without Borders to help create new ideas for their brick quality needs in Nepal.

Local activities included sport challenges, sharing recipes for greener eating, employee engagement workshops, Recycle, Reuse and Reduce programs, cleaning up local environments within communities, providing extra health checks for employees, actions to reduce carbon footprint and much more.

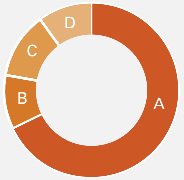
500 employees signed up to the four-week Active Together challenge to promote physical health activities.

Employees by region, %



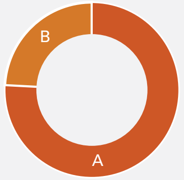
- A) Europe, 62
- B) APAC, 24
- C) Americas, 14
- D) ROW, 0

Employees by work category, %



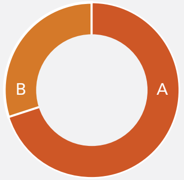
- A) Production and services, 68
- B) R&D and engineering, 10
- C) Sales and marketing, 12
- D) Administration, 10

Employees by gender, %



- A) Men, 83
- B) Women, 17

Group Leadership Team by gender, %



- A) Men, 70
- B) Women, 30

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ALIMAK GROUP

Focus area
Sustainable Solutions

The Group develops durable and robust products for safe and efficient work at heights. At the same time, the products are linked to well-thought-out services extending their service life. Renewable energy is used as far as possible in the manufacturing and assembly process, and when the products reach their end-of-life, they can mostly be recycled.

Sustainable solutions clarify what the Group does, meaning a description of the products and the equipment that we develop, manufacture and maintain. The description is broad and includes the product's lifecycle and other areas such as performance, quality, ease-of-use and reduced carbon footprint.

Scope 3 emissions

The company calculates its Scope 3 emissions, which are upstream and downstream emissions in the value chain from the production of the company's products or services. The calculations are based on life cycle assessments of the Group's product ranges. The method used for the life cycle assessments was developed in collaboration with Linköping University and is compliant with ISO 14040 and ISO 14044 standards. The assessments include everything from extraction and processing of raw materials, to supplier activities, transport, installation, maintenance, use and finally scrapping/recycling. The method for measuring our carbon footprint is under development, however, the results have already given a good indication of what each division need to do to reduce their Scope 3 emissions. Another 15 life cycle assessments (LCAs) were carried out in 2023, which means that 45 assessments have been carried out since 2021. The number of product ranges was sharply expanded when Tractel was acquired. That means that the LCAs carried out to date correspond to about 52 percent of all product ranges.

Scope 1 and 2 emissions – and Scope 3 emissions from business travel – are presented in a table on page 49.

Safe and efficient

Alimak Group is constantly focused on improving the safety, efficiency and ease-of-use of its products. This is carried out with proven systems and tools for quality assurance in all stages of development and manufacturing. All equipment complies with the requirements of applicable product standards and is third-party certified. Based on this, Alimak Group develops its own add-on systems that further enhance customer value, such as improved safety, higher performance and extended service life.

A typical example is Building Information Modelling (BIM) Gallery, where customers can download models of products and accessories from the Facade Access, Construction and Industrial divisions, and as of 2023, from Height Safety & Productivity Solutions as well. Visualising a product can help solve problems faster, especially when customers and their partners are producing new solutions. During the year, the number of objects downloaded from the BIM Gallery increased by more than 50 percent to approximately 6,500.

Another add-on system is Alicalc – an online tool where customers can calculate the mechanic stress forces from the construction hoists and platforms on the ground and into the building. Alicalc is thereby paving the way for safe installation and use of the machines. In 2023, Alicalc was launched to a broader audience and it was also integrated with the My Alimak customer portal. The portal provides users with up-to-date information about how to use the equipment. It also gives access to manuals, statistics and spare parts that can help to improve safety and operational performance. In 2023, Alimak Group received the 'Best Digital Development Award' for My Alimak – which was updated with several new features during the year – at the International Awards for Powered Access in Berlin.

Circular thinking

Service, rentals and refurbishment are key elements of circular thinking, which is becoming increasingly important. The life of a product can be extended with professional service like optimizations to use and smart maintenance schemes – leading to reduced environmental impact. Many divisions have an extensive service business, where preventive maintenance, repairs, spare parts and refurbishments enable a safe and extended service life. When the product reaches end of life, most of the metals can be recycled. In Europe and the US, more

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
Goal 11 Sustainable Cities and Communities

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"During 2023 the work to estimate our scope 3 emissions has continued with the aim of reducing our environmental impact and eventually setting a science-based target. During 2024 we will also use the collected life cycle data to efficiently align the group with the environmental aspects of the European Sustainability Reporting Standards (ESRS)."

Max Bäck
Lead Engineer Sustainability

than 95 percent on average of the metals in equipment manufactured by Alimak Group are re-cycled when the equipment reach end of life. Rentals are another example of circular business thinking. And in the construction area, rentals give customers an attractive alternative to purchasing.

Refurbishing, and offering more used products, is also contributing to making the business more circular. Alimak Group repurchases products from customers, and then refurbishes, reconstructs and resells them. The Group also has thousands of permanent units installed on properties and other infrastructure all over the world. Via these permanent installations, we can provide refurbishment to extend the life of existing infrastructure, which is resource-efficient and climate-smart and benefits both customers and the environment.

Intelligent sustainability

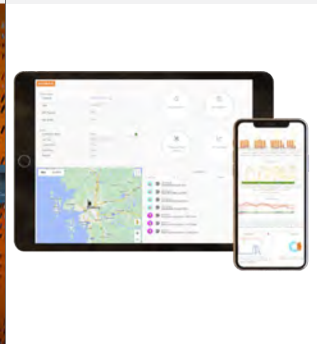
Access to data on how products are used during their lifecycle helps to optimise use and management of downstream Scope 3 emissions. Alimak Group is therefore focused on delivering more smart products with software-based control. This also applies to the service business where a web-based field service tool – Service Protocol – has been launched. The use of Service Protocol also enables automating administrative tasks such as planning and invoicing. With Service Protocol used for all installed base, we have a good base for predictive maintenance, which means that more service can be carried out pro-actively rather than reactively. This saves time and money and reduces the environmental impact, including Scope 3 emissions, as we can optimise the use and service as well extend the lifetime of our products.

Product launches 2023, some examples

Medius 350

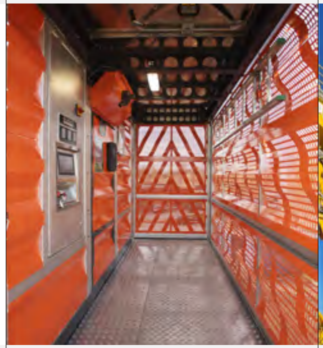
The Alimak Medius 350 with its compact, lightweight design reduces energy consumption, leaving a smaller environmental footprint. It is easy to install and features a compact base, facilitating easy transportation and enhancing overall logistics.

My Alimak



My Alimak is a customized web-based portal developed by Alimak Group for the safe and efficient use of products. The remote monitoring portal provides users with up-to-date information about their equipment.

Scando 650a



Scando 650a will drive productivity and enhance safety on construction sites. It also has a reduced environmental impact due to a 33 percent lighter hoist car and up to 28 percent lower energy consumption.

ME Gangway Lift

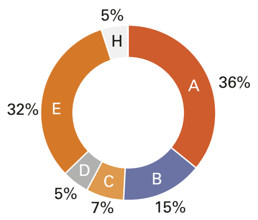
The ME Gangway Lift is specifically adapted for offshore wind support vessels and expands our reach in the growing offshore wind market.

Tracrod

Tracrod is an innovative solution designed for safe and efficient access to confined spaces. This technology empowers technicians to navigate a broader range of locations with increased ease and safety.

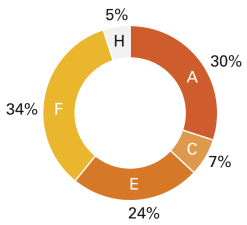
Estimated allocation of Scope 3 – per division

Facade Access division



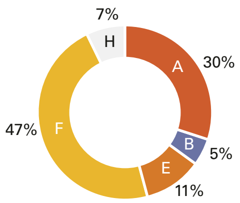
The division deliver and service Building Maintenance Units used to access the façade for various tasks – like cleaning, maintenance etc. About 60 percent of the carbon footprint is based on areas upstream our own operations. Most of the BMUs are large and bulky machines why the material used building 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



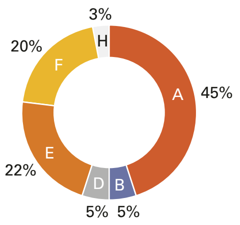
About 40 percent of the carbon footprint is based on areas upstream our own operations. The division products are critical components of a logistic chain at construction sites why the use phase is the largest contributor to the carbon footprint. Further, materials used in building the machine is the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

HSPS division



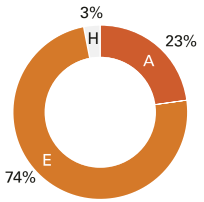
The HSPS division deliver productivity tools and products to ensure safety while working at heights. HSPS has a very wide range of product categories, with varying carbon footprint cross the value chain. With life cycle assessments covering about 45 percent of HSPS sales the mapping show that most of the emissions (61 percent) are generated downstream of our operations. Most likely the contribution from material extraction and refining will increase when more LCAs of passive safety products are complete. Improvement areas for the division include increasing energy efficiency in the use phase, increasing the share of low-carbon or recycled metals, and optimizing product maintenance.

Industrial division



The division offers industrial lifts and elevators for permanent installations at mining, power, cement, bridges, etc. About 50 percent 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.

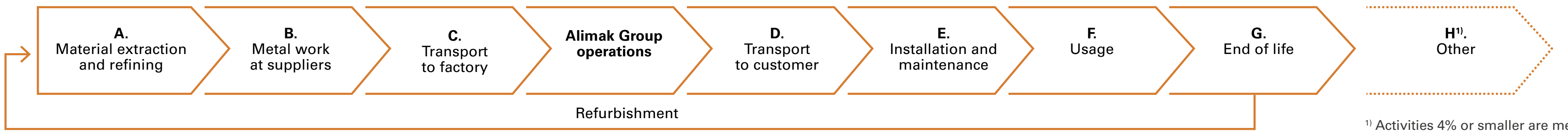
Wind division



The division produces solutions enabling a safe and efficient service of the wind turbines. About 75 percent 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.

Up- and Downstream activities of Alimak Group Operations



[1] Activities 4% or smaller are merged under H.

ALIMAK GROUP

Focus area
Sustainable Operations

Sustainable operations are created by reducing our carbon footprint, improving health and safety for our workforce and ensuring responsible sourcing. This process is focused on the areas we ourselves can influence – via investments in renewable energy, OHS initiatives, skills development and supplier assessments.

Sustainable value chain

In Alimak Group, our operations around the world prioritise both safety for our employees and our carbon footprint. Quality means, for example, that the products have a high performance and are safe to use throughout their lifetime. Our value chain includes research and product development, manufacturing, sales and service for products and solutions. Product development is aimed at improving and further developing our offering and is integrated with marketing, sales and production. The R&D units have about 100 employees who collaborate with customers in many projects to ensure the right priorities. Innovative products are under continuous development, where digital solutions are increasingly helping customers to optimise the use of their equipment. At the same time, digital tools are being developed to increase the efficiency and accuracy of service throughout the lifetime of the products.

Alimak Group has 26 production facilities in 15 countries. The products are distributed to more than 120 markets through our own service and sales network as well as distributors. Our manufacturing units are mainly assembly units. Most of the manufacturing, sales and service facilities are certified to ISO 9001:2015 standard to ensure proper quality management in all areas of the organisation as well as with stakeholders. The practical work with quality is decentralised. This means that division product managers have a specific responsibility for implementing quality enhancements, also in collaboration with key people in R&D and in the facilities. The value chain also includes a large network of suppliers and business partners. With their various products and services, they are helping to strengthen the Group's offering.

Safety first

In Occupational Health & Safety (OHS), safety is the most important element, for employees as well as partners. Most of our manufacturing, sales and service facilities are certified to ISO 45001:2018 standard to ensure proper OHS management in all areas of the organisation as well as with stakeholders. OHS is focused on preventive measures and fast rehabilitation to avoid long-term sickness absence. As support, a global health and safety council consisting of OHS specialists from the Group was established in 2022. The council meets on a monthly basis and is tasked with disseminating strategies, policies and targets, but also with sharing experience, following up the results of incidents and accidents, and analysing OHS trends. At the same time, these experts are helping to ensure compliance with the policy, strengthen the safety culture and raise risk awareness in their respective workplaces.

One example of measures that contribute to this is 'Safety Observations', where the importance of reporting is emphasised. All incidents that are reported are followed up and corrective actions are taken if necessary. Another example is 'Safety Walks', where a manager makes monthly inspections of the workplace to identify any risks in dialogue with the employees.

OHS also extends to IT security, where the focus lies on protecting the IT environment, software and data. Considerable investments have been made to strengthen this protection, which is also tested regularly to ensure its resilience.

A new, global Health and Safety Policy was implemented in 2023 that serves as guidance for managers and employees. Promotion of the Policy continued throughout the year, including at 'Sustainability Week' during the autumn when an information film describing the content of the Policy was presented. The importance of defining hazards and assessing risks was emphasised to an even greater extent in this context. The ambition is that all employees are actively engaged in our Health and Safety programs.

The new sustainability targets that Alimak Group set in 2023 also cover the OHS area. The obvious, long-term objective for the Group is zero harm, which applies to employees as well as any business partners who are

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
Goal 12	Responsible Consumption and Production

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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"Division product managers have a specific responsibility for implementing quality enhancements, also in collaboration with key people in R&D and in the facilities. The value chain also includes a large network of suppliers and business partners. With their various products and services, they are helping to strengthen the Group's offering."

Rhys Baker
Senior HSEQ Manager

working in the operations. The target that was set during the year for Lost Time Injury frequency rate (LTIFR) was less than two. It clarifies the Group's OHS expectations and helps to increase the employees' commitment.

Alimak Group provides support for employee health and well-being and encourages physical activity. The Active Together programme was launched during the autumn to encourage more employees to get together and walk, exercise or engage in other physical activities that promote health and well-being.

Targeted skills development

Managers and employees are offered training and skills development so they can perform their tasks and develop in the best possible way. Technicians receive training in safety and product knowledge. A common performance management model is used for development regardless of role or function. This enables continuous adaptation of the work for everyone and ensures that all employees complete regular performance conversations.

During these conversations, employees present their goals and ambitions in a dialogue with their line manager, and determine what is needed to achieve them. The personal development plan can include further training or changes to the content of their work. Mentoring and coaching also plays an important role when it comes to creating the right conditions for employees to develop. As part of the follow-up, performance check-ins can be held several times per year as the plans are gradually adapted.

To raise awareness of health and safety, the global Sustainability Week has been arranged since 2022. The goal is to engage and highlight sustainability and inspire more initiatives at both global and local level. At this year's event, the significance of risk assessments and proactive OHS initiatives were highlighted. Sustainability Week also featured guest speakers, various workshops and in-depth information about the common Health and Safety Policy. Throughout the week, ideas and suggestions were also gathered from across the globe to make Alimak Group a greener and safer place to work.

Reducing carbon footprint

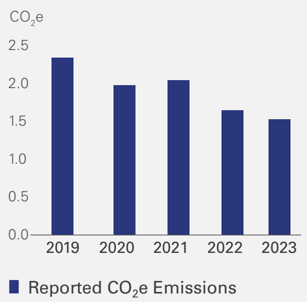
Over the past few years, Alimak Group has reduced its GHG emissions in relation to revenue. In 2023, this trend was broken. The main reason is the higher emissions in the newly acquired units. In the next step, the initiatives that have proved successful in other parts of the Group will be systematically rolled out in all newly acquired units. These include energy efficiencies, the phase-out of fossil fuels, increased electrification of the vehicle fleet and less polluting modes of transport.

- Scope 1 emissions are mainly from the company's own vehicle fleet and the gas heaters used in production. The number of electric cars is gradually increasing and accounted for more than 10 percent of the vehicle fleet in 2023. Gas-powered equipment is being replaced by electric-powered equipment and the use of electric forklifts and other industrial vehicles is growing. Compared with 2019 (the base year), emissions decreased with 29 percent.

- Scope 2 emissions consist for a large majority of emissions from electricity consumption and a much smaller share is district heating for the Skellefteå Factory. Gradual improvements have also been made to reduce this type of emissions. Production facilities in Sweden, Germany and Denmark have already switched to renewable electricity for their operations. During the year one of our factories in China, producing for the Wind division, and our Spanish Facade Access factory both transitioned to using renewable electricity. Overall emissions decreased 49 percent compared with the base year of 2019. Several units – mainly within the EU – are mapping their energy consumption, presenting opportunities for improved efficiency.

- Scope 3 emissions, in this context, are mainly from business travel. These emissions have increased in post-pandemic years with the comeback of business travel. However, business travel is not expected to return to pre-pandemic levels. This is because many meetings and contacts are now managed via Teams and other digital services. Scope 3 emissions decreased with 32 percent compared with base year 2019.

Reported CO_2e Emissions



Scope1–3, ton CO_2e/MSEK revenue

Insofar as possible, Alimak Group chooses less polluting modes of transport, where sea freight takes precedence over air freight, and combined transport is used as much as possible. The delivery method is usually determined by the customer but, wherever possible, equipment is delivered using the most environmentally friendly mode of transport. Local resources – employees, equipment and spare parts close to customers – are used for installation, service and maintenance to generate the lowest possible emissions.

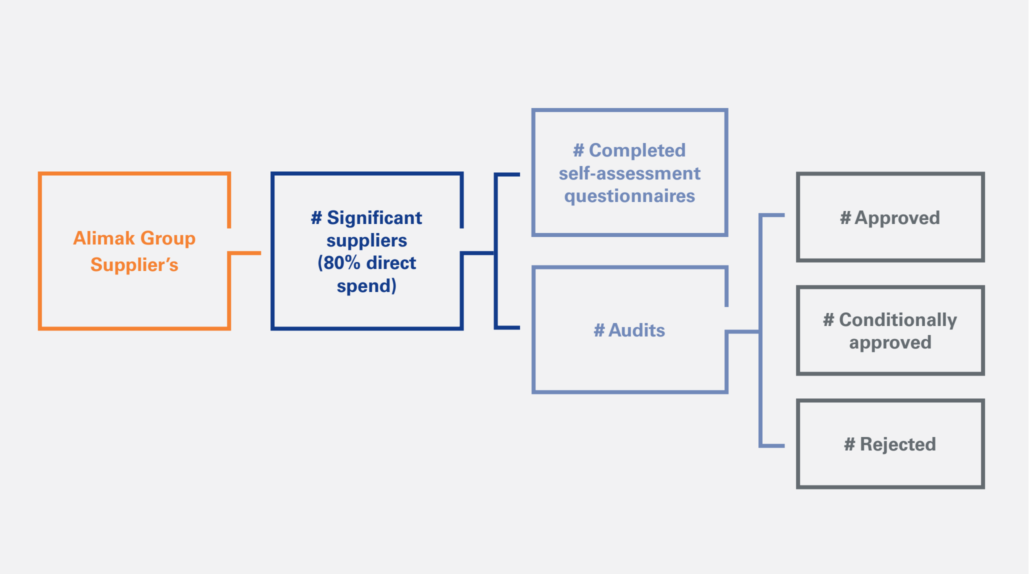
Responsible sourcing

Alimak Group has many suppliers all over the world and the number was further increased by the acquisition of Tractel. The Group aims to be a reliable business partner and build long-lasting relationships with these suppliers to secure customer deliveries. The Code of Conduct for suppliers is now attached to all purchase orders by default. The Code sets out the minimum requirements that suppliers must meet in the following areas:

- Human rights and fair working conditions
- Environment, health and safety
- Business ethics, and
- Responsible sourcing.

During the year, a mapping of the supply chain from a sustainability perspective commenced. This process is also linked to one of the four Group-wide sustainability targets adopted in 2023. The mapping is carried out using a well established web-based platform, where suppliers are asked thirty questions. The results can be used for risk assessments, and for setting targets and requirements for improvements. The target is to assess suppliers representing 80 percent of the annual spend on direct materials. That equates to about 400 companies. At the end of 2023, 300 of these had completed their self-assessment.

Supplier assessment process from January 2023



The first electric service bus in the Netherlands.

ALIMAK GROUP

Sustainability Governance

Sustainability is integrated and the backbone of Alimak Group's operations. Our core values, policies and guidelines guide our daily work.

An integrated process

Sustainability is integrated with all daily work – from the Board to local operations. At Group level, the responsibility for sustainability rests with the President and CEO. The Group's Chief Technology Officer is responsible for issues related to the environment and climate, the Chief People & Culture Officer for social sustainability, including Occupational Health & Safety (OHS), and the Chief Financial Officer is responsible for governance and compliance. External experts support the management team with strategy, implementation and monitoring. The management team is responsible for creating the management and reporting scheme and KPIs, but also manages the monitoring and review process and makes decisions on appropriate actions. Requirements, trends and external changes are monitored by the Audit Committee on behalf of the Board.

In the operations, OHS performance is monitored and KPIs such as the Total Recordable Injury frequency rate (TRIFR), safety observations and Lost Time Injuries (LTIs) are reported to the management on a monthly basis. CO_2 emissions and other KPIs are reported at least once per quarter.

Governing Code of Conduct

The Code of Conduct is the most important instrument of governance. Alimak Group is a participant in the UN Global Compact and the Code is aligned with its principles on human rights, labour, environment and anti-corruption. The Code of Conduct is also based on the Group's core values, international and national legislation, and international standards and conventions, including the OECD Guidelines for Multinational Enterprises.

The executive vice president for each division is responsible for ensuring that their employees have read and understood the Code. Group-wide e-learning is used for support. This e-learning was launched in 2023, when the Code of Conduct was also revised in conjunction with the acquisition of Tractel. There is also a separate Code of Conduct for suppliers and business partners. This Code applies when purchasing, bidding and signing or renewing agreements. The Group has procedures in place for monitoring compliance with this Code, comprising self-assessments and local audits.

Joint whistleblowing system

The whistleblowing channel enables everyone to report suspected misconduct and any breaches of the Code of Conduct anonymously. The channel is managed by WhistleB, an external service provider. All messages are encrypted and can be reported in 16 languages. Reports made in good faith shall receive a swift, fair and thorough investigation.

The recipients of the reports – who are also responsible for ensuring they are addressed correctly – are the Group's Chief Financial Officer, the Head of Group Tax & Legal, the Chief People & Culture Officer and the Chair of the Board's Audit Committee. Reports are presented at Board meetings and to the Audit Committee. In 2023, eight reports were received. Most were related to HR, but some pertained to suspected conflicts of interest. All cases were investigated and handled within a reasonable time, and feedback was given to the person who made the report.

Topics covered by the Code of Conduct

- Freedom of association and collective bargaining
- Prohibition of discrimination
- Occupational health and safety
- Prohibition of child labour and forced labour
- Labour
- Environmental protection and management
- Ethical business practices
- Zero tolerance of bribery and corruption
- Responsible purchasing
- Whistleblowing reporting

Other policies and guidelines for handling material sustainability issues

- Sustainability Policy
- Corporate Governance Policy
- Business ethics guidelines
- Manager's Handbook
- Employee Handbook

ALIMAK GROUP

Sustainability Data

Alimak Group measures its sustainability performance across several metrics listed in the table below. During 2023 Tractel has been integrated into the reporting and where required, data has been restated back to 2019.

Sustainability KPIs	2023	2022	2021	2020	2019
Electricity and district heating, MWh/revenue in MSEK[1]	2.16	2.32	2.93	3.02	3.01
Share of renewable electricity, %	56	N/A	N/A	N/A	N/A
CO_2e emissions, ton/revenue in MSEK[1]	1.53	1.65	2.05	1.98	2.35
Share of product range covered by LCA studies, %	52	50	8	N/A	N/A
Lost time injury frequency rate (LTIFR), all sites	6	5	9	7	10
Total recordable injury frequency rate (TRIFR)[2], all sites	12	10	17	12	19
e-NPS	+15	+6[3]	N/A	–6	–14
Supplier assessments, %	60	N/A	N/A	N/A	N/A

[1] Previous years have been recalculated due to the acquisition of Tractel.
[2] TRIFR includes MTI, LTI and FTI.
[3] Average from three surveys (–2, +7, +13)

CO_2e emissions, ton/revenue in MSEK[1]	2023	2022	2021	2020	2019
Scope 1					
Fossil powered cars and machines	0.76	0.79	0.98	0.90	1.07
Cars	*0.49*	*0.50*			
Fossil powered Equipment	*0.27*	*0.29*			
Scope 2					
Emissions from purchased energy	0.33	0.45	0.62	0.65	0.64
Electricity emissions	*0.31*	*0.42*			
District heating emissions	*0.03*	*0.03*			
Scope 3					
Business travel	0.44	0.40	0.46	0.43	0.64
Car not owned by company	*0.03*	*0.03*			
Air travel	*0.37*	*0.35*			
Other business travel	*0.03*	*0.02*			
Summary	**1.53**	**1.65**	**2.05**	**1.98**	**2.35**

[1] Previous years have been recalculated due to the acquisition of Tractel.

Scope 1 Direct CO_2e emissions from sources owned or controlled by the organisation
Scope 2 Indirect CO_2e emissions from purchased energy
Scope 3 Other indirect CO_2e emissions

EU Taxonomy

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. 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 2023 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 described 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 above taxonomy-eligible activities are regarded as "enabling" and they are related to the environmental goal climate mitigation.

In 2023 a review was made of the substantial contribution criteria for the following environmental goals; water, circular economy, pollution prevention and biodiversity. The activities listed for water, pollution prevention and biodiversity are not relevant to Alimak Group's business. The environmental goal circular economy describes some activities that could be relevant for the service businesses carried on by the Group's remaining four divisions, such as sale of spare parts and repair and refurbishment. A more detailed analysis is however required of the descriptions of these activities and the intention is to continue that work in 2024.

Alimak Group does not operate or have exposure to (lending to or investments in) energy companies that produce energy using nuclear power or natural gas.

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)

In order for the activities to be regarded taxonomy-aligned, a substantial contribution to one of the environmental goals is required at the same time as no significant harm is caused to any of the other environmental goals. The management team in the Wind division has done work to analyse and ensure that the Wind operations do not cause significant harm to any of the other five environmental goals. See table on next page.

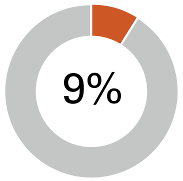
Minimum Safeguards

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:

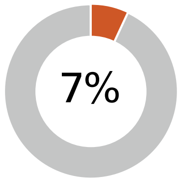
- all employees have written employment contracts
- employee survey conducted regularly

SHARE OF ECONOMIC ACTIVITIES THAT IS TAXONOMY-ALIGNED

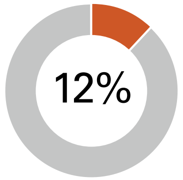
Turnover



Capital expenditure



Operating expenditure



- whistleblowing channel, available for both internal and external stakeholders, allowing anonymous reporting in 16 languages
- health & safety procedures
- code of conduct and ethical business guidelines
- updated code of conduct e-learning provided to all employees in 2023
- code of conduct for suppliers and processes to ensure compliance

As part of our commitment to manage human rights risks in the supply chain we have partnered with Worldfavor. The platform provided by Worldfavor helps us collect and analyse information from our suppliers on their environmental, social and governance ("ESG") performance. As a first step our suppliers are requested to fill out a questionnaire. We thereafter make a review of the answers and assess each supplier based on their ESG performance and risks. The risk score is the basis for an action and audit plan.

The conclusion from the conducted analysis of substantial contribution, do no significant harm criteria and minimum safeguards, is that all activities carried out by Alimak Group's Wind division is taxonomy-aligned.

Applied accounting policy

The same accounting policy was applied in 2023 as in the 2022 reporting. All revenue generated by the Wind Division is reported as taxonomy-aligned. See also note 4 Segment Reporting. All reported capex and opex relate to the activities that have been included in the turnover KPI, i.e. the revenue generated by the Wind division.

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.

Development during the reporting period

The Wind division's turnover in 2023 amounts to MSEK 674 (2022 MSEK 542). Despite the fact that the taxonomy-aligned turnover expressed in MSEK has increased, the proportion expressed in percent has decreased from 12 percent to 9 percent. The reason is the acquisitions made by Alimak Group in 2022 and that the acquired companies conduct activities that are not yet covered by the-taxonomy.

The Wind division's capital expenditure in 2023 amounts to MSEK 20 (2022 MSEK 4). The increase is mainly due to that the division's Chinese production facility moved to a new location and that the lease contract was reported in accordance with IFRS16 in January 2023. Expressed as a percentage, the group's capital expenditure for taxonomy-aligned operations increased from 4 percent to 7 percent. Operating expenses for taxonomy-aligned operations amount to MSEK 31 (2022 MSEK 22), corresponding to 12 percent of the group's total operating expenses.

Do No Significant Harm criteria (DNSH)	Comments	Assessment
Climate change adaptation: to identify and assess physical climate risks	A risk assessment of physical climate risks was conducted in 2022. Additional work has been done in 2023 to refine the analysis. The analysis has been made from three perspectives; our own operations, our supply-chain and our customers. Both risks and opportunities have been identified and assessed. The main climate risk relating to the supply-chain and our own operations is the risk of business interruptions due to different kinds of extreme weather. Mitigation activities and business continuity plans addressing these risks are in place. From a customer and product angle, we see certain opportunities resulting from changes in wind patterns.	Compliant
Sustainable use and protection of water and marine resources	The Wind division operates in certain countries with water scarcity, e.g. Spain, Brazil and China. Alimak Group aims to gradually reduce water consumption and to have processes for waste water treatment in our production facilities. Measurements of water consumption has shown that the Wind production consumes little water since it is an assembly activity.	Compliant
Transition to a circular economy • Reuse and use of secondary raw materials and re-used components • Design for high durability and recyclability • Waste management • Information on and traceability of substances of concern	There are many 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. Various initiatives are ongoing to increase the percentages. • Life Cycle Assessments ("LCA") have been performed for the main products to understand which development projects to prioritise. Avanti strives for standardisation, modularity and increased durability in its product design. • Within the lean manufacturing program there are several ongoing activities with a target to reduce waste from the manufacturing and logistics processes. • Traceability records are kept in digital format to track Avanti equipment and selected components during procurement, production and the use-phase. Manuals contain instructions for an environmentally friendly dismantling and recycling of the product.	Compliant
Pollution prevention and control	The Wind division has a chemical and material blacklist that they request suppliers to sign and adhere to. The Wind division does not use substances of concern in its own manufacturing process.	Compliant
Protection of biodiversity and ecosystems	The sites belonging to the Wind division are not located in biodiversity-sensitive areas.	Compliant

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				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**	**Proportion 2022**	**Category enabling activity E**	**Category transitional activity T**
A. Taxonomy-eligible activities														
A.1 Taxonomy-aligned activities														
Manufacture of renewable energy technologies	3.1	454	6%	Y	N/A	Y	Y	Y	Y	Y	Y	8%	E	–
Installation, maintenance and repair of renewable energy technologies	7.6	220	3%	Y	N/A	Y	N/A	N/A	N/A	N/A	Y	4%	E	–
Turnover of taxonomy-aligned activities		674	9%									12%		
Whereof enabling activities			*9%*									*12%*		
Whereof transitional activities			*0%*									*0%*		
A.2 Activities that are taxonomy-eligible but not taxonomy-aligned														
Nothing to report		0	0%									0%		
Turnover of taxonomy-eligible but not taxonomy-aligned activities		0	0%									0%		
Total A.1 + A.2		674	9%									12%		
B. Taxonomy non-eligible activities														
Turnover of taxonomy non-eligible activities		6,423	91%											
Total (A+B)														
Total revenue		7,097	100%											

Proportion of turnover / total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	9%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

				Substantial contribution	Do No Significant Harm (DNSH)									
Economic activities	**Code**	**Proportion of CapEx** (MSEK)	**Proportion of CapEx** (%)	**Climate change mitigation**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Proportion 2022**	**Category enabling activity E**	**Category transitional activity T**
A. Taxonomy-eligible activities														
A.1 Taxonomy-aligned activities														
Manufacture of renewable energy technologies	3.1	13	5%	Y	N/A	Y	Y	Y	Y	Y	Y	3%	E	–
Installation, maintenance and repair of renewable energy technologies	7.6	6	2%	Y	N/A	Y	N/A	N/A	N/A	N/A	Y	1%	E	–
CapEx of taxonomy-aligned activities		20	7%									4%		
Whereof enabling activities			*7%*									*4%*		
Whereof transitional activities			*0%*									*0%*		
A.2 Activities that are taxonomy-eligible but not taxonomy-aligned														
Nothing to report		0	0%									0%		
CapEx of taxonomy-eligible but not taxonomy-aligned activities		0	0%									0%		
Total A.1 + A.2		20	7%									4%		
B. Taxonomy non-eligible activities														
CapEx of taxonomy non-eligible activities		266	93%											
Total (A+B)														
Total CapEx		285	100%											

Proportion of CapEx / total CapEx

	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	7%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Economic activities	Code	Proportion of OpEx (MSEK)	Proportion of OpEx (%)	Substantial contribution: Climate change mitigation	DNSH: Climate change mitigation	DNSH: Climate change adaptation	DNSH: Water and marine resources	DNSH: Circular economy	DNSH: Pollution	DNSH: Biodiversity and ecosystems	Minimum safeguards	Proportion 2022	Category enabling activity E	Category transitional activity T
A. Taxonomy-eligible activities														
A.1 Taxonomy-aligned activities														
Manufacture of renewable energy technologies	3.1	21	8%	Y	N/A	Y	Y	Y	Y	Y	Y	7%	E	–
Installation, maintenance and repair of renewable energy technologies	7.6	10	4%	Y	N/A	Y	N/A	N/A	N/A	N/A	Y	2%	E	–
OpEx of taxonomy-aligned activities		31	12%									9%		
Whereof enabling activities			*12%*									*9%*		
Whereof transitional activities			*0%*									*0%*		
A.2 Activities that are taxonomy-eligible but not taxonomy-aligned														
Nothing to report		0	0%									0%		
OpEx of taxonomy-eligible but not taxonomy-aligned activities												0%		
Total A.1 + A.2		31	12%									9%		
B. Taxonomy non-eligible activities														
OpEx of taxonomy non-eligible activities		221	88%											
Total (A+B)														
Total OpEx		252	100%											

Proportion of OpEx / total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	12%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Board Signatures on the Statutory Sustainability Report

The Board of Directors and the President & CEO hereby declare the Sustainability Report for the 2023 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, 14 March, 2024

Johan Hjertonsson
Chairman of the Board

Helena Nordman-Knutson
Board member

Zeina Bain
Board member

Tomas Carlsson
Board member

Sven Törnkvist
Board member

Petra Einarsson
Board member

Örjan Fredriksson
Board member & Employee representative

Urban Granström
Board member & Employee representative

Ole Kristian Jødahl
President & CEO, Board member

Auditor's report on the Statutory Sustainability Statement

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 2023 on pages 36–55 and 62–68 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, 18 March, 2024
Ernst & Young AB

Henrik Jonzén
Authorised Public Accountant

Board Report

Content

May 2023, Jakarta, Indonesia
Hana Rahimin

ALIMAK GROUP

Directors' Report

The Board of Directors and the President & CEO of Alimak Group AB hereby present the Annual Report and consolidated accounts for the 2023 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 26 production and assembly facilities in 15 countries across the world, along with our internal sales and service network and external distributors that supply and maintain vertical access solutions in more than 120 countries.

During 2023, operations were divided into five divisions: Facade Access, Construction, Height Safety & Productivity Solutions, Industrial and Wind, which also were the Group's operating segments.

The Facade Access division offers permanently installed equipment and systems that enable regular access to the facade 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 Height Safety & Productivity Solutions division offers 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 ESG compliances.

Sustainability and corporate responsibility

The Group's Code of Conduct is based on the ten principles of UN Global Compact and covers the areas human rights, labour, environment, and anti-corruption. The Code of Conduct defines the Group's ways of working, to ensure that all activities and stakeholder interactions are carried out with a high degree of integrity. The Group has developed a sustainability framework with three focus areas: Sustainable Relationships, Sustainable Solutions and Sustainable Operations.

Significant events during the year

Continued execution of the New Heights programme

We sustained our commitment to a profitable growth agenda, achieving a record-high order intake of MSEK 7,027 and MSEK 7,097 in revenue. EBITA reached MSEK 1,145 (603), with an adjusted EBITA margin of 16.2 percent (13.6). Our robust performance is underscored by a strong cash flow from operations at MSEK 1,067 (501), a result of increased earnings and enhanced working capital management.

Integrating 1,000 new employees

A primary focus has been on integrating the over 1,000 employees from Tractel who joined our Group by the end of 2022. Recognizing employees as our most valuable asset, it has been truly impressive to witness the high level of engagement and dedication demonstrated by our team in building a stronger and more resilient industrial Group with a global reach.

Rights issue completed

Alimak Group completed a rights issue during the year to repay the bridge loan facility that was raised in conjunction with the acquisition of Tractel. The rights issue was fully subscribed to and provided Alimak Group with proceeds amounting to approximately MSEK 2,500.

Updated financial targets and sustainability targets

On 14 June, our new financial and sustainability targets were presented at a Capital Markets Day in Stockholm, Sweden. The background is the successful achievement of the financial targets set two years ago. The new financial and sustainability targets not only reflect our vision for accelerated profitable growth but also underscore our commitment to workplace safety, social responsibility, and the reduction of our climate impact.

Continued product and services development

Innovation and technological leadership are pivotal focuses within our strategy for profitable growth. Among product launches this year, the Scando 650a has a reduced environmental impact with 28 percent lower energy consumption. The Medius 350 boasts a compact base, facilitating convenient transportation on conventional trucks and optimizing logistics. Designed for secure and efficient access to confined spaces, Tracrod is another highlight. Meanwhile, the Silo Lift SE240L is tailored for silos, storage vessels, tanks, and small cranes. Addressing the unique needs of offshore wind support vessels, the ME Gangway Lift is specifically adapted for this demanding environment.

Recognition for best digital development

On 20 April, My Alimak was awarded the 'Best Digital Development Award' at the International Awards for Powered Access in Berlin. It's a great recognition that shows Alimak Group is at the forefront of digital development in our industry.

Changes in the Group Leadership Team and Board of Directors

As of 1 September, Jens Holmberg assumed the position as Executive Vice President for the Industrial division. Jens Holmberg transitioned to Alimak Group from Sandvik, where his most recent role was as Division President of Sandvik Rock Tools in the Mining and Rock Solutions Business Area. Furthermore, Zeina Bain was elected as new board member at the Annual General Meeting in May. Fredrik Marklund, an employee-elected board member, resigned from the Board of Directors, and Urban Granström was appointed as his successor.

Workplace accident in Sweden

On 11 December, a tragic workplace accident occurred at a construction site in Sweden, involving a construction hoist manufactured by Alimak Group. The hoist used in the accident was an Alimak Scando 650, a standard lift used on construction sites to transport passengers and materials at height. It has been manufactured in thousands and is used on construction sites every day all over the world. Three senior experts from the Alimak Group, together with investigators from the Swedish Accident Investigation Authority and the police, attended the accident site for observation. Based on the observations made, we concluded that two of the mast sections holding the hoist in place had not been bolted together, which may be the reason why the hoist car fell to the ground. This is a significant deviation from the installation instructions. The installation was not carried out by Alimak Group.

Repurchase of own shares

On 27 October, 2023, 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 1,000,000 shares were repurchased during the fourth quarter of 2023. Par value per share is SEK 0.02.

Facade Access profitability improvement

As part of the transformation program in the Facade Access division to deliver significantly improved margins over time, Alimak Group considers consolidating the assembly activity in Mammendorf, Germany, to the manufacturing facility in Madrid, Spain. Discussions have commenced with the German works council.

Financial overview

Multi-year overview

MSEK	2023	2022	2021	2020	2019
Revenue	7,097	4,512	3,728	3,740	4,587
Operating profit, EBIT	945	546	448	278	565
Profit before tax, EBT	681	485	410	241	509
Net profit for the year	515	376	307	183	394
Balance sheet total	13,683	14,327	5,902	5,619	6,417
Equity/assets ratio, %	51	31	65	63	57
Average number of employees	2,956	2,134	2,057	2,049	2,286

Revenue and operating profit (EBIT)

Revenue for the Group totalled MSEK 7,097 (4,512). Operating profit (EBIT) increased to MSEK 945 (546), representing an operating margin of 13.3 percent (12.1). 2023 was affected by non-recurring items of MSEK –5 (-13).

Analysis per segment

	2023		2022	
MSEK	Revenue	Operating profit	Revenue	Operating profit
Facade Access	1,992	51	1,372	41
Construction	1,748	288	1,346	236
Height Safefy & Productivty Solutions	1,410	197	111	23
Industrial	1,386	320	1,140	214
Wind	674	95	542	45
Interdivision elimination	–112	–	–	–
Items affecting comparability	–	–5	–	–13
Total	**7,097**	**945**	**4,512**	**546**

Division Facade Access increased revenue by 45 percent to MSEK 1,992 (1,372) with an organic decrease of 5 percent. We continued to see some project delays , more specifically in North America. EBIT increased to MSEK 51 (41). Costs relating to the review of old projects with low profit levels had a dampening effect. The recently acquired Tractel business maintains a high profit level.

Divsion Construction increased revenue by 30 percent to MSEK 1,748 (1,346) with an organic increase of 6 percent driven by solid development in new equipment, services and rental.

Division Height Safety & Productivity Solutions revenue was MSEK 1,410 (111). On top of including Tractel for a full year compared to five weeks in 2022, there was continued growth in the division. EBIT was MSEK 197 (23).

For the Industrial divison the revenue increased by 22 percent to MSEK 1,386 (1,140). The development was strong, particularly for new equipment. Aftermarket revenue continued to develop in a solid way and market activity remained strong. The operating result increased due to higher revenues and good cost control.

For the Wind division the revenue increased by 24 percent to MSEK 674 (542). Sales in new equipment was strong. EBIT increased to MSEK 95 (45) due to dedicated efforts to increase margins through an effective sales process, active price management, and cost control.

Financial income and expense

Net financial items for the year amounted to MSEK –265 (–61) Interest net was MSEK –230 (–44). The impact from IFRS 16, Leasing, was MSEK –11 (–6) 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 interest rates.

Tax

The total tax expense for the year was MSEK 165 (109), corresponding to an effective tax rate of 24.3 percent (22.5). 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 9.

Profit for the year

Profit for the year totalled MSEK 515 (376). Comprehensive income for the year totalled MSEK 365 (743). 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.

Cash flow

Cash and cash equivalents at 31 December, 2023 totalled MSEK 739 (869). The Group's cash flow from operating activities totalled MSEK 1,067 (501) impacted by increased trade receivables, inventory build-up and increased contract assets. The Group's cash flow from investing activities amounted to MSEK –193 (–5,734). The Group's cash flow from financing activities totalled MSEK –986 (5,738).

Financing and financial position

The Group's balance sheet total was MSEK 13,683 (14,327) at year-end. Net debt totalled MSEK 3,105 (6,074), primarily consisting of loans from credit institutions (see Notes 18 and 21). Compared with 31 December, 2022 trade receivables reduced from MSEK 1,382 to MSEK 1,330. Inventories decreased from MSEK 1,196 to MSEK 1,186.

Investments

The Group's investments in property, plant and equipment totalled MSEK 185 (75). Depreciation during the period amounted to MSEK 105 (77).

Intangible assets

At year-end, the carrying amount for intangible assets was MSEK 8,420 (8,696), of which goodwill comprised MSEK 5,882 (5,950). The yearly impairment test did not indicate any impairment need of the carrying amount of goodwill.

Equity

On 31 December, 2023 the Group's shareholders' equity totalled MSEK 6,955 (4,377). In addition to the result from the year's operations, the change in equity reflects the dividend paid of MSEK 194 and other changes of MSEK –151, of which MSEK –163 comes from the translation reserve for foreign operations, MSEK –75 relates to repurchase of shares and the remaing relates to share based compensation, cash-flow hedges and revaluation of pension plans. The Group repurchased 1,000,000 own shares for MSEK 75 during 2023. The Group completed the share issue during 2023 with MSEK 2,477.

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 average number of employees in 2023 was 2,956 (2,134). At year-end, the number of employees totalled 3,046 (3,176). Salaries and remuneration during the year amounted to MSEK 1,858 (1,227).

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 150 (117).

Outlook

Alimak Group has a market leading range of high-quality products and services in selected niches. With a presence in more than 120 countries, the Group develops, manufactures, and sells vertical access and working at height solutions with a wide range of usage that add customer value through enhanced safety, higher productivity, and improved cost efficiency. The product offering is complemented with a global service organisation that provides support throughout the entire lifecycle of equipment, including routine maintenance, repairs, renovations, retrofits, and replacements. During 2024, 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 the strong trends of urbanisation, verticalization of cities, electrification, and increased global focus on health and safety. There is also a growing demand for efficient access solutions that reduce our customers' climate footprint and increase productivity. All of this brings fundamental growth to our business.

Environmental impact

Alimak Group's impact on global warming is distributed throughout the value chain, with the most significant impact found in scope three. Within the value chain, large shares of the emissions are located upstream of our operations in material extraction and refinement. Additionally, emissions are found downstream of our operations in the energy usage of products at customer sites and in product maintenance. The Group actively works to reduce its environmental footprint, focusing on procuring more sustainable materials. R&D efforts are underway to reduce the impact of maintenance, decrease product weight, and enhance the energy efficiency of our products.

All major production and assembly sites are certified according to ISO14001 and several locations are also certified according to OHSAS18001 / ISO45001. The Group has conducted a comprehensive review of the stakeholder dialogue and materiality analysis, resulting in an updated framework for sustainability focus areas, along with new Key Performance Indicators (KPIs) and targets. The Group has also implemented a sustainability target to reduce CO_2-footprint with 30 percent cross our value chain by 2025 compared to 2019, and made the decision to move towards the Science Based Targets.

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 36–55 in this document and on pages 62–68 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 approximatly SEK 2,151,462, represented by 107,573,111 shares. The Group has just one class of share, and all shares carry one voting right.

On 31 December, 2023 Investment AB Latour, the single largest shareholder in Alimak Group, held 32,033,618 shares, corresponding to 29.8 percent of both votes and share capital. Alantra EQMC Asset Management held 11,379,125 shares, corresponding to 10.6 percent of the shares. NN Group N.V. held 11,295,000 shares, corresponding to 10.5 percent of the shares. Alimak Group owned 1,742,611 own shares as of 31 December, 2023 with a par value of SEK 0.02, corresponding to 1.6 percent 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 122–124.

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 69–79 of this document.

Current guidelines from the Board for remuneration payable to senior executives

At the annual general meeting in 2022, it was resolved to adopt the following guidelines for salary and other remuneration to directors, President and Chief Executive Officer (CEO), and other senior executives, in accordance with the Board's proposal. 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 percent of the fixed remuneration for the CEO and up to 50 percent 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 percent 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 2023, 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.

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 six months on his/her part and twelve months on the part of the Company. Between the Company and other senior executives, a mutual notice period of six months normally applies. On entering into new employment agreements, agreement may be made with senior executives on severance pay corresponding to a maximum of twelve 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.

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. Only the CEO is 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 11 (12) and an operating loss of MSEK –41 (–23) was recorded. Financial net totalled MSEK 389 (344) and profit before tax for the year amounted to MSEK 413 (316). Profit for the year was MSEK 408 (312).

At the end of the year, the equity/assets ratio was 63.2 percent (35.3). By resolution of the 2023 AGM, a dividend of MSEK 194 was paid to shareholders, corresponding to SEK 1.82 per share.

At year-end, the Parent Company's cash and cash equivalents, including unutilised credit commitments and overdraft facilities, totalled MSEK 1,858 (1,689).

Proposed appropriation of profit

The following amounts are available for distribution by the AGM (SEK)	
Retained earning	5,407,588,647
Net profit for the year	408,070,173
	5,815,658,820

The Board proposes that the amounts be distributed as follows	
Dividend of 2.50 SEK per share to be paid to share-holders*	264,576,250
To be carried forward	5,551,082,570
	5,815,658,820

* The proposed record day for dividend payment is 2 May, 2024. The amount proposed as dividend corresponds to SEK 2.50 per share, based on the existing number of shares, 107,573,111 and excluding the 1,742,611 shares held by the Group as per record day.

ALIMAK GROUP

Risks and Risk Management

Alimak Group monitors and manages risks in its operations. Risk is defined as uncertainty, whether positive or negative, which might affect the outcome of an activity. By managing risks, Alimak Group aims to identify and control the exposure to risks that may have an impact on the achievement of the organisation's business objectives.

The Risk Management Process at Alimak Group starts with the identification of risks affecting the Group. These risks are assessed and scored in terms of likelihood and financial impact. This first assessment is done by the divisions and group functions. Later, a prioritisation process is performed by the Group Leadership Team to determine which risks take focus. Mitigation actions are established, and risks are reassessed to land on a risk score target. Owners and timelines for mitigation actions are agreed upon. Mitigation actions are implemented and the risks continue to be monitored as needed.

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. The sustainability risks are included among the operational risks.

The Risk Management Process is supported by a framework involving a yearly risk assessment process, group policies, external audit, self-assessment exercises, a whistleblowing system, and by a strategic composition of the boards in the subsidiaries.

The Group's CEO and CFO present regular risk updates to the Audit Committee and the Board. The Board is the ultimate responsible for ensuring that there is an appropriate and efficient risk management process in place.

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

Risk Management Process

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 28 countries and the remaining markets are covered by a distributor network. Altogether, this provides the Group with a favourable underlying risk diversification. In 2023 the unstable geopolitical situation in several parts of the world, for example Ukraine, Russia and Israel, 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 are anyway impacted by indirect effects on for example the supply chain and raw material prices. The process to exit Russia and divest the subsidiaries there started already in 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 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 based on 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 that the progress is 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 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. During 2023, the role of Chief Communications Officer was created as part of the Group Leadership Team. The communications function existed prior; however, the nature of the role was amended to increase focus on communications.
M&A	The Group's acquisition strategy focuses on a number of important drivers, including selectively broadening the existing product and service portfolio, expanding the geographical presence, building the digitalisation offering, and positioning the Group for entry into profitable niches in vertical access solutions. Growth through acquisitions is risky by nature due to the difficulties in evaluating the business that is going to be acquired and realising synergies in the integration phase. Goodwill stemming from acquisitions is impairment tested on an annual basis, and if the carrying values are not deemed to be justified in such tests, it can result in a write-downs 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 evaluated and carried out according to a defined M&A process consisting of pre-evaluation, due diligence, and integration planning and execution. No new acquisitions were made in 2023 as the Group focused on integrating the acquisitions made in 2022, as well as repaying part of the debt raised to finance the more significant acquisition of Tractel Group. The Tractel integration process consists of 16 workstreams which started immediately after the transaction was finalised in 2022. The integration process is expected to continue also during 2024 and gradually turn into normal business activities as each workstream progresses. Significant progress was made in several workstreams during 2023.

STRATEGIC RISKS CONT.

Risk area	Description	Alimak Group's Response
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 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 or so-called "legal representative" according to the Group's internal Corporate Governance Policy, 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 2023 the Group has taken 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. The Group has established an internal team to prepare for the Corporate Sustainability Reporting Directive ("CSRD") requirements.

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 strives to include price adjustment mechanisms in agreements with customers. 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. Further, as an example, during 2023, a new pricing policy was introduced in the Facade Access division. 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 26 production and assembly facilities in 15 countries. Production disruptions may occur due to events such as a fire, extreme weather, epidemic outbreak and strikes resulting from labour 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. During 2023, the new role of Group Sourcing Coordinator was created. Risk mitigation within procurement, logistics and warehousing will be the key responsibilities of this role. Under this new function, a sourcing seminar was organised with attendants from all the main sourcing organisations within the group. The seminar aimed to identify best practices, study the Group's sustainability policy within supply chain, accelerate the realisation of synergies within sourcing, and enhance the purchasing community in the Group. The pandemic, and lately also the unstable geopolitical situation, caused disturbances in the supply chain and resulted in long lead times, price increases on certain materials and on freight. In 2023 the situation has become more stable with improved delivery performance and less price volatility. 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. Local contingency planning exists at the Group's 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 2022 the Group acquired 45 percent of Service Protocol, a web-based tool enabling us to digitalise the work of our service technicians and providing a good platform for machine learning. In 2023, My Alimak was launched. My Alimak is a web-based customer portal, where customers have access to all relevant information such as technical documents, service reports and operational data. My Alimak was awarded best digital solution by IAPA International Awards for Powered Access 2023.

OPERATIONAL RISKS, INCLUDING SUSTAINABILITY RISKS CONT.

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 and licenses 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, CoxGomyl, Manntech, Scanclimber 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 penetration test results, several corrective measures were implemented on internal networks. In addition, the IT organisation 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 training program to educate employees on cyber security risks and best practices for dealing with situations they may encounter in their day-to-day office activity. The security questions within this training program show a 33 percent higher performance rating in an industry comparison with other manufacturing companies. As part of the training program, phishing tests are regularly conducted internally which have resulted in positive performance overall with continuous improvement on subsequent internal phishing tests.
Employees	The workforce constitutes the company's most critical asset, essential for achieving the strategic objectives. Maintaining access to skilled and motivated employees is important.	During 2023, the global People & Culture function focused its efforts on promoting engagement, forging an inclusive corporate culture and a special priority was the integration with Tractel. During the year, a new recognition initiative was introduced globally, the so-called 'Years of Service Awards' program which recognises the employees for their long and dedicated service time. Further, the talent review and succession planning process continued, with a special focus on 'legacy Tractel'. The process has led to internal promotions and individual career plans. To enable transparent communication, enhancements were made to the global intranet. All new 1,000 colleagues were also added to our communication platform, resulting in increased collaboration. The Group's global employee survey, 'The Voice', rolled out to the new merged organisation and all 3,000 employees were invited to respond, with the aim of gaining insight into how employees view the Group as a workplace. The survey measured engagement based on individual, team-based and organisational driving forces, and the real time nature of The Voice enabled leaders to build action plans together with their teams, for business improvements and improved engagement. 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. A new Code of Conduct training was rolled out to all employees, translated into 15 local languages. All employees undergo frequent performance reviews, where among other things, development plans are set. Lastly, during 2023, the Group continued developing a standardised process for the final stage of the employee cycle, when employment is coming to an end. More standardised exit interviews were implemented, aiming at ensuring an efficient exchange of knowledge, collection of feedback and, in particular, to become each other's ambassador and potential future partner.

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, labour, 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. An updated version of the e-learning, translated to many languages, were distributed to all employees in 2023. 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. The WhistleB channel is promoted both internally and externally (information is for example clearly displayed on both the intranet and the external web pages) and anyone can create a report in the WhistleB channel.
Health and Safety	The lack of robust planning and risk management is often the cause of incidents and accidents that lead to personal harm, ill health and property damage in the workplace. This in turn can result in loss of productivity and damage to brand reputation.	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 a program of risk assessment awareness activities, 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. The Group has a Health, Safety & Social Lead and a Health & Safety Council. In 2023, the Company confirmed its zero-harm safety vision and set new targets to reduce its LTIFR (Lost Time Injury Frequency Rate) and TRIFR (Total Recordable Injury Frequency Rate). 2023 saw the introduction of a new global Health & Safety policy to standardise the top-level approach to managing Health & Safety. Leading KPI's are now defined and data is analysed monthly, to measure the proactive performance of the group.
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 percent until 2025 (compared to the base year 2019). 30 Life Cycle Assessments (LCAs) have been completed, covering approximately 50 percent 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. Furthermore, via energy mapping or own initiatives, the Group is actively looking for ways to reduce energy consumption at our manufacturing and assembly sites.
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's reputation may arise from relationships with business partners who do not comply 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. During the year, a mapping of the supply chain from a sustainability perspective commenced. The mapping is carried out using a web-based platform, where suppliers are asked thirty questions about matters such as fair working conditions. The results are used for risk assessments, and for setting targets and requirements for improvements. The target is to assess suppliers representing 80 percent of the annual spend on direct materials, corresponding to about 400 companies. All agreements with distributors contain the Group's code of conduct.

SUSTAINABILITY RISKS CONT.

Risk area	Description	Alimak Group's Response
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 online 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. In December 2023, a tragic workplace accident occurred at a construction site in Sweden, involving a construction hoist manufactured by Alimak Group. The hoist used in the accident was a Scando 650. The hoist was not installed by Alimak Group. Investigations are ongoing by the police and authorities to determine the cause of the accident and Alimak Group is assisting in these investigations.

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 made in the entity's non-functional currency (transaction risk) and, also when the income statements and balance sheets of foreign subsidiaries are translated to SEK (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 GBP, HKD 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 setups. 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 SEK 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.	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 currently not hedging the interest rate risk.

ALIMAK GROUP

FINANCIAL RISKS CONT.

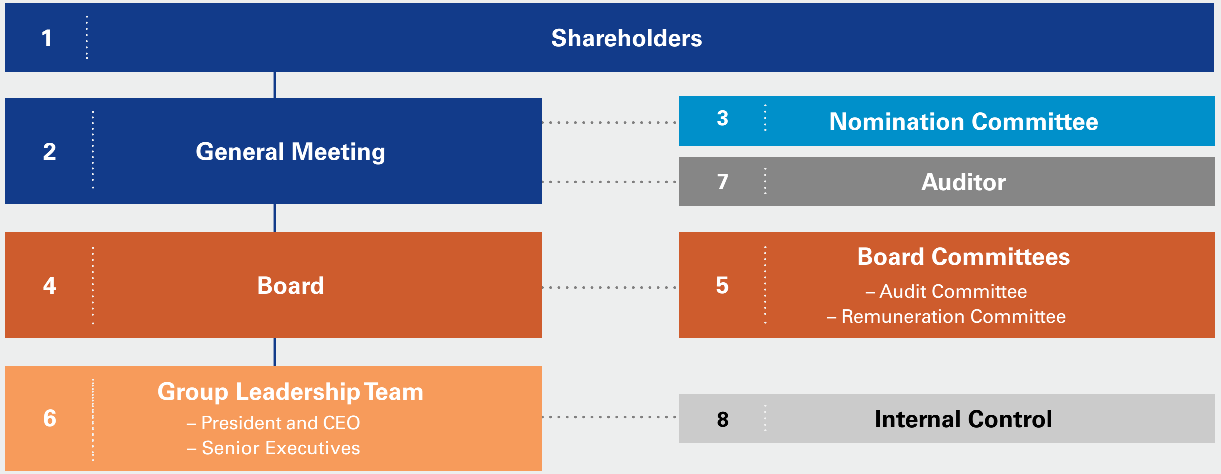
Risk area	Description	Alimak Group's Response
Liquidity and refinancing risk	The risk that the Group cannot meet payment commitments to suppliers and banks due to insufficient liquidity or the inability to obtain adequate funding on acceptable terms at any given point in time.	The current geopolitical 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 credit facilities amounting to MSEK 2 233 (composed of a revolving credit facility of MSEK 2 000 and additional credit facilities amounting to MSEK 233). The revolving credit facility matures in December 2028. In connection with the acquisition of Tractel, Alimak Group secured two new loans under a facility agreement with Handelsbanken. The facility agreement consisted of a term loan of 300 MEUR with maturity in October 2026 with the option to renew it by one additional year, and a bridge loan of 2.090 MSEK which matured in July 2023. The bridge loan was repaid during the first quarter with proceeds from the 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 multi-currency 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 2023 the Group continued to focus on reducing trade receivables and inventories by maintaining close contact with customers and vendors.
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. Local credit rating institutes are used in assessing financial viability of counterparts. During 2023, the arduous efforts continued 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. In additional, the Group has rolled out credit insurance in several geographies. With this in place, the following processes have been improved: credit assessment of customers, periodic credit checks on existing customers, periodic revision of credit limits, collections, among others.
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 Guideline 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 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. The Group has established an internal team to prepare for the Corporate Sustainability Reporting Directive ("CSRD") requirements.
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 subsidiary is responsible for the local tax compliance and tax compliance is an agenda item on the yearly board meetings that are conducted in all subsidiaries. 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 and that all subsidiaries implement a call-back routine for any changes of payment details or unusual payment requests. The Group Treasury function is responsible for cash management and bank relations at Group level and co-operates closely with the local Finance Managers. Many subsidiaries are included in the Group's cash-pools allowing Group Treasury to closely monitor all transactions taking place in the different entities. The work to include the acquired Tractel entities in the cash-pools will continue in 2024. Reminders are distributed to the finance organisation referring to examples of fake President fraud attempts. During 2023, a risk awareness e-learning was provided to all employees.
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, business travel and liability risks. Tractel had one insurance program for USA and Canada and one covering the rest of the world. In 2023, work has been conducted to consolidate the insurance policies. The insurance program 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

Alimak Group AB (the "Company”) 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 28 countries.

Alimak Group is governed and controlled in accordance with a corporate governance system based on the Swedish Companies Act, the Company's articles of association, Nasdaq OMX Stockholm’s Rulebook for Issuers, the Swedish Code of Corporate Governance (“the Code”) and other relevant external and internal rules and regulations. 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, the Board, the management and other employees.

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

1 Shareholders

The Company's share capital on 31 December, 2023 totalled to approximately MSEK 2,2. The number of shares was 107,573,111. Each share carries the right to one vote at the Company's general meetings. According to the share register, the Company had 5,739 known shareholders on 31 December, 2023. Investment AB Latour was the largest shareholder, with 29.8 percent of the share capital. Alantra EQMC Asset Management SGIIC was the second largest with approximately 10.6 percent of the share capital. NN Group N.V. was the Company's third largest shareholder with 10.5 percent of the share capital. At year-end, foreign shareholders accounted for approximately 49 percent 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 where all shareholders collectively possess the authority to decide on Alimak Group AB's affairs. Shareholders who are registered in the share register as of the record date and who have given timely notice of their participation have the right to attend the general meeting and exercise their right to vote for all their shares. Decisions at the general meeting are normally made by simple majority, which means that the alternative that receives the most votes win. However, in some cases there may be special requirements according to the Swedish Companies Act. For example, a qualified presence may be required for the meeting to be quorum or a special voting majority for certain decisions to be made. These requirements may vary depending on a company's articles of association and the circumstances surrounding the specific meeting. It is therefore important for shareholders to be well informed about the applicable rules and regulations before every general meeting they intend to attend.

At the annual general meeting of Alimak Group AB, important decisions are made regarding the Company's financial position and management. Among these decisions are the adoption of the Group's profit and loss accounts and the balance sheet. In addition, resolutions are made regarding any dividend to the shareholders and the granting of discharge from liability for Board members and the CEO. Remuneration for the Board and the auditor is also discussed, and Board members, Board chairman and auditor are elected. The annual general meeting also decides on the composition of the nomination committee. Any other matters outlined by the Swedish Companies Act may also be handled.

At Alimak Group AB's annual general meeting, every shareholder is given the opportunity to ask questions about the Company's operations and performance during the past year. The Board, the management and the auditor are all present at the annual general meeting to address such questions. This enables an open and transparent dialogue between the management and the shareholders.

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. In 2023, one general meeting was held: the annual general meeting in May.

Annual General Meeting 2023

The annual general meeting 2023 was held on 4 May, 2023.

Decisions at the annual general meeting 2023 included:

- Adoption of balance sheet and profit and loss accounts, as well as the consolidated profit and loss account and consolidated balance sheet for the financial year 2022.
- Adoption of the Board's proposal that a dividend of SEK 1,82 per share would be paid, the record date being Monday, 8 May, 2023.
- Discharging the Directors and the CEO from liability for the management of the Company during the financial year 2022.
- Re-election of Johan Hjertonsson (Chair), Helena Nordman-Knutson, Tomas Carlsson, Sven Törnkvist, Petra Einarsson and Ole Kristian Jødahl as Directors.
- Election of Zeina Bain as new Director.
- Re-appointment of the registered audit firm Ernst & Young AB as auditor of the Company.
- Approval of the Board's remuneration report.
- Adoption of Call Option Program 2023.
- Resolution to authorise the Board to pass resolutions on the acquisition and/or transfer of own shares.

Annual General Meeting 2024

The annual general meeting 2024 will be held on 29 April, 2024. 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 attend 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 whose task is to prepare and present proposals regarding appointments, with the aim of creating a basis for the annual general meeting's decisions on these matters. In addition to proposing the composition of the Board, the Nomination Committee is responsible for submitting proposals regarding the chairman of the Board, Board members and Board remuneration. The Nomination Committee is also responsible for proposing the election of auditor and the remuneration to the auditor. Through its work, the Nomination Committee thus contributes to an efficient and competent management and control of the Company.

In 2016, the Company's annual general meeting adopted an instruction regarding the appointment of the Nomination Committee, which is 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 the 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 procedure published on the Company's website prior to the annual general meeting. The proposals will be assessed by the Nomination Committee according to its instruction and the Code. The Nomination Committee's proposal and reasoned statement will be presented 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 amendments of the articles of association.

Nomination Committee for the 2024 annual general meeting

The Nomination Committee ahead of the annual general meeting 2024, comprises the following members:

- Ossian Ekdahl, Investment AB Latour, Chair of the Nomination Committee
- Francisco De Juan, Alantra EQMC Asset Management
- Jakob Rikwide, representing the shareholding of Bolero Holdings Sarl
- Mats Larsson, Första AP-fonden (AP1)
- Johan Hjertonsson, Alimak Group AB's Chair of the Board

As a basis for its proposals, the Nomination Committee has conducted an evaluation of the work of the Board. Prior to the 2024 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 Nomination Committee has discussed requirements regarding competence, experience and personal background. 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 Board is responsible for determining the Company's overall targets, developing and follow-up on the overall strategy, decide on major acquisitions, divestments and investments and continuously follow up on the operations. The Board has an ongoing obligation to assess both the Company's and the Group's financial situation and ensure that the Company's organisation is designed in a way that enables a reassuring control of the accounting, fund management and other financial conditions. The Board's duties also include the determination of business plans, budgets, interim reports, annual accounts, and annual reports as well as the adoption of instructions, policies and guidelines. The Board must ensure that their own work is evaluated annually through a systematic and structured process. This ensures that the Board is efficient and competent in its role as leader and supervisory body for the Company.

The Board's procedural rules, which regulate the division of work and responsibility between the Directors, the President & CEO and the committees, are updated and adopted annually. Furthermore, the division of work between the Board and the President & CEO is governed by the instructions to the President & CEO, which are adopted annually by the Board. The CEO Instruction also contains instructions relating to the financial reporting.

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 contacts 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 the Board each year 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 the Directors of the Board. At the annual general meeting held on 4 May, 2023, Johan Hjertonsson, Helena Nordman-Knutson, Tomas Carlsson, Sven Törnkvist, Petra Einarsson and Ole Kristian Jødahl were re-elected as Directors. Zeina Bain was elected as new Director. Johan Hjertonsson was elected Chair of the Board. Örjan Fredriksson and Fredrik Marklund were appointed employee representatives by the trade union organisations. Fredrik Marklund was replaced by Urban Granström in May 2023.

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 with 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 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 73, 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 by the Code.

Work of the Board during the year

During 2023, the Board met 13 times. Recurring matters at the Board's meetings were reports from the Audit committee, CEO and CFO, strategy matters, business planning, auditing, integration of acquisitions and internal control. In 2023, the new share issue and repurchase of shares were also recurring items at the Board's meetings. The October meeting was held in Paris, where the Board visited the factory in Saint-Hilaire sous Romilly which belongs to the Height Safety & Productivity Solutions division. They also carried out two customer visits. The attendance at Board meetings and committee meetings in 2023 is presented in the table on page 73.

Remuneration to the Board

At the annual general meeting on 4 May, 2023, it was decided that a fee of SEK 870,000 should be paid to the Chair of the Board and SEK 350,000 each to other Directors elected by the general meeting. In addition, SEK 118,000 should be paid to the Chair of the Audit Committee and SEK 86,000 to other members of the Audit Committee, SEK 80,000 to the Chair of the Remuneration Committee, and SEK 58,000 to other members of the Remuneration Committee.

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 shall consist 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 matters relating to risk assessment, internal controls, auditing, financial and sustainability reporting. 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 abovementioned 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 Petra Einarsson. The role of the Remuneration Committee is to prepare matters 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.

The Board's Working year 2023

Jan – Feb:
- 1. Report from the Audit Committee, report from the auditor, Tractel integration, update on the financial situation in the Company and the divisions, strategy matters, proposal for dividends, Board evaluation
- 2. Decision on rights issue

Mar:
- 3. Annual report 2022, approval of proposals for the annual general meeting
- 4. Status regarding rights issue and disclosures
- 5. Decision on rights issue and disclosures

May:
- 6. Report from the Audit Committee, Tractel integration, update on the financial situation in the Company and the divisions, strategy matters
- 7. Statutory meeting

June – Aug:
- 8. Risk analysis, Tractel integration, update on the financial situation in the Company and the divisions, capital market day planning, strategy matters, HR-related matters
- 9. Decision on new financial and sustainability-related targets

July:
- 10. Q2 report, matters related to acqusitions

Oct:
- 11. Report from the Audit Committee, Tractel integration, update on the financial situation in the Company and the divisions, strategic matters, discussion on proposed share re-purchase program
- 12. Decision on share re-purchase

Nov – Dec:
- 13. Tractel integration, update on the financial situation in the Company and the divisions, update from People & Culture, budget 2024

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

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.

ALIMAK GROUP

Board Members, Independence and Attendance 2023

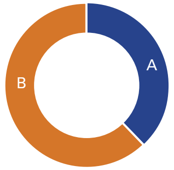
Name	Born	Member since	Position	Independence in relation to Group	Independence in relation to major shareholders	Attendance at board meetings	Attendance at audit committee meetings	Attendance at remuneration committee meetings
Johan Hjertonsson	1968	2020	Chair	Yes	No	13/13	–	3/3 (Chair)
Helena Nordman-Knutson	1964	2016	Board Member	Yes	Yes	13/13	4/4 (Chair)	–
Christina Hallin	1960	2018	Board Member	Yes	Yes	6/13	–	2/3
Tomas Carlsson	1965	2018	Board Member	Yes	Yes	13/13	4/4	–
Sven Törnkvist	1971	2019	Board Member	Yes	Yes	13/13	–	–
Petra Einarsson	1967	2020	Board Member	Yes	Yes	13/13	–	1/3
Zeina Bain	1977	2023	Board Member	Yes	Yes	7/13	–	–
Ole Kristian Jødahl	1971	2020	Board Member	No	Yes	13/13	–	–
Örjan Fredriksson	1968	2016	Employee representative	–	Yes	13/13	–	–
Fredrik Marklund[1)]	1982	2022	Employee representative	–	Yes	5/13	–	–
Urban Granström[1)]	1972	2023	Employee representative	–	Yes	3/13	–	–

Fees paid during the 2023 financial year
(All figures in thousands of SEK)

Name	Basic fee	Audit committee	Remuneration committee	Total
Johan Hjertonsson	840	–	77	917
Helena Nordman-Knutson	338	108	–	446
Christina Hallin	338	–	56	395
Tomas Carlsson	338	82	–	420
Sven Törnkvist	338	–	–	338
Petra Einarsson	338	–	–	338
Zeina Bain	–	–	–	–
Ole Kristian Jødahl	–	–	–	–
Örjan Fredriksson	–	–	–	–
Fredrik Marklund[1)]	–	–	–	–
Urban Granström[1)]	–	–	–	–
Total	**2,530**	**190**	**133**	**2,854**

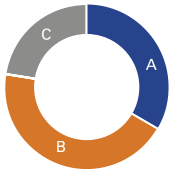
[1)] Fredrik Marklund was replaced by Urban Granström as employee representative in May 2023.

Gender distribution of the Board 2023[1)]



A) Women, 43 %
B) Men, 57 %

Time on the Board[1)]



A) >5 years, 29 5 %
B) 2–5 years, 57 %
C) <2 years, 14 %

[1)] Board members elected by the general meeting in May 2023 excluding employee representatives.

6 President & CEO & other senior executives

Alimak Group's Board has transferred the operational responsibility for both the Company's and the Group's management to the Company's President & CEO. It is the President and CEO's responsibility to lead the business within the framework that the Board has established and the Board has formulated clear instructions for the distribution of tasks between the Board and the President & CEO. These instructions are updated and adopted annually. The Group is organised into five divisions; Façade Access, Construction, Industrial, Wind and Height Safety & Productivity Solutions. The Division EVPs, who are responsible for the business operations within their respective division, 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 Group's Leadership Team consists of the President & CEO, CFO, CTO, CSO, CPCO, CCO and the EVPs of the divisions. On September 1st, 2023 Jens Holmberg took office as the new EVP for the Industrial division. 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 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.

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. Matters regarding remuneration to the President & CEO shall be prepared by the Remuneration Committee and decided by the Board. Matters 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 2023, see the Director's Report and Note 7 to the Financial Statements.

7 External auditor

The auditor is appointed by the annual general meeting each year. The auditor's task is to review the Company's accounting and annual report on behalf of the shareholders, as well as the Board's and the President & CEO's administration of the Company. At the annual general meeting on 4 May, 2023, Ernst & Young ("EY") was appointed as the Company's external auditor for the period up to and including the 2024 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 some 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 2023, see Note 8.

8 Internal control

Insider trading and information policy

The Company has produced policies and an e-learning course, to ensure that employees and other relevant parties within the Group are informed 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 inside information. In this context, the Company has also developed procedures for the handling of inside information that has not yet 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 the 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 followed up in connection with 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 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.

Governance sustainability

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.

The responsibility for establishing sustainability targets and indicators and for ensuring compliance with the Code of Conduct lies with the President & CEO and other members of the Group Leadership Team. The Code of Conduct is communicated regularly via information to and training of the Group's employees. Responsibility for the practical implementation of the Code of Conduct is delegated to different parts of the Group, e.g. the purchasing and manufacturing 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, 14 March, 2024

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

Board

JOHAN HJERTONSSON

Chair of the Board since 2020, chair of the Remuneration Committee.

Independence: Independent in relation to the Company, not independent in relation to a major shareholder (Investment AB Latour).

Born: 1968.

Education: Bachelor of Economics, Lund University.

Other board assignments: Chair of the board of ASSA ABLOY AB and Tomra Systems ASA, board member of Sweco AB and Investment AB Latour.

Main work experience: President and CEO of Investment AB Latour. Former President and CEO of AB Fagerhult and Lammhults Design Group AB and has held different senior positions within the Electrolux Group.

Shareholding, own and via closely related persons*: 90,000.

HELENA NORDMAN-KNUTSON

Board member since 2016, chair of the Audit Committee.

Independence: Independent in relation to the Company and major shareholders.

Born: 1964.

Education: Masters of Sciences in Political Science, University of Helsinki, Masters of Sciences in Economics, Swedish School of Economics in Helsinki and Certified ESG Analyst.

Other board assignments: Board member of Nivika Fastigheter AB (publ), Excel Composites, Nidoco AB and USWE Sports AB.

Main work experience: Senior advisor, Safir Communication. Former financial analyst at Enskilda Securities, Orkla Securities, Öhman Fondkommission and Executive Director at Hallvarsson & Halvarsson.

Shareholding, own and via closely related persons*: 2,200.

TOMAS CARLSSON

Board member since 2018, member of the Audit Committee.

Independence: Independent in relation to the Company and major shareholders.

Born: 1965.

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

Other board assignments: Board member of Addval AB.

Main work experience: President and CEO of NCC. Former Head of Business Area Construction Sweden within NCC, President and CEO of Sweco AB.

Shareholding, own and via closely related persons*: 13,400.

SVEN TÖRNKVIST

Board member since 2019.

Independence: Independent in relation to the Company and major shareholders.

Born: 1971.

Education: Masters of Sciences in Business and Economics, Stockholm School of Economics.

Other board assignments: Board member of Swetorn AB.

Main work experience: CDO & Head of EQT Digital at EQT AB. Former Vice President Head of Digital at Ericsson, various senior positions at Google Sweden.

Shareholding, own and via closely related persons*: 12,000.

PETRA EINARSSON

Board member since 2020, member of the Remuneration Committee.

Independence: Independent in relation to the Company and major shareholders.

Born: 1967.

Education: Bachelor of Economics, Uppsala University.

Other board assignments: Board member of SSAB AB, Biokraft International AB and Norsk Hydro ASA.

Main work experience: Previously President and CEO of the packaging company Billerud Korsnäs. Several senior positions within the engineering group Sandvik.

Shareholding, own and via closely related persons*: 5,000.

* Shareholding per 31 December, 2023.

OLE KRISTIAN JØDAHL

Board member since 2020.

Independence: Not independent in relation to the Company, independent in relation to major shareholders.

Born: 1971.

Education: Economics, NHH Norwegian School of Economics.

Other board assignments: Board member of Nilfisk Holding A/S.

Main work experience: President and CEO of Alimak Group AB. Former President and CEO of Hultafors Group AB. Previously, several senior positions within AB SKF.

Shareholding, own and via closely related persons*: 91,265 shares and 347,750 call options.

ZEINA BAIN

Board member since 2023.

Independence: Independent in relation to the Company and major shareholders.

Born: 1977.

Education: Oxford University, BA Honours Degree in Philosophy, Politics and Economics.

Other board assignments: Tracerco group companies, Oxford University Endowment Fund, St Paul's Girls School (charity).

Main work experience: Managing Partner of Sullivan Street Partners. Former Managing Director at ICG's European Subordinated debt and equity fund. Prior to that, a long career at the Carlyle Group.

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

ÖRJAN FREDRIKSSON

Board member since 2016.

Employee representative.

Born: 1968.

Appointed by: IF Metall.

Employed since: 1989, Production coordinator.

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

URBAN GRANSTRÖM

Board member since 2023.

Employee representative

Born: 1972.

Appointed by: The Union

Employed since: 2021, Quality Engineer.

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

Changes during the year:

Christina Hallin, former board member, resigned from the board and was replaced by Zeina Bain in connection with the annual general meeting.

Fredrik Marklund, former employee representative, resigned from the board and was replaced by Urban Granström in May 2023.

* Shareholding per 31 December, 2023.

Leadership Team

OLE KRISTIAN JØDAHL

President and CEO since 2020.

Born: 1971.

Education: Economics, 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*: 91,265 shares and 347,750 call options.

SYLVAIN GRANGE

CFO 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*: 29,742 shares and 117,000 call options.

CHARLOTTE BROGREN

Chief Technology Officer since 2017.

Born: 1963.

Education: PhD of Technology in chemical engineering, Lund University.

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

Shareholding, own and via closely related persons*: 5,200 shares and 60,000 call options.

MATILDA WERNHOFF

Chief Strategy Officer since 2020.

Born: 1990.

Education: Economics at the Stockholm School of Economics.

Former positions, selection: Head of business development and M&A within Alimak Group, consultant at McKinsey & Company.

Shareholding, own and via closely related persons*: 1,806 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*: 600 shares and 55,000 call options

* Shareholding per 31 December, 2023.

PHILIPPE GASTINEAU

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

Born: 1966.

Education: MSc. Engineer, Ecole Centrale de Lyon and MBA, London Business School.

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

Shareholding, own and via closely related persons*: 0 shares and 117,000 call options.

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 96,000 call options.

JENS HOLMBERG

EVP Industrial Division since 2023.

Born: 1980.

Education: Master of Science in Mechanical Engineering, Chalmers University of Technology.

Former positions, selection: President Sandvik Rock Tools, VP Sales Development Rock Tools, Management Consultant at McKinsey & Company

Shareholding, own and via closely related persons*: 5,631 shares and 46,000 call options.

JOSE MARIA NEVOT

EVP Wind Division since 2021.

Born: 1969.

Education: Master of Technology, University of Zaragoza, Bachelor of Economics, Chamber of Commerce Zaragoza.

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

Shareholding, own and via closely related persons*: 5,200 shares and 72,000 call options.

JOHNNY NYLUND

Chief Communications Officer since 2023.

Born: 1977.

Education: Bachelor of Arts in communications, law and language studies, Stockholm University.

Former positions, selection: Head of Press and Public Affairs at Sweco, has previously held similar roles at Business Sweden, AkzoNobel and Sveriges Radio.

Shareholding, own and via closely related persons*: 1,024 shares and 46,000 call options.

Changes during the year:

Salomeh Tafazoli, until March 2023.

Jens Holmberg, from September 2023.

* Shareholding per 31 December, 2023.

Financial Statements

Content

March 2023, ULASSAI Wind Farm, Cerdeña, Italy
Jose Manuel Armenteros Lafarga

ALIMAK GROUP

Consolidated Statements of Comprehensive Income

Amounts in MSEK	Note	2023	2022
Revenues	4, 5	7,097	4,512
Cost of sales	6	–4,277	–2,919
Gross profit		**2,820**	**1,593**
Selling costs		–916	–431
Administration costs		–879	–466
Development costs		–150	–117
Other operating gains and losses		69	–34
Share of profit of an associate		0	0
Operating profit (EBIT)	6, 7, 8, 9, 10	**945**	**546**
Financial income	11	519	128
Financial expenses	11	–784	–188
Profit before tax (EBT)		**681**	**485**
Income tax	12	–165	–109
Net profit for the year		**515**	**376**
Attributable to owners of the Parent Company		515	376
Earnings per share, SEK, before dilution*	22	5.25	5.26
Earnings per share, SEK, after dilution*	22	5.25	5.26

* Earnings per share have been recalculated in comparison period to consider the rights issue

Amounts in MSEK	Note	2023	2022
Net profit for the year		**515**	**376**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net profit for the year			
Remeasurements of defined benefit pension plans	23	28	64
Income tax relating to remeasurements of pension plans		–5	–12
Total		**23**	**52**
Items that may be reclassified to net profit for the year			
Foreign exchange translation differences		–163	304
Change in fair value of cash flow hedges		–11	15
Income tax relating to change in fair value of cash flow hedges		0	–4
Total		**–174**	**315**
Other comprehensive income		**–151**	**367**
Total comprehensive income		**365**	**743**
Attributable to owners of the Parent Company		**365**	**743**

ALIMAK GROUP

Consolidated Statements of Financial Position

Amounts in MSEK	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Intangible assets			
Goodwill	13	5,882	5,950
Other intangible assets	13	2,538	2,747
Total		**8,420**	**8,696**
Property, plant and equipment			
Land and buildings		288	249
Plant and machinery		133	97
Equipment, tools, fixtures and fittings		46	82
Rental equipment		192	183
Right-of-use assets		274	317
Total	14, 15	**933**	**929**
Financial and other non-current assets			
Investment in an associate		0	0
Deferred tax assets	12	160	168
Other long-term receivables	18	182	232
Total		**342**	**400**
Total non-current assets		**9,695**	**10,026**
Inventories	16	1,186	1,196
Contract assets	17	338	347
Trade receivables	18, 19	1,330	1,382
Other receivables	18, 21	217	340
Prepaid expenses and accrued income	20	143	129
Short term investments	18, 21	35	38
Total		**3,249**	**3,432**
Cash and cash equivalents		**739**	**869**
Total current assets		**3,987**	**4,301**
TOTAL ASSETS		**13,683**	**14,327**

Amounts in MSEK	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Share capital		2	1
Other contributed capital		5,277	2,871
Reserves		313	487
Retained earnings, including net profit for the year		1,363	1,018
Total equity	22	**6,955**	**4,377**
Long-term borrowings	18, 21	3,579	4,537
Lease liabilities	15	180	210
Provision for pensions	23	117	127
Other provisions	24	103	122
Deferred tax liabilities	12	876	907
Other long-term liabilities		53	339
Total non-current liabilities		**4,907**	**6,242**
Short-term borrowings	18, 21	28	2,132
Lease liabilities	15	92	105
Contract liabilities	17	326	148
Advance payments from customers		201	141
Trade payables	18, 21	436	468
Tax liabilities		73	156
Other current liabilities	18, 21	282	289
Accrued expenses and deferred revenue	25	382	269
Total current liabilities		**1,821**	**3,708**
TOTAL EQUITY AND LIABILITIES		**13,683**	**14,327**

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

ALIMAK GROUP

Consolidated Statements of Cash Flow

Amounts in MSEK	Note	2023	2022
Operating activities			
Profit before tax		681	485
Adjustments for:			
Depreciation and impairment of property, plant and equipment	9, 14, 15	228	157
Amortisation and impairment of intangible assets	9, 13	200	56
Net foreign exchange translation differences		17	11
Provisions and pensions		–90	–1
Share of profit of an associate		0	0
Other non-cash items		14	12
Income tax paid		–260	–57
Cash flow before change in working capital		**791**	**663**
Change in working capital			
Change in inventories		–17	–88
Change in contract assets		–1	–31
Change in current receivables		193	–59
Change in current liabilities		101	16
Cash flow from change in working capital		**276**	**–162**
Cash flow from operating activities		**1,067**	**501**
Investing activities			
Purchase of intangible assets	13	–6	–2
Purchase of property, plant and equipment	14	–185	–75
Disposal of property, plant and equipment	14	0	0
Acquisition of subsidiaries, net of cash acquired	28	0	–5,666
Net change in short term financial investments		–2	9
Cash flow from investing activities		**–193**	**–5,734**

Amounts in MSEK	Note	2023	2022
Financing activities			
Rights issue, Net		2,476	–
Proceeds from borrowings		373	6,941
Repayment of borrowings		–3,448	–895
Bank overdrafts		0	–14
Repayment of lease liability	15	–123	–87
Repurchase of treasury shares		–75	–34
Issued call options		5	3
Dividend paid		–194	–176
Cash flow from financing activities	18	**–986**	**5,738**
Net change in cash and cash equivalents		**–113**	**505**
Cash and cash equivalents at beginning of year		869	348
Exchange rate differences in cash and cash equivalents		–18	15
Cash and cash equivalents at year-end		739	869

SUPPLEMENTARY DISCLOSURES TO THE CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in MSEK	2023	2022
Interest received/paid		
Interest received	30	4
Interest paid	–271	–28
Cash and cash equivalents		
The following sub-components are included in cash and cash equivalents:		
Cash and bank balances	739	869

ALIMAK GROUP

Consolidated Statements of Changes in Equity

Shareholders' equity is attributable in its entirety to shareholders in the Parent Company for both 2023 and 2022.
See also Note 22.

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 1 January, 2022	**1**	**2,903**	**183**	**-12**	**765**	**3,840**
Net profit for the year	–	–	–	–	376	376
Other comprehensive income	–	–	304	11	52	367
Comprehensive income for the year	**–**	**–**	**304**	**11**	**429**	**743**
Repurchase of treasury shares	–	–34	–	–	–	–34
Issued call options	–	3	–	–	–	3
Dividend	–	–	–	–	–176	–176
Closing balance 31 December, 2022	**1**	**2,871**	**487**	**0**	**1,018**	**4,377**

2023

Amounts in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit for the year	Total shareholders' equity
Opening balance 1 January, 2023	**1**	**2,871**	**487**	**0**	**1,018**	**4,377**
Net profit for the year	–	–	–	–	515	515
Other comprehensive income	–	–	–163	–11	23	–151
Comprehensive income for the year	**–**	**–**	**–163**	**–11**	**539**	**365**
Share issue	1	2,476	–	–	–	2,477
Repurchase of treasury shares	–	–75	–	–	–	–75
Issued call options	–	5	–	–	–	5
Dividend	–	–	–	–	–194	–194
Closing balance 31 December, 2023	**2**	**5,277**	**324**	**–11**	**1,363**	**6,955**

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.

Notes to the Consolidated Financial Statements

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 14 March, 2024. The consolidated financial statements will be definitively adopted by the AGM on 29 April, 2024.

Note 2. Material accounting policies

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS). 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 2023 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. Subsidiaries are listed in Note A8, Subsidiaries.

Subsidiaries are accounted for using the acquisition method. 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.

Any gains or losses arising from remeasurement are recognised in profit and loss. Acquisition-related costs are expensed as incurred.

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, Investments in associated companies 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.

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, from Swedish Riksbank, 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 from Swedish Riksbank. 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 and associated companies are recognised in the statement of comprehensive income.

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 operating segments was changed as a consequence of the acquisition of Tractel. Now Alimak Group has five operating 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 working capital) and cash flow are not reported per segment.

Revenue recognition

Alimak Group manufactures, sells and rents out solutions for vertical transports for the construction and industry sectors. As well as customized access solutions used for infrastructures. 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 & Productivity 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

Revenue from performance obligations recognized over a period of time is based on the percentage of completion, which is measured through the cost-to-cost method.

The timing differences between 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. 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.

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.

Alimak Group has a floating rate on both the term loan and the revolving credit facility. This gives a similar outcome to the effective interest rate.

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. Thestatement of comprehensive income includes taxes on items presented in the statement of comprehensive income. 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. Goodwill is not amortised but is tested for impairment at least annually or as soon as there are indications of decrease in value. The impairment testing is described in detail in the Impairments sections.

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 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

The assets' useful lives are reviewed, and adjusted if necessary, on each balance sheet date. Trademarks with indefinite useful lives, acquired in business combinations but are tested for impairment at least annually. The impairment testing is described in detail in the Impairment section.

Impairments and testing

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.

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.

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.

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.

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;
- 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.

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.

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.

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 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.

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. For more information see The Share, page 122.

2.1 Material estimates and assumptions requiring management judgement
The most important items in the consolidated statements that require the management's estimates and may include uncertainty, comprise the following:

Impairment testing
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, 2023 Alimak Group had goodwill amounting to MSEK 5,882 (5,950) and other intangible assets with indefinite life totalling MSEK 1,182 (1,199). 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, 2023, Alimak Group's balance sheet included MSEK 61 (78) 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 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
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, 2023, provisions totalled MSEK 103 (123). Additional information about provisions is disclosed in Note 24, Provisions.

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 166 (170). 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, 2023 totalled MSEK 103 (82). Additional information regarding the impairment of accounts receivable is disclosed in Note 19, Trade receivables.

2.2 Application of new and amended IFRS and IFRIC interpretation
New or amended accounting standards applied in 2023
In 2023 the amended IAS1 has been adopted by Alimak Group regarding the material accounting policies. No other new or amended standards have had a material impact on the Group.

New or amended accounting standards from 2024 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.

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.

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NET CASH FLOW IN NON REPORTING CURRENCY[1)]

Currency (MSEK)	2023	2022
USD	826	452
GBP	234	202
HKD	102	63
AUD	97	200
CNY	82	111
NOK	41	11
CAD	33	0
Others	58	94

[1)] The table illustrates the net FX exposures from cash flows in the local entities non-reporting currency, i.e. the transaction exposure.

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, 2023 currency forward contracts were used to hedge these flows. The unrealised net result from outstanding contracts was at year-end MSEK 4 (1).

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 (1) at year-end. On Dec 7th, 2023 the Group signed a multi-currency senior revolving facility of MSEK 2,000 with a tenor of five years and two one-year extension options. The revolving credit facility is replacing a former facility with maturity July 2024. Drawdowns under the senior credit facility are fixed with floating interest. The average interest rate on the Group's interest-bearing loans was 5.4 (3.7) per cent at year-end 2023.

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

		2023		2022	
	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)]	%	–55	–55	–52	–52
Exchange rates[2)]	SEK, %	82	1,424	51	1,338
USD		23	71	12	65
CNY		5	14	3	19
EUR (Incl DKK)		42	1,222	17	1,130
AUD		0	62	6	70
GBP		3	21	3	20
AED		0	8	–1	9
HKD		2	4	1	5
BRL		2	5	1	4
Others		5	15	6	17

[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.

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 credit facility of MSEK 2,000 matures in Dec 2028. Liquidity risk is defined as the risk that the Group cannot fulfil 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. As per Dec 2023, the total amount of undrawn borrowing facilities that is available to fulfil short-term payment obligations was MSEK 1,886.

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, 2023	31 Dec, 2022
Other long-term receivables	172	223
Trade receivables	1,330	1,382
Derivatives, net	4	1
Other financial receivables	143	248
Cash and bank balances	739	869
Total	**2,388**	**2,722**

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 2023	Closing rate, 31 Dec, 2023	Average rate 2022	Closing rate, 31 Dec, 2022
AED	2.80	2.73	2.76	2.84
AUD	7.05	6.82	7.01	7.09
BRL	2.13	2.07	1.96	1.97
CAD	7.86	7.58	7.77	7.71
CNY	1.50	1.41	1.50	1.50
EUR	11.48	11.10	10.63	11.13
GBP	13.20	12.77	12.46	12.58
HKD	1.36	1.29	1.29	1.34
INR	0.13	0.12	0.13	0.13
KRW	0.008	0.008	0.008	0.008
MXN	0.60	0.60	0.50	0.54
NOK	1.01	0.99	1.05	1.06
PLN	2.53	2.56	2.27	2.37
RUB	0.13	0.11	0.15	0.14
SGD	7.90	7.60	7.34	7.77
TRY	0.46	0.34	0.61	0.56
USD	10.61	10.04	10.12	10.44

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Note 4. Segment reporting

Operating segments
Alimak Group has five operating segments called Divisions: Facade Access, Construction, Height Safety & Productivity Solutions, Industrial and Wind. The operating segments are the Group's primary basis of classification.

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
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.

REVENUE AND PROFIT PER OPERATING SEGMENT

2023	Facade Access	Construction	Height Safety & Productivity Solutions	Industrial	Wind	Interdivision elimination	Items affecting comparability	Other	Total, Group
External revenue	1,992	1,748	1,410	1,386	674	–112	–	–	7,097
EBITA	125	315	269	322	120	–	–5	–	1,145
EBITA, %	6.3	18.0	19.1	23.2	17.9	–	–	–	16.1
Trade receivables	455	241	231	274	129	–	–	–	1,330
Inventories and Contract assets	443	448	302	241	90	–	–	–	1,524
Trade payables	–151	–96	–69	–69	–52	–	–	–	–436
Other receivables/liabilities	–398	–109	–108	–113	–19	–	–	–15	–762
Working capital	**349**	**484**	**356**	**333**	**148**	**–**	**–**	**–15**	**1,655**
Investments	15	88	65	16	8	–	–	–	191

2022	Facade Access	Construction	Height Safety & Productivity Solutions	Industrial	Wind	Interdivision elimination	Items affecting comparability	Other	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 and Contract assets	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

The Financial net, taxes and interest bearing receivables and liabilities are not distributed per operating segment in 2022. From 2023 interest bearing receivables and liabilities are distributed per operating segment. Allocation of Goodwill per segment are reported in Note 13. Items affecting comparability of MSEK –5 (-13) consist of costs for the intergration of Tractel MSEK –34, costs related to exit of Russia MSEK –3, restruction and transformation program of Facade Access division MSEK –85 and a positive impact from COVID-19 US government grant of MSEK 16, earn out from Tall crane MSEK 48 and insurance indemnification in France MSEK 53.

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GEOGRAPHICAL MARKETS

Revenues	2023	2022
Australia	467	544
Canada	239	111
China	451	428
Denmark	258	209
France	596	235
Germany	372	198
India	103	74
Italy	145	44
Luxemburg	175	20
Netherlands	253	143
Norway	206	151
Saudi Arabia	134	15
Singapore	97	41
Spain	193	97
Sweden	81	111
United Arab Emirates	84	139
United Kingdom	567	441
United States	2,044	963
Other Markets	635	548
Total	**7,097**	**4,512**

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

Intangible assets and Property, plant & equipment	2023	2022
Australia	101	108
Canada	71	72
China	20	35
Denmark	24	21
France	161	113
Germany	142	139
Luxembourg	140	62
Netherlands	114	135
Spain	62	60
Sweden	96	86
United Kingdom	33	32
United States	42	65
Other Markets	53	229
Goodwill, trademarks and customer relations*	8,295	8,499
Total	**9,353**	**9,626**

* not allocated to geographical markets

Note 5. Revenues

REVENUES ARE SPLIT INTO THE FOLLOWING RECOGNITION METHODS:

	2023	2022
Over time		
Facade Access	1,314	902
Construction	306	260
Height Safety & Productivity Solutions	5	–
Industrial	98	71
Wind	–	–
Total Over time	**1,724**	**1,233**
Point in time		
Facade Access	677	470
Construction	1,442	1,087
Height Safety & Productivity Solutions	1,404	111
Industrial	1,288	1,069
Wind	674	542
Interdivision elimination	–112	–
Total Point in time	**5,373**	**3,279**
Total	**7,097**	**4,512**

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

Note 6. Operating costs

	2023	2022
Raw materials and consumables	–2,476	–1,721
Personnel costs	–2,408	–1,582
Depreciation/amortisation	–428	–213
Other costs	–840	–450
Total	**–6,152**	**–3,966**

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

	2023		2022	
	Average number of employees	Of whom, women, %	Average number of employees	Of whom, women, %
Australia	142	10	143	9
Belgium	10	0	9	0
Brazil	33	15	41	15
Canada	163	21	49	4
China	301	22	296	18
Denmark	47	20	43	16
Finland	19	16	2	14
France	279	18	87	14
Germany	250	20	166	16
India	39	5	36	3
Italy	32	27	9	16
South Korea	12	8	11	9
Luxembourg	71	20	7	16
Malaysia	19	16	17	18
Mexico	20	45	2	18
Netherlands	81	13	67	11
Norway	46	9	40	11
Poland	135	11	14	10
Portugal	11	18	1	27
Russia	–	–	13	24
Singapore	69	13	22	19
Spain	323	13	305	13
Sweden	331	19	339	18
Switzerland	5	0	5	0
Turkey	21	43	2	18
United Arab Emirates	117	3	111	4
United Kingdom	182	21	152	18
United States	198	15	145	16
Total	**2,956**	**17**	**2,134**	**14**

Group's gender breakdown in corporate management	2023 Of whom, women, %	2022 Of whom, women, %
Board of Directors	43	44
Other senior executives	30	44

Personnel expenses	2023	2022
Salaries and benefits	1,858	1,227
Social welfare contributions	418	289
Other personnel expenses	131	66
Total, Group	**2,408**	**1,582**
(Of which, pension costs included in social security costs)	(75)	(61)

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 23 (25).

Breakdown of salaries and other remuneration, by Board members and other employees (excl. pensions and social security contributions)	2023 Board of Directors and President	2023 Other employees	2022 Board of Directors and President	2022 Other employees
Sweden	12	191	10	190
(Of which, bonuses etc.)	(3)	(6)	(2)	(9)
Outside Sweden	–	1,659	–	1,030
(Of which, bonuses etc.)	(–)	(64)	(–)	(43)
Total, Group	**12**	**1,850**	**10**	**1,220**
(Of which, bonuses etc.)	(3)	(70)	(2)	(52)

Long-term incentive programme (LTI)
During 2023 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, members of the group management, executive management in the Divisions and certain employees at the group functions. In total 723,000 options were acquired by 37 participants. The Group CEO acquired 110,000 options. Valuation models from Black & Scholes are used for the exercise price. More information about the call option program can be found in the notice to the Annual General Meeting in 2023.

Year	No.issued options	Option price	Excercise price
2023/2027	723,000	7.57	80.35
2022/2026	369,000	7.90	63.90*
2021/2025	358,000	14.00	118.50*

* During 2023 Alimak group completed a rights issue. The Excercise price have been recalculated to reflect that.

In the 2023/2027 program, each option gives the participant the right to purchase one share.

In the 2021/2025 and 2022/2026 programs, each option gives the participant the right to purchase 1,35 shares.

A total of MSEK 5 has been reported as Issued call options as part of the Groups equtiy in 2023 related to the long-term incentive programme for 2023.

2023	Salary/ Board fee	Variable remuneration	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
Zeina Bain	–	–	–	–	–
President					
Ole Kristian Jødahl	5.6	2.8	0.5	1.8	10.7
Other senior executives (9 persons)	**23.4**	**7.1**	**1.5**	**1.7**	**33.7**
Other former senior executives	**1.9**	**–**	**–**	**0.3**	**2.2**
Total	**33.8**	**9.9**	**2.0**	**3.9**	**49.5**

2022	Salary/ Board fee	Variable remuneration	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 Jødahl	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**

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 2023 AGM, the annual fees to Board members elected by the AGM total SEK 2,962,000. Of this amount, SEK 870,000 is paid to the Board Chairman and SEK 350,000 each to other Board members. Furthermore, it was decided that a fee of SEK 118,000 be paid to the Chairman of the Audit Committee, SEK 80,000 to the Chairman of the Remuneration Committee, SEK 86,000 to each member of the Audit Committee (excluding the Chairman) and SEK 58,000 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 Petra Einarsson. 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 renumeration may be up to 70 per cent of the fixed renumeration for the CEO and up to 50 per cent for other senior executives.

President and Chief Executive Officer

For the President and CEO Ole Kristian Jødahl, an annual fixed salary of SEK 5,640,000 was expensed in 2023. Ole Kristian Jødahl received other benefits of SEK 514,000. From June this year, it was decided that the pension commitment shall be fulfilled thorugh a cash salary supplement. Until May, pension premiums calculated at 35 per cent of the annual base salary were 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 Jødahl'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 Ledership Team

The members of Group Ledership Team – senior executives – who are employed in Sweden are entitled to pension benefits corresponding in all essential apects 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.

Note 8. Fees to auditors

	2023	2022
Ernst & Young:		
Auditing assignment	13	12
Audit work outside the scope of the audit assignment	3	0
Other services	1	1
Total	**17**	**13**
Other auditors:		
Auditing assignment	6	1
Audit work outside the scope of the audit assignment	1	–
Tax advice	0	0
Other services	1	–
Total	**8**	**2**

Note 9. Depreciation/amortisation

	2023	2022
Depreciation/amortisation according to plan per asset		
Other intangible assets	200	57
Land and buildings	10	10
Plant and machinery	21	16
Equipment, tools and fixtures and fittings	26	20
Rental equipment	47	32
Right-of-use assets	123	80
Total	**428**	**213**
Depreciation/amortisation according to plan per function		
Cost of goods sold	178	119
Selling expenses	197	54
Administration expenses	52	38
Development expenses	2	2
Total	**428**	**213**

Note 10. Other operating gains and losses

	2023	2022
Operating gains		
Exchange gains	41	52
Insurance payment	55	–
Earnout	48	–
Other gains	6	10
Total	**150**	**62**
Operating losses		
Exchange losses	–65	–92
Other losses	–16	–4
Total	**–81**	**–96**

Note 11. Financial income and expense

	2023	2022
Financial income		
Interest income	34	5
Exchange gains	485	123
Total	**519**	**128**
Financial expenses		
Interest expenses	–264	–49
Interest expenses leases	–11	–6
Other financial expenses	–26	–17
Exchange losses	–483	–117
Total	**–784**	**–188**

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Note 12. Income tax

The Group's tax cost for the year totalled MSEK –165 (–109), corresponding to an effective tax rate of 24.3% (22.5).

Income tax expense	2023	2022
Current year tax expense	–197	–102
Deferred tax	32	–7
Total	**–165**	**–109**

Reconciliation of effective tax	2023	2022
Income before taxes	681	485
Tax expense at Swedish tax rate 20.6%	–140	–100
Effect of different tax rates in foreign subsidiaries	–10	–18
Tax expense for previous years	9	15
Tax exempt income and non-deductible expenses	–15	–6
Previously unrecognised tax losses and temporary differences	8	–0
Unrecognised current year tax losses and temporary differences	–1	0
Effect of changes in tax rates	0	0
Withholding tax	–11	-1
Other	–5	–2
Income tax expense	**–165**	**–109**
Effective tax rate in %	**24.3**	**22.5**

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

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the group operates. However, this legislation does not apply to the Group as its consolidated revenue is lower than €750 million.

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, 2023	31 Dec, 2022
Deferred tax assets		
Property, plant and equipment	18	15
Financial instruments	6	6
Inventories	24	23
Current receivables	–	7
Provisions	47	34
Loss carry-forwards	61	78
Other deferred tax assets	3	4
Total	**160**	**168**
Deferred tax liabilities		
Property, plant and equipment	25	25
Intangible assets	754	800
Provisions	12	14
Untaxed reserves	52	52
Other deferred tax liabilities	33	16
Total	**876**	**907**

TAX LOSS CARRY-FORWARDS

	Recognised		Not recognised	
	31 Dec, 2023	31 Dec, 2022	31 Dec, 2023	31 Dec, 2022
Expires within five years	25	30	37	53
Expires in more than five years	–	–	44	7
No expiration date	166	203	37	39
Total tax loss	**191**	**233**	**118**	**99**

	2023	2022
Changes in deferred taxes, net		
Opening balance, 1 Jan	–739	–101
Acquisitions	–	–584
Recognised in income statement	31	–7
Recognised in other comprehensive income	–14	–16
Translation differences	6	–31
Closing balance, 31 Dec	**–716**	**–739**

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, 2023, the total amount of tax loss carry-forwards was MSEK 309 (332). The deferred tax relating to the recognised losses amounted to MSEK 61 (78).

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Note 13. Goodwill and other intangible assets

2023	Goodwill	Trademark	Customer relations	Technology	Development costs	Total
Accumulated historical cost						
Opening balance, 1 Jan	6,179	1,206	1,556	135	133	9,209
Acquisitions	5	–	–	–	–	5
This years gross investment	–	–	–	1	5	6
Sales, disposals	–	–	–	–	–2	–2
Reclassifications	–	–1	–13	1	11	–3
Translation differences for the year	–74	–11	–11	–1	–2	–99
Closing balance, 31 Dec	**6,109**	**1,193**	**1,532**	**135**	**146**	**9,116**
Accumulated amortisation and write-down						
Opening balance, 1 Jan	–229	–3	–210	–37	–33	–512
Sales, disposals	–	–	–	0	2	2
Amortisations for the year	–	–3	–135	–22	–41	–200
Reclassifications	–	–	2	–	–2	–
Translation differences for the year	2	0	10	1	2	15
Closing balance, 31 Dec	**–227**	**–5**	**–333**	**–58**	**–73**	**–696**
Carrying amount at year-end	**5,882**	**1,188**	**1,200**	**77**	**73**	**8,420**

2022	Goodwill	Trademark	Customer relations	Technology	Development 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
Sales, disposals	–	–	–	–	–1	–1
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
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**

The trademarks acquired through business combinations have been valued at fair value in connection with the acquisition. These trademarks with value MSEK 1,182 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.

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

	31 Dec 2023
Facade Access Division	1,507
Construction Division	2,037
Height Safety & Productivity Solutions Division	1,291
Industrial Division	785
Wind Division	261
Total	**5,882**

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 preliminary done in accordence with IAS 36 and based on future cashflows. The goodwill for the divisions Industrial and Wind was not affected. In conjunction with finalization of the PPA of Tractel, the allocation of goodwill to the CGUs have also been updated. The change in allocation did not trigger impairment for 2022 and 2023. The table above shows the goodwill after the update 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 per cent 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 9.4 (9.3) per cent.

As a result of the impairment tests performed no impairment loss was recognised in 2023 or in 2022.

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. 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.

Note 14. Property, plant and equipment

2023	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment	Total
Accumulated historical cost					
Opening balance, 1 Jan	322	207	196	506	1,231
Acquisitions	–	–	–	–	–
Gross investments	56	31	33	64	185
Sales and disposals, etc.	–4	–17	–74	-31	-126
Reclassifications	–5	40	–40	5	–
Translation differences for the year	–2	–4	–0	-9	-15
Closing balance, 31 Dec	**367**	**257**	**114**	**536**	**1,275**
Accumulated depreciation					
Opening balance, 1 Jan	–73	–110	–114	–323	–618
Sales and disposals, etc.	4	16	58	22	100
Depreciation according to plan for the year	–10	–21	–26	–47	–105
Reclassifications	0	–12	12	0	–
Translation differences for the year	–0	3	1	4	8
Closing balance, 31 Dec	**–79**	**–124**	**–69**	**–344**	**–615**
Carrying amount at year-end	**288**	**133**	**46**	**192**	**659**

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**

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

2023	Premises	Vehicles	Other machinery and equipment	Total
Accumulated historical cost				
Opening balance, 1 Jan	366	94	12	472
New contracts	49	51	3	103
Sales and disposals	–56	– 35	–4	–96
Translation differences for the year	–6	–1	0	–8
Closing balance, 31 Dec	**352**	**108**	**11**	**471**
Accumulated depreciation				
Opening balance, 1 Jan	–105	–45	–5	–156
Depreciation for the year	–86	–34	–4	–123
Sales and disposals	42	32	3	77
Translation differences for the year	4	0	0	5
Closing balance, 31 Dec	**–145**	**–46**	**–6**	**–197**
Carrying amount at year-end	**207**	**62**	**5**	**274**

LEASE LIABILITIES

2023	Premises	Vehicles	Other machinery and equipment	Total
Non current lease liabilities	141	36	3	180
Current lease liabilities	60	29	2	92
Total carrying value lease liabilities	**202**	**65**	**5**	**272**
Maturity analysis undiscounted contractual leasing payments				
1–12 months	77	32	2	111
13–36 months	88	35	2	124
37–60 months	42	5	0	47
> 60 months	31	0	0	32
Total	**237**	**72**	**5**	**313**

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**

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**

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IMPACT ON CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2023	2022
Depreciations of Right-of-use assets included in:		
Cost of sales	–82	–53
Selling costs	–17	–10
Administration cost	–23	–16
Development cost	–1	–0
Total	**–123**	**–80**
Included in Interest expenses	–11	–6

IMPACT ON CONSOLIDATED STATEMENTS OF CASH FLOW

	2023	2022
Included in cash flow from Operating activities:		
Paid interest	–11	–6
Included in cash flow from Financing activities:		
Repayment of lease liabilities	–123	–87

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 2023	31 Dec 2022
Raw materials and consumables	360	378
Work in progress	360	406
Finished products and goods for resale	466	412
Total	**1,186**	**1,196**

The inventory value includes a provision of MSEK 166 (170) for obsolescence.

Note 17. Contract assets and liabilities

CONTRACT BALANCES WITH CUSTOMERS

2023	Contract assets	Contract liabilities
Opening balance, 1 Jan	347	148
New advances from customers	–	84
Increase (+)/Decrease (–) due to revenue recognised	695	-83
Increase (+)/Decrease (–) due to transfers to receivables	–690	–
Revaluations	9	–
Reclassification*	13	185
Translation differences	–35	-8
Closing balance, 31 Dec	**338**	**326**

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**

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 338 (347), MSEK 338 (347) is estimated to be invoiced within one year.

* Reclassification of contract liabilities is a movement from other long term liabilities 2022.

Note 18. Financial assets and liabilities

Financial assets & liabilities measured at amortized cost	31 Dec 2023 Carrying value	31 Dec 2022 Carrying value
Assets		
Other long term receivables	172	223
Trade receivables	1,330	1,382
Other short term receivables	143	248
Cash and cash equivalents	739	869
Total assets	**2,384**	**2,721**
Liabilities		
Long-term borrowings	3,579	4,537
Long-term lease liabilities	180	210
Short-term borrowings	28	2,132
Short-term lease liabilities	92	105
Trade payables	436	468
Other financial liabilities	470	298
Total liabilities	**4,785**	**7,752**

Financial assets & liabilities measured at fair value	31 Dec 2023	31 Dec 2022
Assets		
Derivatives at fair value, profit and loss Level 2	1	3
Derivatives in hedge accounting Level 2	7	2
Total assets	**8**	**5**
Liabilities		
Derivatives, Level 2	3	4
Other long term liabilities, Level 3	38	88
Total liabilities	**41**	**92**

The interest rates on interest-bearing liabilities are in line with market terms at 31 December, 2023, 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 fulfillment and discounted to present value.

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2023	Long-term Borrowings	Long-term Lease liabilities	Short-term Borrowings	Short-term Lease liabilities	Derivatives	Total
Opening balance, 1 Jan	4,537	210	2,133	105	4	6,990
Cash flows	–947	–105	–2,104	–17	–1	–3,175
Other changes lease liabilities	–	70	–	3	–	73
Changes in fair value	–	–	–	–	0	0
Translation difference	–11	5	–1	1	–	–6
Closing balance, 31 Dec	**3,579**	**180**	**28**	**92**	**3**	**3,882**

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**

Note 19. Trade receivables

	2023	2022
Trade receivables, gross	**1,433**	**1,464**
Accumulated reserve for credit losses, opening balance, 1 Jan	–82	–48
Opening balance from acquisitions	–	–29
Provisions for the year	–40	–28
Reversals of provisions for the year	16	29
Exchange rate differences	3	–7
Accumulated reserve for credit losses, closing balance, 31 Dec	**–103**	**–82**
Trade receivables, net at year-end	**1,330**	**1,382**

Age analysis for overdue trade accounts receivable not considered bad debts	31 Dec 2023	31 Dec 2022
1–30 days	228	226
31–90 days	83	109
91–120 days	104	80
> 120 days	92	99
Total at year-end	**508**	**513**

Note 20. Prepaid expenses and accrued income

	31 Dec 2023	31 Dec 2022
Prepaid lease charges and rent	6	5
Accrued sales revenue	24	19
Prepaid insurance	29	30
Bank charges and legal costs	1	11
Transport subsidies and fees	3	3
IT services	17	14
Prepaid to vendors	54	35
Other	9	12
Carrying amount at year-end	**143**	**129**

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Note 21. Maturity analysis, receivables and liabilities

Borrowings
Total long term borrowings is MSEK 3,597, of which MSEK 3,329 is a term loan with a tenor of three years and maturity in October 2026. The remaining MSEK 268 is within the frame of the senior revolving facility of MSEK 2,000. The facility matures in Dec 2028.

The average fixed-interest term for long-term borrowing was 1.4 months (1.6) at year-end. The average interest rate on the Group's interest-bearing loans was 5.4 (3.3) per cent at year-end.

The total short-term borrowings is MSEK 28 and relates to local credit facilities in Brazil and China.

The Group's loan agreements with banks contain specific requirements, covenants. 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 2023

Financial assets	<1 month	1–12 months	1–5 years	>5 years
Other long-term receivables	–	–	20	79
Trade receivables incl long-term	698	666	38	2
Derivatives	3	5	–	–
Other financial receivables	41	176	22	1
Accrued income	3	24	–	–
Cash equivalents	34	7	–	–
Cash and bank	692	2	4	–
Total	**1,471**	**879**	**84**	**81**

Financial liabilities	<1 month	1–12 months	1–5 years	>5 years
Borrowings and lease liabilities	–	345	4,102	–
Trade payables	275	160	5	1
Derivatives	3	0	0	–
Other financial liabilities	156	239	20	0
Accrued expenses and deferred revenue	45	272	21	44
Total	**479**	**1,016**	**4,149**	**45**

Financial liabilities consist of undiscounted amounts, including future interest payments.

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 incl long-term	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**

THE CASH FLOW HEDGE RESERVE IS EXPECTED TO IMPACT BOTH INCOME STATEMENT AND CASH FLOW IN THE PERIODS STATED BELOW

	31 Dec 2023	31 Dec 2022
Within 1 year	4	0
More than 1 year	0	0
Total	**4**	**1**

Note 22. Equity and earnings per share

Share capital	Issued Share capital (SEK)	Number of issued shares	Quotient value
Issued share capital 31 December, 2022	1,083,157	54,157,861	0.02
Issued share capital 31 December, 2023	2,151,462	107,573,111	0.02

Rights Issue
During the year Alimak Group completed a rights issue. The rights issue was fully subscribed to and provided Alimak Group with proceeds amounting to approximately SEK 2,500 million before deduction of issue costs. As a result of the rights issue, Alimak Group's share capital increased by SEK 1,068,305 to a total of SEK 2,151,462 and the total number of shares increased by 53,415,250 shares to a total of 107,573,111.

Treasury shares
During November-December 2023 Alimak Group acquired 1,000,000 own shares at an average price of SEK 74 to cover commitments under the Long term incentive programme.

As of December 2023 Alimak Group owns 1,742,611 treasury shares (as per 31 Dec 2022 742,611).

Earnings per share and dividends	2023	2022
Net income attributable to owners of the Parent Company (MSEK)	515	376
Average number of outstanding shares, basic and diluted (thousands)	107,573	54,158
Earnings per share, basic and diluted (SEK)*	5.25	5.26
Ordinary cash dividend based on number of shares	2.50	1.82**

* Earnings per share have been recalculated in comparison period to consider the rights issue.
** Dividend per share according to amount of shares at the time of dividend payment.

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, Germany and France. In addition, defined benefit pension plans are to a lesser extent operated in Norway, Italy 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, retirement indemnities, sickness pensions and family pensions.

The pension plan in the UK is funded and there is no asset ceiling. The plan operates a defined scheme that pays out pensions at retirement based on service and final pay. The cover scheme operates under UK trust law and the trust is a separate legal entity.

The pension plan in France cover the retirement indemnities and is insured. There are no insurance limits or minimum funding requirements.

The pension plans in Germany cover pensions, early retirements and jubilee. The plans are unfunded. The pension plans provides a contribution-based plan with guarantee and is offered to employees completing at least 3 years in the company. The plans covering the pension are closed, the employees no longer acquire any rights.

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 Luxembourg the pension plan is closed. The employees no longer acquire any rights, the plan is unfunded and provide a final salary pension plan.

A sensitivity analysis has been performed for the defined benefit plans. If the discount rate were to decrease by 0.5 percentage-points this would increase the value of the Swedish pension liability by MSEK 2, the German pension plan liability by MSEK 2, the liability in Luxembourg by 1.5 MSEK and the UK net asset will decrease by MSEK 5.5. Sensitivity analysis of decreased 0.5 percentage-points would not have a material impact for France and the other German pension plan. No changes in the other relevant actuarial assumptions are reasonably possible at the date.

Pension costs recognised in the income statement	2023	2022
Defined benefit plans		
Cost of pensions earned during the year	3	1
Interest costs, net	0	2
Total for the period	**3**	**3**
Cost of defined contribution pensions	75	61
Total for the period	**78**	**64**

Pension costs recognised in other comprehensive income	2023	2022
Defined benefit pensions		
Revaluation of pension liabilities	–21	–62
Revaluation of plan assets	–7	–4
Total for the period	**–28**	**–64**

Carrying amount on the balance sheet	31 Dec 2023	31 Dec 2022
United Kingdom		
Present value of pension liabilities, funded plans	75	46
Fair value of plan assets	–164	–105
Net asset/debt funded plans	**–89**	**–59**
Total United Kingdom	**–89**	**–59**
Sweden		
Present value of pension liabilities, unfunded plans	31	31
Total Sweden	**31**	**31**
France		
Present value of pension liabilities, insured plans	18	–
Insurance fair value	–19	–
Total France	**– 1**	**–**
Germany		
Present value of pension liabilities, unfunded plans	52	57
Total Germany	**52**	**57**
Luxembourg		
Present value of pension liabilities, unfunded plans	29	30
Total Luxembourg	**29**	**30**
Other countries		
Present value of pension liabilities, unfunded plans	6	8
Total other countries	**6**	**8**
Carrying amount at end of the period	**28**	**67**

MSEK 89 have been recorded as non-current asset and MSEK 117 have been recorded as provision for pensions.

Reconciliation of carrying amount on the balance sheet	2023	2022
Opening balance, 1 Jan	**67**	**85**
Acquisitions	–	51
Cost of pensions earned during the year and administrative expenses	3	0
Interest costs, net	0	1
Revaluation of pension liabilities	–21	–56
Revaluation of plan assets	–7	–4
Pension payments directly from employer	–11	–5
Contributions from employer	1	–3
Other	2	0
Exchange rate differences	–6	–1
Closing balance, 31 Dec	**28**	**67**

Reconciliation of present value of pension liabilities	2023	2022
Opening balance, 1 Jan	**172**	**182**
Acquisitions	–	51
Cost of pensions earned during the year and administrative expenses	3	0
Interest expense	5	3
Revaluation of pensions;		
– demographic assumptions	-0	–1
– financial assumptions	-19	–51
– experience-based adjustments	–2	–4
Pension payments	–11	–5
Pension payments from plan assets	0	–2
Insured pension annuities	42	–
Other	2	-
Exchange rate differences	-2	–1
Closing balance, 31 Dec	**192**	**172**

Reconciliation of plan assets at fair value	2023	2022
Opening balance, 1 Jan	**105**	**97**
Interest income	5	2
Return over and above interest income	7	4
Contributions from employer	1	3
Insured pension annuities	42	–
Pension payments from plan assets	0	–1
Exchange rate differences	4	0
Closing balance, 31 Dec	**164**	**105**

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.

In France, the insurance policy taken out with PREDICA can replace the company in the payment of retirement benefits. This investment earns a fixed interest of 3.5%

Significant actuarial assumptions applied	2023	2022
Sweden:		
Discount interest rate, %	3.20	3.65
Future pension increases, %	1.60	2.00
Life expectancy	DUS23	DUS21
United Kingdom:		
Discount interest rate, %	4.50	4.60
Future salary increases, %	2.50	2.45
Future pension increases, %	1.85	1.80
Life expectancy	PxA16	PxA08
Germany:		
Discount interest rate, %	3.85-1.83	3.40
Future pension increases, %	2.15-2.20	2.15
Life expectancy	RT 2018 G	RT 2018 G
France:		
Discount interest rate, %	3.35	
Future pension increases, %	2.70	
Life expectancy	INSEE 15 17	
Luxembourg:		
Discount interest rate, %	2.94	
Life expectancy	Statec 95-97	

Forecast of next year's cash flow, defined benefit pensions
The projected charges for the pension plans for next year amount to MSEK 4 (5).

Note 24. Provisions

2023	Warranty undertakings	Personnel costs	Final inspection costs	Other provisions	Total
Opening balance, 1 Jan	35	36	0	52	123
Provision for the year	11	18	3	16	47
Amounts utilised	–10	–12	–3	–28	–53
Reversal of unutilised amounts	–7	–3	0	–6	–16
Reclassifications	4	–1	–1	4	7
Exchange rate differences	–1	–1	0	–3	–5
Closing balance, 31 Dec	**32**	**37**	**0**	**34**	**103**
of which short term	2	–	–	1	3

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
Exchange rate differences	3	4	0	5	11
Closing balance, 31 Dec	**35**	**36**	**0**	**52**	**122**
of which short term	2	0	0	1	3

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 2023	31 Dec 2022
Personnel costs	157	100
Interest cost	32	27
Prepaid income	20	25
Project costs, installation projects	114	43
Consulting fees	17	18
Sales comission	5	6
Other items	38	50
Total	**382**	**269**

Note 26. Assets pledged and contingent liabilities

	31 Dec 2023	31 Dec 2022
Assets pledged		
Endowment insurance	29	25
Other	8	4
Total assets pledged	**37**	**29**
Contingent liabilities		
Guarantee commitments, FPG/PRI	1	1
Other contingent liabilities	738	453
Total contingent liabilities	**739**	**454**

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 29 (25).

Other contingent liabilities are mainly related to indemnity bonds for commitments of Group companies to their customers.

Note 27. Bank credit facilities

	31 Dec 2023	31 Dec 2022
Credit limits approved	2,234	2,259
Unutilised portion	1,937	995
Utilised credit	297	1,264

The credit facilities contain the senior revolving facility of MSEK 2,000, an overdraft facility on a group cash pool of MSEK 50 and local credit facilities in Brazil and China. Of the unutilized portion, MSEK 154 can be utilized by the subsidiaries in Brazil and China.

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Note 28. Acquisitions and disposals

Tractel

Alimak Group acquired 100% of the shares of Tractel Group, on November 21, 2022, 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 billion. The acquisition added a new Division into Alimak Group, Height Safety & Productivity Solutions. The acquisition also strengthened the solution portfolios within the Construction and Facade Access divisions as well as increasing the potential for the service business. The consideration amounts to approximately MEUR 500 on a cash and debt free basis (Enterprise Value). The goodwill of MSEK 3,236, arising from the acquisition, is attributable to future customers and technology, market position and workforce. The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date. During 2023 the analysis acquisition has been finalised, the resulting goodwill remained the same.

The following table summarizes the fair value of assets acquired and liabilities after finalized analysis acquisition.

Acquisition balances at acquisition date	MSEK
Customer relationships	1,196
Trademark	715
Other intangible assets	169
Property, plant and equipment	337
Financial and other assets	49
Operating assets	1,307
Cash and cash equivalents	739
Other provisions	–83
Deferred taxes	–604
Financial liabilities	–3,945
Current liabilities	–683
Fair value of net assets	**–803**
Goodwill	3,236
Considiration transferred	**2,433**
Cash Considiration transferred	–2,433
Cash and cash equivalents in acquired companies	739
Effect on Group's cash and cash equivalents, recognised as acquisitions in investing activities	**–1,694**

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 211.

The goodwill of MSEK 162, 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 at the acquisition date. The earn out liability was valued to 93 MSEK on the date for acquisition. In addition, a deferred tax liability of MCAD 3.7 related to the fair value adjustments of acquired identifiable assets has been recognized as part of the transaction. During 2023 the analysis acquisition has been finalised, resulting in Goodwill +7.7 MSEK and Equity –7.7 MSEK adjustment.

The following table summarizes the fair value of assets acquired and liabilities after finalized analysis acquisition.

Acquisition balances at acquisition date	MSEK
Customer relationships	111
Trademark	7
Property, plant and equipment	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	162
Earnout	–93
Considiration transferred	**243**
Considiration transferred	–243
Cash and cash equivalents in acquired companies	28
Effect on Group's cash and cash equivalents, recognised as acquisitions in investing activities	**–215**

Note 29. Events after the balance sheet date

No significant events took place after the end of the reporting period.

Parent Company Income Statements

Amounts in MSEK	Note	2023	2022
Revenues		11	12
Administration costs	A2, A3, A4	–52	–34
Operating loss		**–41**	**–23**
Financial income	A5	667	444
Financial expenses	A5	–277	–100
Profit after financial items		**349**	**321**
Appropriations			
Change in untaxed reserves	A7	–	–5
Group contributions received	A2	64	0
Profit before tax		**413**	**316**
Income tax	A6	–5	–4
Net profit for the year		**408**	**312**

Parent Company Total Comprehensive Income

Amounts in MSEK	Note	2023	2022
The result for the year		**408**	**312**
Other comprehensive income		–	–
Total comprehensive income		**408**	**312**

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Parent Company Balance Sheets

Amounts in MSEK	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Non-current assets			
Financial assets			
Shares in Group companies	A8	5,198	1,898
Non-current receivables from Group companies		3,329	–
Other non-current assets	A6	17	18
Total non-current assets		**8,544**	**1,917**
Current assets			
Current receivables			
Receivables from Group companies		867	7,505
Other current receivables	A9	27	24
		894	**7,529**
Cash and bank balances		77	168
Total current assets		**971**	**7,698**
TOTAL ASSETS		**9,515**	**9,614**

Amounts in MSEK	Note	Dec 31, 2023	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity	A14		
Restricted equity			
Share capital		2	1
Revaluation reserve		200	200
		202	**201**
Unrestricted equity			
Share premium reserve		4,227	1,751
Retained earnings		1,181	1,132
Net profit for the year		408	312
		5,816	**3,195**
		6,018	**3,396**
Untaxed reserves	A11	101	101
Long-term liabilities			
Long-term borrowings	A12	3,329	3,338
		3,329	**3,338**
Current liabilities			
Current liabilities, interest bearing		–	2,090
Liabilities to Group companies		20	642
Other current liabilities	A10	47	46
		67	**2,778**
TOTAL EQUITY AND LIABILITIES		**9,515**	**9,614**

For information on the Parent Company's pledged assets and contingent liabilities, see Note A13.

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Parent Company Statements of Cash Flow

Amounts in MSEK	Note	2023	2022
Operating activities			
Profit before tax		413	316
Adjustments for non-cash items		–15	5
Cash flow from changes in working capital			
Increase(–)/decrease(+) in operating receivables		–391	–18
Increase(+)/decrease(–) in operating liabilities		31	24
Income tax paid		–17	–15
Cash flow from operating activities		**21**	**312**
Investing activities			
Shareholder contribution		–3,300	–
Cash flow from investing activities		**–3,300**	**–**
Financing activities			
Rights issue		2,478	–
Proceeds from borrowings		3,064	5,628
Repayment of borrowings		–2,090	–5,761
Group contribution received		–	130
Purchase of Treasury shares		–75	–34
Issued call options		5	3
Dividend paid		–194	–176
Cash flow from financing activities		**3,187**	**–211**
Net change in cash and cash equivalents		–91	101
Cash and cash equivalents at beginning of year		168	68
Cash and cash equivalents at year-end		**77**	**168**

ADDITIONAL DISCLOSURES TO THE PARENT COMPANY CASH FLOW STATEMENT

Amounts in MSEK	2023	2022
Interest received/paid		
Interest received	334	86
Interest paid	–238	–9
Dividend received	325	300
Adjustments for non-cash items		
Change in untaxed reserves	–	5
Adjustments for other non-cash items	–15	–
Total	**–15**	**5**

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Statements of Changes in Parent Company Equity

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
Issued call options	–	–	–	2,901	2,901
Total equity, 31 Dec	**1,083**	**200,000**	**1,750,627**	**1,444,649**	**3,396,359**

2023

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**	**1,444,649**	**3,396,359**
Rights issue	1,068	–	2,476,628	–	2,477,695
Dividend	–	–	–	–194,432	–194,432
Repurchase of Treasury shares	–	–	–	–75,259	–75,259
Net profit for the year	–	–	–	408,070	408,070
Issued call options	–	–	–	5,378	5,378
Total equity, 31 Dec	**2,151**	**200,000**	**4,227,255**	**1,588,404**	**6,017,810**

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Notes to the Parent Company Financial Statements

Amounts in MSEK unless otherwise indicated.

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) per cent relate to other Group companies. Of operating costs, 36 (18) per cent relate to purchases from other Group companies. Group contribution has been received from Alimak Group Management AB MSEK 64 in 2023 (MSEK 0 in 2022).

Note A3. Number of employees, employee benefits and remuneration to Board of Directors and Senior Executives

	2023		2022	
Average number of employees	**Number**	**Of whom, women, %**	**Number**	**Of whom, women, %**
Sweden	1	0	2	0

Proportion of women in Alimak Group's Board of Directors and management, %	**2023 women, %**	**2022 women, %**
Board of Directors	43	44
Other senior executives	30	44

	2023		2022	
Salaries, benefits, other remuneration and social welfare contributions	**Board and CEO**	**Other employees**	**Board and CEO**	**Other employees**
Salaries, benefits and other remuneration	12	1	10	4
(of which, bonuses etc.)	(3)	(0)	(3)	(0)
Social welfare contributions	5	0	6	1
(of which, pension costs)	(2)	(0)	(2)	(1)
Total	**17**	**1**	**16**	**5**

The year's cost for Board fees, as per the resolution of the 2023 AGM, was MSEK 3.0 (2.9), 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 17 (18). The direct pension plan is guaranteed via a pledged endowment policy owned by the Company. From July this year, it was decided that the CEO´s pension commitment shall be fulfilled through a cash salary supplement to avoid double taxation in Norway and Sweden.

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.

ALIMAK GROUP

Note A4. Remuneration to auditors

	2023	2022
Ernst & Young AB		
Auditing assignment	3	3
Audit work outside the scope of the audit assignment	1	0
Total	**4**	**3**

Note A5. Financial income and expense

	2023	2022
Financial income		
Dividend	325	300
Interest income from Group companies	317	84
Interest income, other	16	2
Exchange gains	8	58
Total	**667**	**444**
Financial expense		
Interest expense to Group companies	–20	–2
Interest expense, credit institutions	–225	–30
Exchange losses	–7	–58
Other financial expense	–25	–11
Total	**–277**	**–100**

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	2023	2022
Current taxes	–5	–3
Deferred taxes	1	0
Total	**–5**	**–4**

Reconciliation of effective tax	2023	2022
Profit before tax	**413**	**316**
Tax expense at Swedish tax rate, 20.6%	–85	–65
Tax effect non-taxable income	67	62
Tax effect non-deductable expenses	0	–
Deferred tax previous years	0	–1
Current taxes previous years	13	–
Income tax expense	**–5**	**–4**

	2023			2022		
Deferred tax assets and liabilities	**Assets**	**Liabili-ties**	**Net**	**Assets**	**Liabili-ties**	**Net**
Pensions and similar commitments	5	–	5	4	–	4
Total	**5**	**–**	**5**	**4**	**–**	**4**

Note A7. Change in untaxed reserves

	2023	2022
Change in tax allocation reserves	–	–5
Total	**–**	**–5**

Note A8. Shares in group companies

	2023	2022
Accumulated historical cost		
Opening balance, 1 Jan	1,898	1,898
Shareholder contributions	3,300	–
Closing balance, 31 Dec	**5,198**	**1,898**
Accumulated impairment losses		
Opening balance, 1 Jan	–	–
Impairment losses for the year	–	–
Closing balance, 31 Dec	–	**–**
Carrying amount at year-end	**5,198**	**1,898**

Subsidiary/ Org. reg. no. / Registered office	No. of shares	Holding, %	2023 Carrying amount	2022 Carrying amount
Parent Company holding				
Alimak Group Management AB/556064-1739/ Stockholm, Sweden	6,378,000	100.0	5,198	1,898
Carrying amount at year-end			**5,198**	**1,898**

Subsidiary/ Org. reg. no. / Registered office	2023 Holding, %	2022 Holding, %
Subsidiaries indirectly owned, dormant and holding companies excluded		
E W Cox Middle east LLC /521367/ Dubai, UAE	100.0	100.0
Alimak Group Australia Pty Ltd /ACN 005 538 947/ Victoria, Australia	100.0	100.0
Alimak Group Benelux N.V /0479.695.484/ Wommelgem, Belgium	100.0	100.0
Alimak do Brasil Elevadores Ltda /01.452.037/0001-13/ Sao Paulo, Brazil	100.0	100.0
Avanti Brasil Sistemas Eólicos Ltda /13.821.193/0001-93/ Eusébio, Brazil	100.0	100.0
Alimak Group Swiss AG /CHE-317.026.357/ Nänikon, Switzerland	100.0	100.0
Alimak Group Vertical Access Equipment (Changshu)Co /913205817855800000/ Changshu, China	100.0	100.0
Avanti Wind Systems Co. Ltd /91310000666001712P/ Shanghai,China	100.0	100.0
Cox Gomyl Shanghai Ltd /91310115717861932C/ Shanghai,China	100.0	100.0
Cox Gomyl Shenzen Ltd /91440300550321829B/ Shenzen, China	100.0	100.0
Alimak Group Deutschland GmbH /HRB 229733 / Mammendorf, Germany	100.0	100.0
Alimak Group Denmark A/S /29215146/ Them, Denmark	100.0	100.0
Avanti Wind Systems S.L. /B92721729/ La Muela (Zaragoza), Spain	100.0	100.0
Avanti Wind Systems Technology S.L. /B99358095/ La Muela (Zaragoza) Spain	100.0	100.0
Avanti Wind Systems Instalaciones Servicios S.L /B99432767/ La Muela (Zaragoza), Spain	100.0	100.0
Cox Gomyl Operations S.A.U /ESA-79247433/ Madrid, Spain	100.0	100.0
Alimak Group France SAS /348 000 480/ Neuilly En Thelle, France	100.0	100.0
Alimak Group UK Ltd /00930125/ Rushden, Great Britain	100.0	100.0
Alimak Group HK Ltd /409200/ Hong Kong SAR, China	100.0	100.0
Manntech (HK) Ltd /923086/ Hong Kong SAR, China	100.0	100.0
Alimak Group India Pvt Ltd /U52341TG2008PTC070216/ Secunderbad, India	100.0	100.0
Avanti Wind Systems India Pvt Ltd /U45207TN2009PTC072550/ Chennai, India	100.0	100.0
Alimak Group Italy Srl /83514/ Colle di Val d'Elsa (SI), Italy	100.0	100.0
Alimak Group Korea CO. Ltd /134511-008266/ Seongnam-si, South Korea	100.0	100.0
CoxGomyl Macau Ltd/22994 SO / Macau, SAR, China	100.0	100.0
Alimak Group Malaysia Sdn Bhd /199901025552 (500452-H)/ Bukit Kemuning, Shah Alam, Malaysia	100.0	100.0
Alimak Group Benelux BV /20094140/ Tillburg, Netherlands	100.0	100.0
Alimak Group Norway A/S /971171898/ Godvik, Norway	100.0	100.0
Alimak Group Rus Ltd/Moscow /771001001/ Moscow, Russia	100.0	100.0
Alimak Group Singapore Pte Ltd /199905041/ Singapore	100.0	100.0
Alimak Group Sweden AB /556033-7528/ Skellefteå, Sweden	100.0	100.0
Alimak Group US Inc /2018363415001/ Webster TX, USA	100.0	100.0

Subsidiary/ Org. reg. no. / Registered office	2023 Holding, %	2022 Holding, %
Subsidiaries indirectly owned, dormant and holding companies excluded, cont'd		
Tractel North America Ltd /1215400/ Toronto, Canada	100.0	100.0
Tractel Ltd /1225195/ Toronto, Canada	100.0	100.0
Shanghai Tractel Mech. Eq. Tech. Co. Ltd /91310115779313165Y/ Shanghai, China	100.0	100.0
Tractel Trading (Shanghai) Co. Ltd /9131000069292676XQ/ Shanghai, China	100.0	100.0
Tractel GmbH /HRB61514/ Bergisch Gladbach, Germany	100.0	100.0
Tractel Greifzug GmbH /HRB45528/ Bergisch Gladbach, Germany	100.0	100.0
Scanclimber Deutschland GmbH /HRB3770/ Bad Nauheim, Germany	100.0	100.0
Tractel Iberica S.A. /A08119836/ Barcelona, Spain	100.0	100.0
Huesca Traccion y Elevacion S.L.U (Hutrel) /B22146800/ Huesca, Spain	100.0	100.0
Tractel Suomi Oy /2876616-3/ Pirkkala, Finland	100.0	100.0
Skywalk Oy /2177389-7/ Pirkkala, Finland	100.0	100.0
Scanclimber Oy /0795979-1/ Pirkkala, Finland	100.0	100.0
Tractel International S.A.S. /490073897/ Paris, France	100.0	100.0
Tractel S.A.S. /422197962/ Saint Hilaire sous Romilly, France	100.0	100.0
Tractel Protection Individuelle S.A.R.L. /422439794/ Nogent sur Seine, France	100.0	100.0
Tractel Solutions S.A.S. /350732939/ Saint Genis Laval, France	100.0	100.0
Ile de France Maintenance Service S.A.S./333676039/ Vaires sur Marne, France	100.0	100.0
Tractel Location Service S.A.S. /352469902/ Vaires sur Marne, France	100.0	100.0
Tractel (UK) Limited/533669/ Sheffield, United Kingdom	100.0	100.0
Tractel Projects UK Limited /13764021/ Sheffield, United Kingdom	100.0	100.0
Secalt India Pvt. Ltd /U29150MH2001PTC130772/ Mumbai, India	100.0	100.0
Tractel Italiana S.p.A. /MI-569609/ Milano, Italy	100.0	100.0
TI Developpement S.A. /B195154/ Foetz, Luxembourg	100.0	100.0
TI Luxembourg S.A. /B195161/ Foetz, Luxembourg	100.0	100.0
TI Expansion S.A. /B127506/ Foetz, Luxembourg	100.0	100.0
Tractel Secalt S.A. /B4179/ Foetz, Luxembourg	100.0	100.0
Tractel Trading Luxembourg S.A. /B121834/ Foetz, Luxembourg	100.0	100.0
Financiere Mantra /B200478/ Luxembourg, Luxembourg	100.0	100.0
Tractel México S.A de C.V. /TME1403079H4/ Mexico City, Mexico	100.0	100.0
Tractel Benelux BV /20086113/ Breda, Netherlands	100.0	100.0
Scanclimber Sp. z.o.o. /7840003122/ Gniezno, Poland	100.0	100.0
Tractel Polska Sp. z o.o. /5272507916/ Warsaw, Poland	100.0	100.0
Lusotractel Lda /503153516/ São Domingos de Rana, Portugal	100.0	100.0
Tractel Russia O.O.O. /1077762811092/ Moscow, Russia	100.0	100.0
Tractel Singapore Private Ltd /199305624M/ Singapore, Singapore	100.0	100.0
Knot Yapi Ve Is Guvenligi Sanayi TIC. A.S. /743967/ Istanbul, Turkey	100.0	100.0
Tractel Inc /42435010/ Houston, United States	100.0	100.0
Tall Crane Equipment Ltd /105127138/ Port Coquitlam, Canada	100.0	100.0
James Hickey Industrial Training School Ltd /827348889/ Port Coquitlam, Canada	100.0	100.0

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")

Note A9. Other current receivables

	2023	2022
Tax recoverable	21	14
Prepaid expenses and accrued income	6	10
Total	**27**	**24**

Note A10. Other current liabilities

	2023	2022
Trade payables	1	1
Tax liabilites	–	9
VAT liabilities	-1	1
Holiday pay	1	2
Other liabilities	6	5
Accrued wages	6	6
Accrued expenses and deferred income	34	23
Total	**47**	**46**

Note A11. Untaxed reserves

	2023	2022
Tax allocation reserves	101	101
Total	**101**	**101**

Note A12. Long-term borrowings

	31 Dec 2023			
Maturity structure	**Carrying amount**	**<1 year**	**1 year–5 years**	**>5 years**
Loans from financial institutions	3,329	176	3,638	–
Carrying amount at year-end	**3,329**	**176**	**3,638**	**–**

	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**	**–**

Financial liabilities consist of undiscounted amounts, including future interest payments.

Note A13. Assets pledged and contingent liabilities

	2023	2022
Assets pledged		
For direct pension commitments	21	18
Total	**21**	**18**
Contingent liabilities		
Guarantee for subsidiaries' liabilities to credit institutions	297	1,316
Indemnity bonds for subsidiaries' guarantees	459	334
Total	**756**	**1,650**

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	5,407,588,647
Net profit for the year	408,070,173
	5,815,658,820

The Board of Directors proposes that the amounts are distributed as follows	
Dividend of SEK 2.50 per share be paid to shareholders[1)]	264,576,250
To be carried forward	5,551,082,570
	5,815,658,820

1) The proposed record day for dividend payment is 2 May, 2024. The amount proposed as dividend corresponds to SEK 2.50 per share, based on the existing number of shares, 107,573,111 and excluding the 1,742,611 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.

Board Signatures

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, 14 March, 2024

Johan Hjertonsson
Chairman of the Board

Helena Nordman-Knutson
Board member

Zeina Bain
Board member

Tomas Carlsson
Board member

Sven Törnkvist
Board member

Petra Einarsson
Board member

Örjan Fredriksson
Board member & Employee representative

Urban Granström
Board member & Employee representative

Ole Kristian Jødahl
President & CEO, Board member

Our Auditor's Report was submitted on 18 March, 2024

Ernst & Young AB

Henrik Jonzén
Authorised Public Accountant

Auditor's Report

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 69–79 for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 56–114 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, 2023 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, 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 69–79. 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 goodwill and other intangible assets with an indefinite useful life

Description	How our audit addressed this key audit matter
In the consolidated statements of financial position as per December 31, 2023, reported goodwill and other intangible assets with an indefinite useful life amounts to 7,064 MSEK, which equals 52% of the Company's total assets. As described in note 13 goodwill and other intangible assets with an indefinite useful life is reviewed for potential impairment whenever there is an indication that the current value may be impaired, or at least annually. goodwill and other intangible assets with an indefinite useful life 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. 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 and other intangible assets with an indefinite useful life. We have audited how cash generated units are identified compared to set criteria and compared this with how goodwill and other intangible assets with an indefinite useful life 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. We have also audited the disclosures in the annual report relating to goodwill.

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, 2023, revenues amount to 7,097 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, 2023, 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.

Auditor's Report

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 1-55 and 119–124. The other information also includes the remuneration report and were obtained before the date of this 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.

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.

Auditor's Report

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 2023 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 organisation 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 organisation 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.

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 2023.

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 Report

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 ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable 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 XHTML 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 69–79 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 16The 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 4, 2023, and has been the company’s auditor since October 3, 2013.

Stockholm March 18, 2024
Ernst & Young AB

Henrik Jonzén
Authorized Public Accountant

Other

Content

August 2022, Hainan, China
Victor Wu

ALIMAK GROUP

Key Figures

	2023	2022	2021	2020	2019
Order intake, MSEK	7,027	4,784	3,772	3,761	4,363
Revenue, MSEK	7,097	4,512	3,728	3,740	4,587
EBITDA, MSEK	1,374	759	614	456	762
EBITA adj, MSEK	1,150	616	483	396	629
EBITA adj margin, %	16.2	13.6	13.0	10.6	13.7
EBITA, MSEK	1,145	603	483	319	608
EBITA margin, %	16.1	13.4	13.0	8.5	13.3
EBIT, MSEK	945	546	448	278	565
EBIT margin, %	13.3	12.1	12.0	7.4	12.3
Result for the period, MSEK	515	376	307	183	394
Total comprehensive income, MSEK	365	743	487	–63	447
Cash flow from operations, MSEK	1,067	501	646	505	502
Cash flow for the period, MSEK	–113	505	104	–66	–56
Cash flow from operations/EBITDA	0.78	0.66	1.05	1.10	0.66
Number of shares, thousands	107,573	54,158	54,158	54,158	54,158
Average number of shares, thousands[1]	98,106	71,547	71,897	72,150	72,144
Earnings per share, SEK[1]	5.25	5.26	4.24	2.52	5.44
Earnings per share adj, SEK	6.76	5.90	4.57	2.92	5.94
Cash flow per share, SEK[1]	–1.15	7.06	1.43	–0.91	–0.77
Equity per share, SEK[1]	70.89	61.17	53.41	48.90	51.07
Total assets, MSEK	13,683	14,327	5,902	5,619	6,417
Cash and cash equivalents end of period, MSEK	739	869	348	226	314
Equity, MSEK	6,955	4,377	3,840	3,528	3,684
Capital employed, MSEK	10,059	10,451	4,179	4,208	4,692
Net debt, MSEK	3,105	6,074	338	680	1,007
Net debt excl. lease liability (IFRS 16), MSEK	2,833	5,759	152	466	740
Equity ratio, %	50.8	30.5	65.1	62.8	57.4
Return on equity, %	9.1	8.6	8.0	5.0	11.1
Return on capital employed goodwill excluded, %	21.8	12.1	24.7	15.1	26.4
Return on capital employed, %	9.2	5.2	10.7	6.2	12.6
Interest coverage ratio, times	3.44	10.06	26.87	8.46	9.31
Net debt/EBITDA ratio (Leverage)	2,26	8.00	0.55	1.50	1.33
Net debt excl. lease liability/EBITDA ratio	2.06	7.58	0.25	1.03	0.97
Number of employees	2,956	3,100	2,057	2,049	2,286

[1] Recalculated in comparison periods to consider rights issue.

Definitions

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 in accordance with IAS33.

Earnings per share adjusted
Earnings after tax excluding items affecting comparability and acquisition related amortization, net of tax, in relation to the average number of shares basic and diluted in accordance with IAS33.

EBITA
Operating profit before amortisation of intangible assets.

EBITA adj
Operating profit before 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.

Items affecting comparability (IAC)
Items that are of non-recurring character such as acquisition related costs, restructuring costs and other items that have a major impact on the financial statements and are of significance to an understanding of the trend of income. Adjusting for items affecting comparability between periods provides a better understanding of the company's underlying operating activities.

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.

The Share

Alimak Group's 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 8.8 billion.

Share price and trading

The share's EPIC is ALIG and its ISIN code is SE0007158910. A trading lot is one share. During 2023, a total of 44,082,613 shares were traded for an amount of MSEK 3,320.6 on all market places. The trading on Nasdaq Stockholm was 21,354,863 shares for an amount of MSEK 1,561.5. The closing price at year-end was SEK 82.10. The highest share price, SEK 88.80, was recorded on 15 June and the lowest, SEK 56.37, on 2 January. The volume weighted average price for the year was SEK 73.12 (Nasdaq Stockholm).

Ownership structure

At year-end, Alimak Group had 5,739 known shareholders. The largest shareholder was Investment AB Latour, with 29.8 percent. The ten largest shareholders represented around 75 percent of the total number of shares outstanding. At year-end, Swedish ownership accounted for approximately 51 percent of total share capital. 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 2.2, represented by 107,573,111 shares. All shares carry the same voting entitlement and an equal share in the Group's profits and capital.

Rights issue

Alimak Group completed a fully subscribed rights issue during the first quarter of 2023. The rights issue provided Alimak Group with proceeds amounting to approximately SEK 2,500 million before deduction of issue costs. As a result of the rights issue, Alimak Group's share capital increased by SEK 1,068,305 to a total of SEK 2,151,462.22 and the total number of shares increased by 53,415,250 shares to a total of 107,573,111.

Repurchase of shares

In October 2023, the Board resolved to exercise the authority given by the Annual General Meeting in 2023 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 programs. A total of 1,000,000 shares were repurchased. At year-end, Alimak Group held 1.6 percent of all its issued shares in treasury.

Dividend

Alimak Group has a target of paying a dividend of approximately 40–60 percent 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.

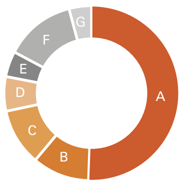
Subject to approval by the 2024 Annual General Meeting, the Board of Directors propose a dividend of SEK 2.50 (1.82) per share based on existing number of shares at year end for the financial year 2023.

LARGEST SHAREHOLDERS 31 DECEMBER, 2023

Shareholder	Number of shares	Capital, %	Votes, %
Investment AB Latour	32,033,618	29.8	29.8
Alantra EQMC Asset Management SGIIC	11,379,125	10.6	10.6
NN Group N.V.	11,295,000	10.5	10.5
First Swedish National Pension Fund	7,143,752	6.6	6.6
Bolero Holdings Sarl	6,997,491	6.5	6.5
C WorldWide Asset Management	2,867,074	2.7	2.7
RBC Global Asset Management	2,752,885	2.6	2.6
Sundt AS	2,585,719	2.4	2.4
Janus Henderson Investors	2,146,932	2.0	2.0
Handelsbanken Funds	1,546,859	1.4	1.4
Total shareholding – 10 largest	**80,748,455**	**75,1**	**75,1**
Other shareholders	25,082,045	23.3	23.3
Shares held by Alimak Group	1,742,611	1.6	1.6
Total number of shares	**107,573,111**	**100.0**	**100.0**

Source: Monitor by Modular Finance AB.

Shareholders by country
31 December, 2023
% of capital



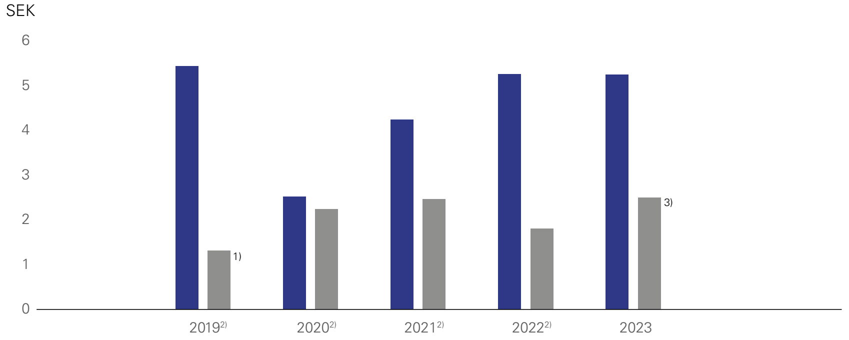
A) Sweden, 50.7
B) Spain, 10.6
C) Netherlands, 10.5
D) Luxembourg, 6.5
E) United States, 4.5
F) Others, 13.3
G) Anonymous ownership, 3.9

Data per Share

SEK/share	2023	2022[6]	2021[6]	2020[6]	2019[6]
Earnings per share[1]	5.25	5.26	4.24	2.52	5.44
Earnings per share adj[1]	6.76	5.90	4.57	2.92	5.94
Dividend[1]	2.50[2]	1.82[3]	2.46	2.24	1.31[5]
Dividend, %of EPS[1]	48[4]	35	58	89	24
Cash flow from operations[1]	10.88	7.01	8.98	7.00	6.96
Share price at year-end	82.1	55.7	85.4	97.8	104.5
Highest share price	85.3	87.3	118.1	107.5	118.9
Lowest share price	57.6	44.0	78.8	49.1	80.3
Average number of shares outstanding, millions	98.1	71.5	71.9	72.1	72.1

[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 2.50 per share (1.82) based on number of outstanding shares at year end 2023.
[3] Dividend per share according to amount of shares at the time of dividend payment, conducted after the rights issue.
[4] Based on the total dividend proposed.
[5] Lowered due to the market uncertainty caused by COVID-19. The Board's previous proposal was a dividend of SEK 3.25 per share.
[6] Recalculated in comparison periods to consider rights issue.

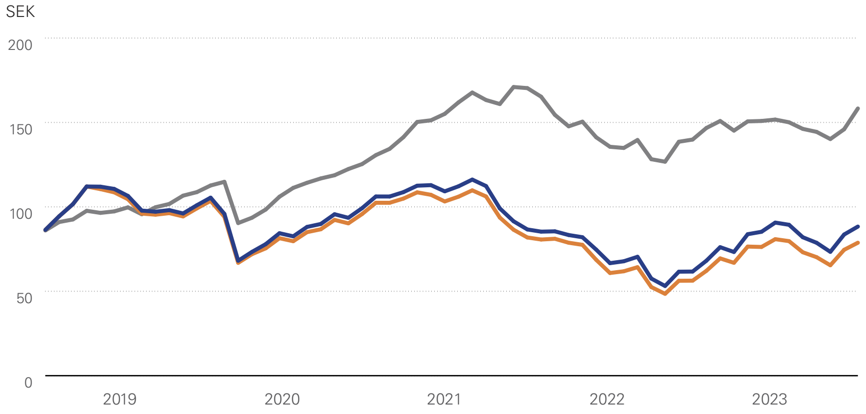
Dividend and Earnings per Share



■ Earnings/share (SEK)
■ Dividend/share (SEK)

[1] The Board initially proposed SEK 3.25 but decreased due to the market uncertainty caused by COVID-19.
[2] Recalculated in comparison periods to consider the rights issue.
[3] Proposed by the Board of Directors.

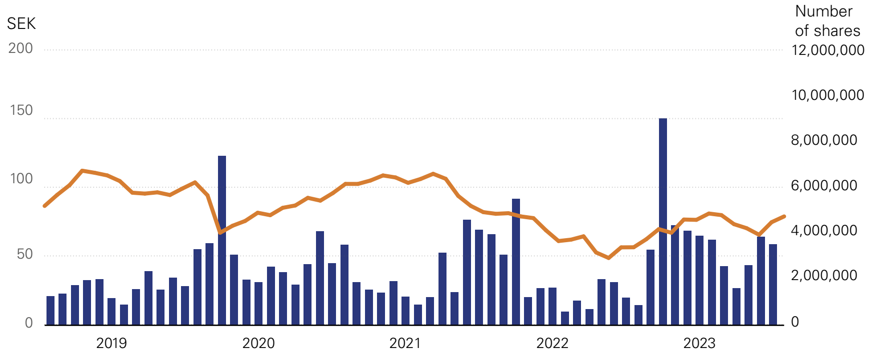
Total Shareholder Return



Shareholder Return Alimak Group
Share Price Alimak Group
OMXSGI

Source: Modular Finance AB

Share Price and Turnover[1]



Share price Alimak Group
Number of shares traded per month

Source: Modular Finance AB

[1] Traded volume in 2019 refers to Nasdaq Stockholm. Traded volume in 2020–2023 refers to all market places.

ALIMAK GROUP

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Information to Shareholders

The annual general meeting of Alimak Group AB (publ) will be held on Monday, 29 April, 2024.

Nomination Committee

The Nomination Committee shall prepare proposals for the 2024 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 2024 comprises the following members:

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

Dividend

2 May, 2024 is proposed as the record day. If the meeting approves this proposal, SEK 2.50 per share, it is estimated that the dividend will be paid by Euroclear Sweden AB on 7 May, 2024.

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: +46 8 402 14 40
- Postal address: Alimak Group AB, Blekholmstorget 30, SE-111 64 Stockholm, Sweden

Calendar

The Annual General Meeting (AGM) for the 2023 financial year will be held on 29 April, 2024.

The Interim Report for the period January–March 2024 will be published on 25 April, 2024.

The Interim Report for the period January–June 2024 will be published on 18 July, 2024.

The Interim Report for the period January–September 2024 will be published on 29 October, 2024.

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Production: Alimak Group in cooperation with Addira.
Print: Larssons Offset, Linköping 2024

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