

SKAKO

Remuneration report 2023 for SKAKO A/S

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1. Management's Statement - Remuneration Report

Management's Statement

The Board of Directors has today considered and adopted the Remuneration Report of SKAKO A/S for financial year 2023.

The Remuneration Report is prepared in accordance with section 139 b of the Danish Companies Act.

The Remuneration Report is submitted to the General Meeting for an indicative vote.

The Remuneration Report for 2022 was approved at the general meeting on 19 April 2023, with no additional comments.

The right to reclaim variable remuneration for 2023 has not been used.

Faaborg, 14 March 2024

Board of Directors

Jens Wittrup Willumsen
Chairman

Lars Tveen
Deputy chairman

Carsten Krogsgaard Thomsen

Christian Herskind Jørgensen

Sophie Louise Knauer

2. Introduction

In 2023 the Board of Directors (in its role as Remuneration Committee) reviewed the remuneration policy of Executive Management to ensure the framework remains appropriate for our business model and that it supports our future ambitions.

The Board of Directors found that the remuneration policy supports the achievement of SKAKO's strategy.

The remuneration policy sets out the principles and framework for the full remuneration paid to members of the Board of Directors and the Executive Management of SKAKO. Executive Management includes all executives registered with the Danish Business Authority.

The overall objectives of the Remuneration Policy are:

- Attracting, retaining, and motivating qualified members of the Board of Directors and Executive Management.
- Ensuring alignment between the interests of the members of the Board of Directors and Executive Management, and those of the shareholders.
- Promoting the long-term interests and sustainability of SKAKO and supporting SKAKO's strategy in the short and long term.

The remuneration of the Board of Directors is comprised of a fixed fee.

The remuneration of the Executive Management is comprised of the following remuneration components:

- Fixed base salary
- Pension contributions
- Standard employee benefits, including a company car
- Cash bonuses (the Short-term Incentive Program (STIP))
- Share-based payments (the Long-term Incentive and Retention Program (LTIRP))

The fixed annual base salary is designed to attract, retain, and motivate qualified individuals with professional and personal competences required to support SKAKO's performance and business strategy. The fixed annual base salary is set to ensure that the total remuneration package is competitive and reasonable compared to relevant benchmarks.

Pension contributions are made to enable members of Executive Management to build up an income for retirement.

Other benefits are added to ensure that overall remuneration is competitive and aligned with local practice. Other benefits comprise of car, phone etc.

3. Business performance in 2023 and incentive outcomes

Overall financial performance was good in 2023. Consequently, the Executive Directors has been granted a cash bonus, based on the fulfillment of their agreed targets. Accrual for the cash bonus is included in the annual accounts and will be paid out after the general meeting in April 2024.

This is in line with SKAKO A/S' remuneration policy and fulfills the objectives stated above.

3.1 Performance under the Short-Term Incentive Program (STIP)

Overall financial performance was good in 2023. Consequently, the Executive Directors has been granted a cash bonus, based on the fulfillment of their agreed targets. Accrual for the cash bonus is included in the annual accounts and will be paid out after the general meeting in April 2024.

2023 KPI-evaluation	EBIT (divisions)		EBIT (Group)		Order intake (division)		Aftersales (division)		Recycling revenue (division)		External reporting		Budget preparation		Implemen- tation new tools		Chairmans evaluation	
	Weight	Result	Weight	Result	Weight	Result	Weight	Result	Weight	Result	Weight	Result	Weight	Result	Weight	Result	Weight	Result
	Steffen Kremmer, Managing Director SKAKO Concrete	40%	Above	15%	Above	20%	Aqual to	15%	Aqual to	0%	N/A	0%	N/A	0%	N/A	0%	N/A	10%
Lionel Girieud, Managing Director SKAKO Vibration	40%	Above	15%	Above	20%	Aqual to	0%	N/A	15%	Above	0%	N/A	0%	N/A	0%	N/A	10%	Equal to
Thomas Pedersen, Group CFO	40%	Above	20%	Above	0%	N/A	0%	N/A	0%	N/A	20%	Equal to	10%	Equal to	10%	n/a	0%	N/A

This is in line with SKAKO A/S' remuneration policy and fulfills the objectives stated above.

3.2 Performance under the Long-Term Incentive and Retention Program (LTIRP)

The LTIRP program currently consists of warrants granted in 2021. The program is tied to exercise share prices of DKK 55.6. With a share price of DKK 103 on 31 December 2023, the program currently hold value to Executive Management.

The 2021 program was introduced in March 2021. No additional warrants have been granted in 2022 or 2023.

This is in line with SKAKO A/S' remuneration policy and fulfills the objectives stated above.

4. Remuneration for the Board of Directors

2023 thousand DKK	Board fee	Comittee fee	Special fee	Fee subsidiaries	Other	Total
Jens Wittrup Willumsen*	500	-	-	-	-	500
Lars Tveen**	250	-	-	-	-	250
Carsten Krogsgaard Thomsen***	200	50	-	-	252	502
Christian Herskind Jørgensen	200	-	-	-	-	200
Sophie Louise Knauer	200	-	-	-	-	200
Total	1.350	50	-	-	252	1.652

* Chairman and member of the audit committee

** Deputy chairman

*** Chairman of the audit committee

The Board of Directors only receives a fixed fee. The fixed fee amounts to 200 tDKK in 2023 (200 tDKK in 2022).

The chairman of the Board of Directors receives 2.5 times the fixed fee, and the deputy chairman receives 1.25 times the fixed fee. The chairman of the audit committee receives 0.25 times the fixed fee in addition to the fixed fee, while other members of the audit committee receives no fee.

The fee for the Board of Directors and participation in committees was established on the general assembly on 19 April 2023.

The chairman of the audit committee has received a time-based fee for his role in the divestment of selling the concrete division.

This is in line with SKAKO A/S' remuneration policy.

5. Remuneration for the Executive Management

Remuneration for members of the Executive Management is proposed by the Chairmanship and approved by the Board of Directors.

The individual remuneration packages are evaluated annually against relevant benchmarks of Danish and other Nordic companies similar to SKAKO in size and complexity.

The remuneration package consists of a fixed annual base salary and variable elements consisting of short (STIP) and long-term incentives (LTIRP). In addition, members of Executive Management receive a pension contribution and other benefits. This remuneration structure is deemed to be resilient in securing successful leadership in SKAKO whilst securing alignment with shareholder expectations.

5.1 Total remuneration for Executive Management:

2023 thousand DKK	Fixed salary				Variable salary			Total
	Base salary	Pension	Other benefits	Total	Cash bonus (STIP)	Share based incentive (LTIRP)	Total	
Steffen Kremmer, Managing Director SKAKO Concrete	2.100	277	110	2.486	733	-	733	3.219
As % of total	65%	9%	3%	77%	23%	0%	23%	100%
Lionel Girieud, Managing Director SKAKO Vibration	1.600	334	76	2.010	435	-	435	2.445
As % of total	65%	14%	3%	82%	18%	0%	18%	100%
Thomas Pedersen, Group CFO	1.380	143	103	1.626	730	-	730	2.356
As % of total	59%	6%	4%	69%	31%	0%	31%	100%
Total	5.080	753	289	6.122	1.897	-	1.897	8.019
As % of total	63%	9%	4%	76%	24%	0%	24%	100%

This is in line with SKAKO A/S' remuneration policy.

5.2 Cash bonus (STIP)

Overall financial performance was good in 2023. Consequently, the Executive Directors has been granted a cash bonus, based on the fulfillment of their agreed targets. Accrual for the cash bonus is included in the annual accounts and will be paid out after the general meeting in April 2024.

This is in line with SKAKO A/S' remuneration policy.

5.3 Share based incentives (LTIRP)

Shared based incentives consists of a warrant program.

5.3.1 Warrants programs

The warrants granted in 2021 are vesting in 2024 with exercise period until April 2025. Since a warrant program was started in 2021, no additional warrants have been granted in 2022 or 2023.

Warrants	Number of warrants 1				Exercised	Number of warrants 31		Fair value outstanding warrants (tDKK)
	January 2023	Granted	Forfeited	Expired		December 2023		
Steffen Kremmer								
Granted 2021	40.000	0	0	0	0	40.000		676
Total	40.000	0	0	0	0	40.000		676
Lionel Girieud								
Granted 2021	40.000	0	0	0	0	40.000		676
Total	40.000	0	0	0	0	40.000		676

6. Comparative five-year summary

thousand DKK	2023	%-change YoY	2022	%-change YoY	2021	%-change YoY	2020	%-change YoY	2019
Board of Directors									
Jens Wittrup Willumsen	500	0%	500	11%	450	13%	400	0%	400
Lars Tveen	250	0%	250	43%	175	17%	150	0%	150
Carsten Krogsgaard Thomsen	502	-11%	565	151%	225	13%	200	0%	200
Christian Herskind Jørgensen	200	0%	200	-11%	225	13%	200	0%	200
Samuel Waldorph Andreassen (until april 2020)	-	N/A	-	N/A	-	N/A	-	N/A	150
Sophie Louise Knauer (from april 2020)	200	0%	200	14%	175	17%	150	N/A	-
Total Board of Directors	1.652	-4%	1.715	37%	1.250	14%	1.100	0%	1.100
Executive management									
Lionel Girieud, managing director Vibration	2.445	18%	2.077	-17%	2.500	35%	1.850	-6%	1.962
Steffen Kremmer, managing director Concrete (from 25 November 2019)*	3.219	13%	2.853	-12%	3.224	-85%	2.160	0%	212
Søren Pedersen, managing director Concrete (until 25 November 2019)*	-	N/A	-	N/A	-	N/A	-	N/A	1.703
Morten Kofod-Jensen, Group CFO (until October 31 2021)	-	N/A	-	N/A	1.676	N/A	-	N/A	-
Ulrik Damgaard (from October 1, 2021, until June 30, 2022)*	-	N/A	1.789	0%	361	N/A	-	N/A	-
Thomas Pedersen (from September 1, 2022)	2.356	37%	1.721	N/A	-	N/A	-	N/A	-
Total Executive Management*	8.019	-5%	8.440	9%	7.761	94%	4.010	3%	3.877

* Percentage change computation is based on an annualised remunerations

thousand DKK	2023	%-change YoY	2022	%-change YoY	2021	%-change YoY	2020	%-change YoY	2019	
The Group and divisions results										
Concrete:	EBIT**	-100%	11.238	85%	6.078	7%	5.672	337%	1.298	
	After tax	-100%	7.403	65%	4.474	68%	2.663	-11%	2.981	
Vibration:	EBIT**	-100%	23.683	37%	17.319	47%	11.797	-37%	18.863	
	After tax	-100%	16.842	39%	12.137	22%	9.958	-27%	13.620	
SKAKO A/S	EBIT**	-100%	5.982	89%	3.161	32%	2.388	-2%	2.441	
	After tax	-100%	827	-122%	3.804	71%	2.229	-9%	2.441	
Group:	EBIT**	-100%	28.939	42%	20.323	34%	15.169	-16%	18.005	
	After tax	25.074	0%	25.074	90%	13.189	21%	10.859	-24%	14.246

** After special items

thousand DKK	2023	%-change YoY	2022	%-change YoY	2021	%-change YoY	2020	%-change YoY	2019
Average employee remuneration based on FTE									
Concrete		-100%	750	6%	710	2%	699	-3%	724
Vibration		-100%	638	13%	562	14%	494	-15%	579
Group***		-100%	665	5%	632	10%	577	-12%	655

The table represents average remuneration for SKAKO Group and divisions. SKAKO A/S has no employees.
The CFO position was previously not part of Executive Management.

7. Summary of Board of Directors and Executive Managements share holdings in SKAKO A/S

	Status	Movements				Status
	1 January 2023	Buy	Vested	Exercised warrants	Sale	31 December 2023
Board of Directors						
Jens Wittrup Willumsen*	419.876	-	-	-	-	419.876
Christian Herskind Jørgensen*	502.000	-	-	-	-	502.000
Carsten Krogsgaard Thomsen	19.255	-	-	-	-	19.255
Lars Tveen	15.104	-	-	-	-	15.104
Sophie Louise Knauer	-	-	-	-	-	-
Total	956.235	-	-	-	-	956.235
Executive Management						
Steffen Kremmer	1.236	-	-	-	-	1.236
Lionel Girieud	5.166	-	-	-	-	5.166
Total	6.402	-	-	-	-	6.402
Total	962.637	-	-	-	-	962.637

8. Deviations from the Remuneration Policy

There have been no deviations from the Remuneration Policy in 2023.

9. Independent Auditor's Report on Remuneration Report

To the Shareholders of SKAKO A/S

We have examined whether the remuneration report for SKAKO A/S for the financial year 1 January - 31 December 2023 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

Our firm applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, number 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

Conclusion

In our opinion the remuneration report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Odense, 14 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen
State Authorised Public Accountant
mne18651

Mikael Johansen
State Authorised Public Accountant
mne23318

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