

Remuneration report 2025

Introduction

This report describes how the guidelines for executive remuneration of AAK AB (publ), adopted by the annual general meeting 2024, were implemented during 2025. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-based and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programs issued by The Stock Market Self-Regulation Committee (ASK).

Further information on executive remuneration is available in note 8 (Remuneration of the Board of Directors and senior executives) on pages 153-154 in the annual report 2025. Information on the work of the remuneration committee in 2025 is set out in the corporate governance report available on pages 116-121 in the annual report 2025.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 8 on pages 153-154 in the annual report 2025.

Key developments 2025

The CEO summarizes the company's overall performance in his statement on pages 8-10 in the annual report 2025.

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

A prerequisite for the successful implementation of the company's business strategy and the safeguarding of its long-term interests, including sustainability, is the ability to recruit and retain qualified personnel. To support this, the company must offer competitive remuneration. The company's remuneration guidelines are designed to ensure a competitive total remuneration package for executives. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed 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 guidelines are found on pages 116-121 and 153-154 in the annual report 2025. During 2025, the company has complied with the applicable remuneration guidelines adopted by the annual general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on the company's website www.aak.com. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-based and share price-related incentive plans.

Table 1 – Total CEO remuneration in 2025 (kSEK)*

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary	Other benefits**	One-year variable	Multi-year variable	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration***
Johan Westman (President and CEO)	12,929	185	13,782	4,808	-	3,704	35,408	47/53

* Except for Variable remuneration, the table reports remuneration earned in 2025. One-year variable remuneration reported is paid out in the year but attributable to performance in the previous year, and Multi-year variable remuneration is reported if vested in 2025, as set out in column 9 of Table 2 below (as applicable).

** Company car and housing benefit.

*** Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Share-based remuneration

Outstanding share-based and share price-related incentive plans

The company has implemented two subscription warrants programs (Incentive Program 2021/2026 and Incentive Program 2022/2027) for the executive management and other key employees. Incentive Program 2021/2026 has been replaced by Incentive Program 2022/2027. In addition, the company has implemented a performance and share-based long-term incentive program for senior executives and certain key employees (Incentive Program 2023/2026) and a performance and share price-based long-term incentive program for senior executives and certain key employees (Incentive Program 2024/2027) and a performance and share price-based long-term incentive program for senior executives and certain key employees (Incentive Program 2025/2028).

No warrants have been subscribed for or transferred in Incentive Program 2021/2026 and the program was replaced by Incentive Program 2022/2027 in accordance with the resolution by the Annual General Meeting 2022.

Warrants in Incentive Program 2022/2027 have been granted at market price and each warrant entitles the warrants holder to subscribe for one share in the company at a price of SEK 195.85 per share. The warrants can be utilized during the period 1 September 2025 up to and including 31 August 2027. Part of the participants' acquisition of warrants is subsidized by AAK by means of a cash bonus that, after individual tax, corresponds to maximum 65 percent of the amount invested by the respective participant in Incentive Program 2022/2027 (up to the offered level). The bonus is paid out with one fourth (1/4) annually starting approximately one year after acquisition of the warrants, and with the last payment approximately four (4) years after the acquisition and requires that before each payment the respective participant, with certain exceptions, is still an employee of the AAK Group and still holds the acquired warrants or, where applicable, the shares subscribed through exercising the warrants. In total, 3,946,050 warrants have been granted, which corresponds to 1.5 % of the shares in the company on a diluted basis. The CEO has been granted 500,000 warrants in the program. In 2025, a total of 891,800 warrants were exercised for subscription of shares in the company, of which the CEO has exercised 250,000 warrants for subscription of shares in the company. The dilution of the company's total number of shares as a result of the share subscription amounted to approximately 0,34 percent.

On 4 May 2023 the Annual General Meeting of AAK AB resolved to implement Incentive Program 2023/2026, a long-term incentive program for around 70 senior executives and certain key employees in the AAK Group who receive a conditional right to be awarded AAK shares ("Performance Shares"), i.e. a right to receive shares at a future time provided that applicable performance conditions and other conditions during the vesting period are met. The award of Performance Shares is linked to a performance condition set by the Board of Directors based on

earnings per share for the 2023 financial year. If all of the conditions set out in Incentive Program 2023/2026 are met, half of the Performance Shares are transferred in the first half of 2025 and the remainder in the first half of 2026. Participants are divided into two categories, where the maximum value for Group 1 is 40 percent of the participant's annual basic salary for 2023, and the maximum value for Group 2 is 25 percent of the participant's annual basic salary for 2023. The performance condition in Incentive Program 2023/2026 was fulfilled. Accordingly, during the first half of 2025, participants were allotted Performance Shares in accordance with the terms of Incentive Program 2023/2026. Within the framework of the program, the CEO was allotted 9,608 Performance Shares during the first half of 2025.

On 8 May 2024 the Annual General Meeting of AAK AB resolved to implement Incentive Program 2024/2027, a new performance and share price-based long-term incentive program for around 70 senior executives and certain key employees in the AAK Group, who will receive synthetic shares entitling to cash payment of an amount corresponding to the share price of AAK AB's share at the time of payment, provided that applicable performance requirements and conditions during the vesting period are met. Provided that all the conditions set out in Incentive Program 2024/2027 are met, payment shall be made with half after the publication of the year-end report for the financial year 2025, and with the remaining half after the publication of the year-end report for the financial year 2026. The participants' right to receive payment in Incentive Program 2024/2027 is linked to a performance condition established by the Board of Directors based on earnings per share during the financial year 2024. Participants are divided into two groups, where the maximum value for Group 1 is 40 percent of the participant's annual basic salary for 2024, and the maximum value for Group 2 is 25 percent of the participant's annual basic salary for 2024.

On 8 May 2025 the Annual General Meeting of AAK AB resolved to implement Incentive Program 2025/2028, a new performance and share price based long-term incentive program for around 70 senior executives and certain key employees in the AAK Group, who will receive synthetic shares entitling to cash payment of an amount corresponding to the share price of AAK AB's share at the time of payment, provided that applicable performance requirements and conditions during the vesting period are met. Provided that all the conditions set out in Incentive Program 2025/2028 are met, payment shall be made with half after the publication of the year-end report for the financial year 2026, and with the remaining half after the publication of the year-end report for the financial year 2027. The participants' right to receive payment in Incentive Program 2025/2028 is linked to a performance condition established by the Board of Directors based on earnings per share during the financial year 2025. Participants are divided into two groups, where the maximum value for Group 1 is 40 percent of the participant's annual basic salary for 2025, and the maximum value for Group 2 is 25 percent of the participant's annual basic salary for 2025.

Further information regarding the incentive programs is available in note 8 on pages 153-154 in the annual report 2025.

Table 2 – Long-term incentive programs (CEO)

Principle terms for the incentive programs							Information regarding the reported financial year					
Name of director (position)	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 Exercise period	6 Exercise price (SEK)	Opening balance		During the year		Closing balance	
							7 Instruments held at beginning of year	8 Instruments awarded	9 Instruments vested/exercised	10 Instruments subject to performance condition	11 Instruments awarded and unvested	12 Instruments subject to retention period
Johan Westman (President and CEO)	Warrants program 2022/2027	2022-2025	2022-05-30	2025-08-31	2025-09-01 – 2027-08-31	195.85	500,000	0	250,000	0	250,000	0
	L.TIP 2023/2026	2023-01-01-2023-12-31	2023-05-04	2025-02-28 (50%) 2026-02-28 (50%)	-	-	19,215	0	9,608	0	9,607	0
	L.TIP 2024/2027	2024-01-01-2024-12-31	2024-05-08	2026-03 (50%) 2027-03 (50%)	-	-	16,374.05	0	0	0	16,374.05	0
	L.TIP 2025-01-01-2025/2028	2025-01-01-2025-12-31	2025-05-08	2027-03 (50%) 2028-03 (50%)	-	-	0	6,010.88*	0	0	6,010.88	0
	Total							535,589.05	6,010.88	259,608	0	281,991.93

* Number of awarded synthetic shares in May 2025 in accordance with the terms of Incentive Program 2025/2028. Value: SEK 1,484,687.36, calculated as the market price per share at the time of award multiplied by the number of synthetic shares.

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2025 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

Table 3 - Performance of the CEO in the reported financial year: variable cash remuneration

Name of director (position)	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3
			a) Measured performance and b) actual award/remuneration outcome
Johan Westman (President and CEO)	Operating profit 2025	82%	a) MSEK 4,675* b) kSEK 8,707
	ESG targets 2025	12%	a) 93% b) kSEK 1,274
	Improvement working capital days	6%	a) n/a (100 vs 80 in 2024) b) kSEK 0

*Operating profit, excluding items affecting comparability, the Hillside divestment, and at fixed foreign exchange rates, increased by 9 percent.

Comparative information on the change of remuneration and company performance

Table 4 – Change of remuneration and company performance (RFY) (kSEK)

	2022 vs 2021	2023 vs 2022	2024 vs 2023	2025 vs 2024	RFY 2025
CEO remuneration	+7,339 (+34%)	-1,260 (-4%)	+6,438 (+23%)	+1,359 (+4%)	35,408
Group operating profit	+495,000 (+21%)	+1,228,000 (+43%)	+780,000 (+19%)	-221,000 (-5%)	4,675,000
Average remuneration on a full time equivalent basis of employees* of the parent company	+55 (+4%)	+135 (+10%)	+37 (2.5%)	+412 (27%)**	1,934**

* Excluding members of the group executive management.

** Average remuneration 27 percent increase impacted by accounting effects in Parent Company relating to AAK Group costs from share-based LTI (Performance Shares).

Description of how opinions expressed when the general meeting addressed an earlier remuneration report have been taken into consideration

No comments in relation to an earlier remuneration report have been submitted.