

## Note 5 Capital gain/loss from Group companies and investments recognised according to the equity method

### Group

#### Capital gain/loss from sale of Group companies<sup>1)</sup>

SEKm	2022	2021
HL Display liquidation of SCI L'Eclipse	-0	
KVD divestment of Smart 365		2
	-0	2

<sup>1)</sup> Capital gains/losses for discontinued operations are recognised in Note 33.

### Parent company

#### Profit from investments in Group companies

SEKm	2022	2021
Dividend	102	
Gain from the sale of shares and similar items	110	1,878
	212	1,878

## Note 6 Share of profit from investments recognised according to the equity method

### Group

SEKm	2022	2021
<b>Share of profit</b>		
Aibel	252	188
Share of profit from investments recognised according to the equity method, owned by Group companies	3	1
	255	189

## Note 7 Employees, personnel costs and remuneration to senior executives and boards

### Average number of employees<sup>1)</sup>

	2022		2021	
	Total	Of whom women, %	Total	Of whom women, %
Parent company	20	40	18	42
Group companies	8,195	37	7,048	39
<b>Group total</b>	<b>8,215</b>		<b>7,066</b>	
<i>Of whom, in:</i>				
Sweden	3,250	33	2,578	34
Norway	2,161	31	1,640	33
Denmark	344	32	338	32
Finland	263	48	239	43
Australia	9	22	6	17
Belgium	4	25	4	25
Brazil	71	22		
Ecuador	8	38	70	10
France	118	59	115	59
United Arab Emirates	6		7	29
India	7	43	8	50
Ireland	7	57		
Italy	248	14	276	12
Canada	6	67		
China	286	39	335	30
Lithuania	78	32	147	33
Netherlands	40	48	28	50
Poland	326	57	398	60
Portugal	12	92		
Romania	3	100		
Russia			11	27
Switzerland	14	64	6	50
Slovenia	2		2	
Spain	244	82	225	78
UK	293	33	271	38
South Korea			7	14
Thailand	17	59	18	67
Czech Republic	11	72	11	73

	2022		2021	
	Total	Of whom women, %	Total	Of whom women, %
Germany	112	47	100	63
Hungary	44	46	7	43
USA	213	45	199	41
Austria	19	26	20	25
	<b>8,215</b>		<b>7,066</b>	

<sup>1)</sup> Excluding Aibel, which is recognised according to the equity method.

### Gender distribution, Board and senior executives<sup>2)</sup>

	31 Dec 2022 Share of women	31 Dec 2021 Share of women
<b>Board of Directors</b>		
Parent company	33%	33%
Group total	14%	15%
<b>Management</b>		
Parent company	17%	14%
Group total	19%	23%

▷ Note 7, cont.

**Group**

**Salaries and other remuneration**

SEKm	Boards and senior executives <sup>2)</sup>	Other employees	Total
<b>2022</b>			
Group, total	317	4,607	4,925
(of which, bonus)	(66)		(66)
Of which, in Sweden	154	1,611	1,765
(of which, bonus)	(15)		(15)
Of which, in other countries	163	2,996	3,160
(of which, bonus)	(51)		(51)
Average number of people	152		
<b>2021</b>			
Group, total	256	3,433	3,689
(of which, bonus)	(63)		(63)
Of which, in Sweden	140	1,178	1,318
(of which, bonus)	(42)		(42)
Of which, in other countries	116	2,255	2,371
(of which, bonus)	(21)		(21)
Average number of people	105		

<sup>2)</sup> In these tables, "senior executives" refers to senior executives in each sub-group.

**Social security costs**

SEKm	2022	2021
Social security costs	1,334	991
(of which, pension costs)	(363)	(305)

Of the Group's pension costs, SEK 43m (36) refers to the boards and senior executives in the Group's companies. The Group's outstanding pension commitments to these amount to SEK 15m (16).

**Parent company**

**Salaries and other remuneration**

SEKm	2022	2021
<b>Senior executives and CEO</b>		
Average number of people <sup>1)</sup>	7	7
Salaries and other remuneration <sup>2)</sup>	32	47
(of which, bonus) <sup>3)</sup>	(6)	(24)
Salaries and other remuneration, other employees	14	11
<b>Total</b>	<b>46</b>	<b>58</b>

<sup>1)</sup> As of the closing date, the number of people was six (seven).

<sup>2)</sup> Including vacation bonus pay of 0.8%.

<sup>3)</sup> Variable cash salary is disbursed over a two-year period and is divided into 50% for each year. However, the expense for each year's variable salary is expensed in its entirety in the year the remuneration is earned. However, up to 100% of the variable cash remuneration for 2022 may be paid already in 2023, provided that the entire portion of the variable cash remuneration received that exceeds 50% is invested in instruments in Ratos's long-term incentive programme 2023.

**Social security costs**

SEKm	2022	2021
Social security costs	29	31
(of which, pension costs)	(12)	(10)

Of the parent company's pension costs, SEK 2.9m (2.6) refers to the CEO.

**Remuneration to Board and senior executives**

**Guidelines and principles for remuneration to senior executives**

The guidelines for remuneration and incentive systems for senior executives as set out below were approved by the 2022 Annual General Meeting. The following guidelines were applied throughout 2022.

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

Information regarding the company's business strategy and long-term interests, including its sustainability, is available on the company's website [www.ratos.com](http://www.ratos.com).

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the senior executives a competitive total remuneration.

Long-term share-related incentive programmes have been implemented in the company. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. For more information about these programmes, see [www.ratos.com](http://www.ratos.com).

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

*Types of remuneration, etc.*

The remuneration to senior executives shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 100% of the total fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 25% of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the compensation committee.

▷ Note 7, cont.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30% of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30% of the fixed annual cash salary.

Other benefits may include, for example, reimbursements for dental care and health care (including medication), medical insurance (Sw: sjukvårdsförsäkring) and company cars. For the CEO, such benefits may be paid out to a customary limited extent.

*Termination of employment*

Upon termination of an employment, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for six months for the CEO and 12 months for other senior executives. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income, amount to not more than 60% of the fixed monthly cash salary at the time of termination of employment, shall only be paid in so far as the previously employed senior executive is not entitled to severance pay and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment for senior executives. When termination is made by the senior executive, the notice period may not exceed six months, without any right to severance pay.

*Criteria for awarding variable cash remuneration, etc.*

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualised quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The proportion of variable cash remuneration varies depending on the senior executive's position in the company. The portion of the variable cash remuneration linked to the outcome of financial criteria is normally 100% for the CEO and the CFO, approximately 80-90% for the Business Area Presidents and approximately 75% for other senior executives, even if the portion can be larger or smaller

depending on the specific circumstances, and shall be dependent on (i) EBITA growth in Ratos Group, and (ii) growth in earnings before tax (EBT) for the Ratos Group.

As a general rule, variable cash remuneration is paid out in an amount of 50% in the year after the remuneration is earned and 50% in the year thereafter. However, up to 100% of the variable cash remuneration may be paid out the year after it was earned, provided that the entire portion of the variable cash remuneration received that exceeds 50% is invested in instruments in Ratos's long-term incentive programme.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated / determined when the measurement period has ended. The Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO, based on a proposal from the compensation committee. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the starting point for the evaluation shall be the latest financial information made public by the company.

*Salary and employment conditions for employees*

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the compensation committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to the senior executives and remuneration to other employees will be disclosed in the remuneration report.

*The decision-making process to determine, review and implement the guidelines*

The Board of Directors has established a compensation committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The compensation committee shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the compensation committee are independent of the company and its executive management. The CEO and other members of the executive

management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

*Derogation from the guidelines*

The Board of Directors 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 compensation committee's tasks include preparing the board of directors' resolutions in remuneration-related matters.

**Convertible debentures and warrants issued in 2018-2022**

The Annual General Meetings from 2018 to 2022 resolved to introduce a long-term incentive programme for the CEO and other key personnel in Ratos consisting of convertibles and warrants (referred to below as the "Instruments"), where participants in the programme - with certain exceptions - are free to decide how large a share of the Instruments offered should comprise convertibles and/or warrants, except for LTI2021 and LTI2022, where participants - with certain exceptions - are free to decide how large a share of the instruments offered should comprise convertibles but the share of warrants could comprise a maximum of 50% of the Instruments offered. One prerequisite for allotment of warrants is that the employee has signed an agreement regarding repurchase etc. with the company whereby the company or purchaser designated by the company has the right to repurchase warrants if the participant's employment is terminated. The aforementioned convertible programmes extend for no more than four years and can be exercised after approximately three years at the earliest. The aforementioned warrant programmes extend for no more than three and a half to five years and can be exercised after approximately three to three and a half years at the earliest.

The standard valuation model for warrants (Black & Scholes) was applied to calculate the value. For programmes issued in 2018-2019 and 2021-2022, participants were offered warrants free of charge and received a benefit corresponding to the market value of the warrants on the date of allotment (option premium). The net expense for participants, after subsidies, was approximately 50% of the taxable benefit in LTI2018 and LTI2019 and approximately 25% of the taxable benefit in LTI2021 and LTI2022. For the 2020 programme, the participants paid in cash without subsidies.

▷ Note 7, cont.

**Call option programmes issued 2016–2017**

Annual general meetings from 2001 up to and including 2017 have decided on call option programmes directed to senior executives and other key people within Ratos. Members of the Board of Ratos are not included in this offer. Employees have paid a market premium for the call options in all programmes. Acquisitions of call options are subsidised by the purchaser receiving extra remuneration corresponding to a maximum of 50% of the option premium after deduction for 55% standard tax, whereby the remuneration is divided into equal parts over five years. Payment of remuneration is normally conditional upon continued employment and continued holding of options acquired from Ratos or shares acquired through the options. The call options are issued on treasury shares. No call options have currently been issued to any participants.

**Synthetic options issued in 2013–2017**

The Annual General Meetings from 2013 to 2017 resolved on cash-settlement option programmes related to Ratos's outstanding investments in companies. These programmes are carried out through the issue of synthetic options that have been transferred at market price. These programmes give key personnel in Ratos an opportunity to share in the companies' growth in value. These options gain value only when Ratos's average annual return exceeds a certain percentage (which varies between 8% and 15%). The purchase of options was subsidised by the option purchaser having received extra cash remuneration corresponding to a maximum of 50% of the option premium, whereby the remuneration was divided into equal components over four years, normally provided the person concerned was still working for the Ratos Group and still held options acquired from Ratos. Neither the CEO nor the Board members have been allotted any synthetic options.

**Remuneration to Ratos's Board and senior executives 2022**

SEKm	Board fee/ basic salary <sup>1)</sup>	Variable remunera- tion <sup>2)</sup>	Other benefits <sup>3)</sup>	Pension costs	Share-based remuneration	Total	Pension commitments
Per-Olof Söderberg, Chairman of the Board	1.1	-	-	-	-	1.1	-
Jan Söderberg, Board member	0.7	-	-	-	-	0.7	-
Karsten Slotte, Board member	0.7	-	-	-	-	0.7	-
Ulla Litzén, Board member	0.8	-	-	-	-	0.8	-
Tone Lunde Bakker, Board member	0.6	-	-	-	-	0.6	-
Helena Svancar, Board member <sup>5)</sup>	0.4	-	-	-	-	0.4	-
Jonas Wiström, CEO	9.7	0.8	0.1	2.9	1.6	15.2	-
Other senior executives <sup>4)</sup>	16.8	5.1	0.1	4.6	6.7	33.3	-

<sup>1)</sup> Basic salary including vacation bonus pay of 0.8%. The Board fee pertains to the fee for the meeting year from April 2022 up to and including March 2023.

<sup>2)</sup> Variable remuneration refers to bonuses attributable to 2022. 50% to be paid in 2023 and 50% in 2024. However, up to 100% of the variable cash remuneration for 2022 may be paid already in 2023, provided that the entire portion of the variable cash remuneration received that exceeds 50% is invested in instruments in Ratos's long-term incentive programme 2023. No bonus was paid to the CEO for 2022. The amount of SEK 0.8m pertains to subsidies for warrants.

<sup>3)</sup> Mainly comprises company car benefits.

<sup>4)</sup> Refers to six people who were members of the management group in 2022, one of whom for part of the year. As of 31 December 2022, the number is five.

<sup>5)</sup> Term: From April to October 2022.

**Remuneration to Ratos's Board and senior executives 2021**

SEKm	Board fee/ basic salary <sup>1)</sup>	Variable remunera- tion <sup>2)</sup>	Other benefits <sup>3)</sup>	Pension costs	Share-based remuneration	Total	Pension commitments
Per-Olof Söderberg, Chairman of the Board	1.1	-	-	-	-	1.1	-
Eva Karlsson, Board member	0.6	-	-	-	-	0.6	-
Jan Söderberg, Board member	0.6	-	-	-	-	0.6	-
Karsten Slotte, Board member	0.6	-	-	-	-	0.6	-
Ulla Litzén, Board member	0.6	-	-	-	-	0.6	-
Jonas Wiström, CEO	8.9	9.2	0.1	2.6	1.5	22.3	-
Other senior executives <sup>4)</sup>	14.1	15.0	0.1	4.1	5.6	38.9	-

<sup>1)</sup> Basic salary including vacation bonus pay of 0.8%. The Board fee pertains to the fee for the meeting year from April 2021 up to and including March 2022.

<sup>2)</sup> Variable remuneration refers to bonuses attributable to 2021. 50% to be paid in 2022 and 50% in 2023. However, up to 100% of the variable cash remuneration for 2021 may be paid to the CEO already in 2022, provided that the entire portion of the variable cash remuneration received that exceeds 50% is invested by the CEO in instruments in Ratos's long-term incentive programme 2022.

<sup>3)</sup> Mainly comprises company car benefits.

<sup>4)</sup> Refers to eight people who were members of the management group in 2021, two of whom for part of the year. As of 31 December 2021, the number is seven.

▷ [Note 7, cont.](#)

## Remuneration to the CEO

### Variable remuneration

The size of variable remuneration is decided by the Board based on a proposal from the compensation committee and within the framework of the total variable remuneration component for senior executives and other key people. Acquisition of warrants is subsidised within the framework of the incentive programme for senior executives.

### Pension terms

Pension premiums amount to 30% of basic salary. The pension is a defined contribution plan. There is no agreed retirement age.

### Terms for severance pay

A six-month (six) notice period will apply if notice is given by the CEO or the company. There is no agreement regarding severance pay.

## Other senior executives

### Variable remuneration

For remuneration to the other senior executives, see the above table.

### Pension terms

Pension benefits comprise a defined contribution pension solution. There is no agreed retirement age.

### Terms for severance pay

In the event of notice being given by the company or by the senior executive, a period of notice of six months normally applies. There is no agreement regarding severance pay in any employment contract.

## Warrants and call options issued by Ratos

	31 Dec 2022				31 Dec 2021			
	Warrants		Call options <sup>1)</sup>		Warrants		Call options	
	No. of options	Corresponding no. of shares	No. of options	Corresponding no. of shares	No. of options	Corresponding no. of shares	No. of options	Corresponding no. of shares
Outstanding at beginning of period	1,573,464	1,573,464	62,500	62,500	1,003,511	1,003,511	695,500	695,500
Issued	832,500	832,500			752,500	752,500		
Repurchased / redeemed	-334,264	-334,264	-62,500	-62,500	-182,547	-182,547	-633,000	-633,000
<b>Outstanding at end of period</b>	<b>2,071,700</b>	<b>2,071,700</b>	<b>0</b>	<b>0</b>	<b>1,573,464</b>	<b>1,573,464</b>	<b>62,500</b>	<b>62,500</b>
of which, redeemable	80,000				0			

<sup>1)</sup> The exercise price for the call options was SEK 40 per share (40). The share price when the options expired was SEK 53.65 (45.6).

▷ Note 7, cont.

**Disclosures on warrants issued during the period**

Each warrant carries entitlement to purchase one share.

	2022	2021
Maturity date	15 Dec 2025	29 Nov 2024
Taxable benefit including social security costs, SEKm	11.9	10.0
Total payments to Ratos if shares acquired, SEKm	40.3	34.0

**Option terms for outstanding call options**

Maturity date	Option price, SEK per option	Exercise price, SEK per share	Right to purchase no. of shares	31 Dec 2022		31 Dec 2021	
				No. of options	Corresponding no. of shares	No. of options	Corresponding no. of shares
18 Mar 2022	4.50	40.00	1.00			62,500	62,500
						<b>62,500</b>	<b>62,500</b>
Maximum increase in number of shares in relation to outstanding shares at end of period							0.0%

The cash amount that Ratos received on exercise of outstanding options amounted to SEK 0m (3).

**Option terms for outstanding warrants**

Maturity date	Option price, SEK per option	Exercise price <sup>3)</sup> , SEK per share	Right to purchase no. of shares	31 Dec 2022		31 Dec 2021	
				No. of options	Corresponding no. of shares	No. of options	Corresponding no. of shares
8 Jun 2023 <sup>1)</sup>	3.30	31.37	1.00	80,000	80,000	362,264	362,264
14 Jun 2024 <sup>1)</sup>	3.93	28.70	1.00	429,200	429,200	436,200	436,200
30 April 2025 <sup>2)</sup>	3.87	23.07	1.00	50,000	50,000	50,000	50,000
29 Nov 2024 <sup>1)</sup>	10.10	44.93	1.00	712,500	712,500	725,000	725,000
25 Dec 2025 <sup>1)</sup>	10.92	46.61	1.00	800,000	800,000		
				<b>2,071,700</b>	<b>2,071,700</b>	<b>1,573,464</b>	<b>1,573,464</b>
Maximum increase in number of shares in relation to outstanding shares at end of period					0.6%		0.5%

<sup>1)</sup> As the warrants are being offered free of charge to participants, they will receive a benefit corresponding to the market value of the warrant at the date of the allotment (option premium). The net expense for participants, after subsidies, will be approximately 50% of the taxable benefit.

<sup>2)</sup> Cash payment.

<sup>3)</sup> Restated for dividends.

**Incentive programmes in Ratos's subsidiaries**

Ratos makes active efforts to ensure that an incentive strategy is in place for boards and senior executives of the companies in which Ratos invests. There are a number of different incentive programmes which include shares, warrants, synthetic options and synthetic shares. Investments are made on market terms with some exceptions.

These exceptions did not have any material effect on the Ratos Group's income statement and balance sheet. In total, financial liabilities relating to synthetic options in the Ratos Group amounted to SEK 153m (144). During the year, the Group's earnings were affected by SEK -17m (-10) relating to synthetic option liabilities.