



# Remuneration report MEKO AB 2024

## Introduction

This report describes how the guidelines for remuneration of senior executives for MEKO AB, adopted by the 2023 Annual General Meeting, were applied in 2024. The report also contains information on remuneration of the President and CEO, and a summary of MEKO's outstanding share-based incentive programs (LTIP 2022, LTIP 2023 and LTIP 2024). The report was prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on remuneration of senior executives and incentive programs.

Further information on remuneration of senior executives is found in Note 5 (Employees and personnel expenses) on page 84-86 of the 2024 Annual Report. Information on the Remuneration Committee's work in 2024 is found in the Corporate Governance Report on pages 34-31 in the 2024 Annual Report. Board fees are not covered by this report. Such fees are approved annually by the Annual General Meeting; see the minutes of the Annual General Meeting on 16 May 2024 and a summary in the 2024 Annual Report.

No remuneration other than ordinary Board fees was paid to Board members.

### Significant development in 2024

The CEO summarizes the company's overall performance in his CEO's comments on pages 9-10 in the 2024 Annual Report.

### MEKO's remuneration guidelines: area of application, purpose and deviations

MEKO's overall strategy is to grow with good profitability. MEKO's vision: to enable mobility – today, tomorrow and in the future. The strategy builds on the four focus areas of better core business, better workshops, better mobility and sustainable growth.

Sustainability is an important part of the Group's strategy. The goal is to take the lead in our industry by being able to manage new technology, new competition, new behaviors and new expectations of us.

For more information on MEKO's strategy, visit [www.meko.com](http://www.meko.com).

A successful implementation of the strategy and the safeguarding of the company's long-term interests presupposes that the Group can recruit and retain qualified employees with the right expertise. Remuneration must therefore be competitive and market based. The purpose of the remuneration guidelines is to enable such remuneration, but also to link

total remuneration to the company's strategy and long-term interests, including its sustainability. This is done by setting targets in short-term variable salary programs and in a long-term share-based programs.

A summary of the guidelines is in the 2024 Annual Report and the complete guidelines are in the minutes of the Annual General Meeting on 23 May 2023. The remuneration guidelines adopted unanimously by the 2023 Annual General Meeting were fully implemented. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that according to the guidelines is to be applied to determine the remuneration. The Auditor's opinion on the company's compliance with the guidelines is available at:

[www.meko.com/corporate-governance/](http://www.meko.com/corporate-governance/). No remuneration was demanded back.

In addition to the remuneration covered by the remuneration guidelines, the company's 2022, 2023 and 2024 Annual General Meetings resolved to introduce three long-term share-based incentive programs (LTIP 2022, LTIP 2023 and LTIP 2024). LTIP 2021 was concluded in 2024; see under the heading LTIP 2021 in this report.

**Table 1** Total remuneration to the President and CEO during 2024 and 2023 (SEK '000s)

Name of senior executive, position	Financial year	Fixed remuneration		Variable remuneration			Extraordinary items	Pension expenses***	Total remuneration	Proportion of variable remuneration in relation to total remuneration
		Basic salary incl. 0.8% holiday pay	Other benefits*	One-year variable/STI 2024**	Multiannual variable, (LTIP 2022, LTIP 2023, LTIP 2024)					
President and CEO Pehr Oscarson	2024	6,919	6	2,758	0	12	2,071	11,766	23%	
	2023	6,528	5	2,116	0	12	1,884	10,545	20%	

\* Refers to health insurance

\*\* Excludes MEKO's costs for LTIP 2022–2024

\*\*\* 30% of basic salary

## Share-based long-term remuneration

### Outstanding share-based and share-price-based incentive program

The company has introduced three share-savings programs (LTIP 2022, LTIP 2023 and LTIP 2024) for the President and CEO, the Group Management Team and a number of key employees, according to the resolutions of the 2022, 2023 and 2024 Annual General Meetings. Provided that the employee has made his/her own investment in shares in MEKO AB (savings shares), the employee can be allocated the equivalent of one matching share right and four performance share rights per savings share (a total of 5 shares).

In the 2022/2024 program (LTIP 2022), the President and CEO invested in 5,000 savings shares, in 5,000 savings shares in the 2023/2025 program (LTIP 2023) and in 5,000 savings shares in 2024/2026 (LTIP 2024). The programs are still in the vesting period.

Matching share rights and performance share rights can be allocated free of charge and are conditional on employees still owning the savings shares, three-year vesting periods and continued employment.

In 2024, LTIP 2021 was concluded and is no longer in the vesting period. Outcomes, see below.

### LTIP 2021

LTIP 2021 was concluded in May 2024. The outcome was that no matching shares (A shares) were allocated per savings share. Conditions for the allocations were that the total shareholder return on MEKO's stock exceeded 0 percent during the period April 1, 2021–March 31, 2024, which was not fulfilled.

No performance shares (B shares) were allocated as the performance conditions were not met. Allocation required that certain target levels were achieved regarding reduced net debt/EBITDA and growth in adjusted EBIT (reported EBIT adjusted for non-recurring items and amortization of goodwill in MEKO AB) for the 2021–2023 financial years

### LTIP 2022

Matching share rights (A shares) require a total shareholder return on MEKO's share that exceeds 0 percent during the period April 1, 2022–March 31, 2025.

The vesting of performance share rights (B shares) requires that the performance conditions have been met and that the level of A shares has been achieved. In addition, allocation requires that certain target levels have been achieved regarding reduced net debt/EBITDA (excluding IFRS 16)

and growth in adjusted EBIT (reported EBIT adjusted for non-recurring items and amortization of goodwill in MEKO AB) for the 2022–2024 financial years. The Board has set a minimum level and a maximum level for the respective performance targets. If the degree of fulfilment is between the minimum and maximum levels, the outcome will be measured on a straight-line basis. MEKO intends to present the target levels and the extent to which they have been met after the program has been concluded.

### LTIP 2023

Matching share rights (A shares) require a total shareholder return on MEKO's share that exceeds 0 percent during the period April 1, 2023–March 31, 2026.

The vesting of performance share rights (B shares) requires that certain target levels have been achieved regarding reduced net debt/EBITDA (excluding IFRS 16) and growth in adjusted EBIT (reported EBIT adjusted for non-recurring items and amortization of goodwill in MEKO AB) for the 2023–2025 financial years. The Board has set a minimum level and a maximum level for the respective performance targets. If the degree of fulfilment is between the minimum and maximum levels, the outcome will be measured on a straight-line basis. MEKO intends to present the target levels and the extent to which they have been met after the program has been concluded.

### LTIP 2024

Matching share rights (A shares) require a total shareholder return on MEKO's share that exceeds 0 percent during the period April 1, 2024–March 31, 2027.

The vesting of performance share rights (B shares) requires that certain target levels have been achieved regarding EBIT and growth in earnings per share (EPS) for the 2024–2026 financial years.

The Board has set a minimum level and a maximum level for the respective performance targets. 0 percent allocation is made at or below minimum levels. 100 percent allocation occurs if fulfillment is at or above the maximum levels. If the degree of fulfilment is between the minimum and maximum levels, the outcome will be measured on a straight-line basis. The outcome of each performance target will be determined individually. Furthermore, the allocation is based on the achievement of individual financial year targets.

MEKO intends to present the target levels and the extent to which they have been met after the program has been concluded.

**Table 2** Remuneration of the President in shares

Name of executive	Specification of the program	Main conditions for bonus and incentive programs				Information regarding financial years					
		Performance period	Date of allocation	Date of vesting	End of the lock-in period	Opening balance	During the year		Closing balance		Shares subject to lock-in period
						Allocated shares*	Vested shares	Shares subject to performance conditions	Allocated shares not vested at the end of the year		
President and CEO Pehr Oscarson	LTIP 2021/2023	Jan 1, 2021–Mar 31, 2024	Jun 30, 2021	Mar 31, 2024	May 31, 2024	25,000	0	–	0	0	0
	LTIP 2022/2024	Jan 1, 2022–Mar 31, 2025	Jun 30, 2022	Mar 31, 2025	May 31, 2025	25,000	0	–	25,000	25,000	0
	LTIP 2023/2025	Jan 1, 2023–Mar 31, 2026	Jun 30, 2023	Mar 31, 2026	May 31, 2026	25,000	0	–	25,000	25,000	0
	LTIP 2024/2026	Jan 1, 2024–Mar 31, 2027	Jun 30, 2024	Mar 31, 2027	May 31, 2027		25,000	–	25,000	25,000	0
						<b>75,000</b>	<b>25,000</b>	<b>–</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>

\* The value of the shares Dec 31, 2024 is SEK 3,345,000.

### Short-term incentive program (STI) – Application of performance criteria

The performance criteria for the President and CEO's short-term variable remuneration (STI) were chosen to encourage action that is in the company's long-term interest. STI is linked to measurable criteria that are in line with MEKO's business and sustainability strategy. The criteria are determined annually by the Remuneration Committee and

approved by the whole Board. The measurement period is one year. The extent to which the criteria have been met is evaluated and determined by the Remuneration Committee, and approved by the whole Board at the end of the measurement period.

There is a ceiling for the short-term variable remuneration of 60 percent of the fixed annual basic salary, in line with the remuneration guidelines.

**Table 3** Variable short-term remuneration 2024 (SEK '000)

Name of senior executive, position	Description of criteria attributable to the remuneration component	Short-term incentive program 2024 (STI 2024)		
		Relative weighting of performance criteria	a) Measured performance (max 120%)	b) Actual allocation/remuneration outcome
President and CEO Pehr Oscarson	Consolidated net sales	30%	a) 62%	b) 753
	Consolidated adjusted EBIT	40%	a) 46%	b) 755
	Working capital	10%	a) 107%	b) 436
	Sustainability-related key performance targets	20%	a) 100%	b) 814
	<b>Total</b>	<b>100%</b>		<b>2,758</b>

### Comparative information regarding changes in remuneration and MEKO's earnings

**Table 4** Changes in remuneration and the company's earnings during the most recent reported financial years (%) (SEK '000s)

Annual change in basic salary of the President and CEO	2020	2021	2022	2023	2024	Average annual basic salary 2024
President and CEO Pehr Oscarson	3.0%	5.0%	5.0%	5.4%	5.9%	6,723
<b>Company's earnings</b>						
Sales	-3%	7%	14%	19%	8%	18,046,096
EBIT	5%	21%	-15%	15%	3%	902,141
EBIT margin	6.3%	7.1%	5.3%	5.0%	4.9%	
Net debt/EBITDA (excl. IFRS 16)	2.5	1.9	3.4	2.6	2.1	
<b>Average remuneration based on equivalent full-time</b>						
Relevant Swedish companies in the MEKO Group*	1.8%	0%	2.1%	3.0%	3.5%	694

\* Employees in the companies MEKO AB, MEKO Services AB and Mekonomen Company AB used as reference

