

# SKAKO

Remuneration report 2021 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 2021.

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 2020 was approved at the general meeting on 28 April 2021, with no additional comments.

The right to reclaim variable remuneration for 2020 has not been used.

Faaborg, 17 March 2022

### Board of Directors

Jens Wittrup Willumsen  
Chairman



Lars Tveen  
Deputy chairman



Carsten Krogsgaard Thomsen



Christian Herskind Jørgensen



Sophie Louise Knauer

## 2. Introduction

In 2021 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 2021 and incentive outcomes**

Overall financial performance was good in 2021. 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 2022.

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 2021. 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 2022.

The KPI EBIT has a weight of approximately 50% in the STIP. This KPI has been partly fulfilled.

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 2017 and 2021. The program is tied to exercise share prices of DKK 90.4 and DKK 55.6. With a share price of DKK 55.2 on 31 December 2021, the program currently does not hold any significant value to Executive Management.

The 2021 program was introduced in March 2021

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

#### 4. Remuneration for the Board of Directors

2021 thousand DKK	Board fee	Comittee fee	Special fee	Fee subsidiaries	Other	Total
Jens Wittrup Willumsen*	450	-	-	-	-	450
Lars Tveen **	175	-	-	-	-	175
Christian Herskind Jørgensen	225	-	-	-	-	225
Carsten Krosgaard Thomsen***	175	50	-	-	-	225
Sophie Louise Knauer	175	-	-	-	-	175
<b>Total</b>	<b>1.200</b>	<b>50</b>	-	-	-	<b>1.250</b>

\* 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 2021 (150 tDKK in 2020). This increase is effective from mid-year 2021, hence the shown board fee actually paid.

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 do not receive a fee.

The fee for the Board of Directors and participation in committees was established on the general assembly on 28 April 2021.

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:

2021 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	1.900	217	156	2.273	275	676	951	<b>3.224</b>
As % of total	59%	7%	5%	71%	9%	21%	29%	100%
Lionel Girieud, Managing Director SKAKO Vibration	1.378	147	70	1.595	229	676	905	<b>2.500</b>
As % of total	55%	6%	3%	64%	9%	27%	36%	100%
Morten Kofod-Jensen, Group CFO 01.01.21-30.9.21	900	-	110	1.010	159	507	666	<b>1.676</b>
As % of total	54%	0%	7%	60%	9%	30%	40%	100%
Ulrik Damgaard, Group CFO from 1.10.21	300	-	1	301	60	-	60	<b>361</b>
As % of total	83%	0%	0%	83%	17%	0%	17%	100%
<b>Total</b>	<b>4.478</b>	<b>365</b>	<b>336</b>	<b>5.179</b>	<b>723</b>	<b>1.859</b>	<b>2.582</b>	<b>7.761</b>
As % of total	<b>58%</b>	<b>5%</b>	<b>4%</b>	<b>67%</b>	<b>9%</b>	<b>24%</b>	<b>33%</b>	<b>100%</b>

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

The CFO position was previously not part of Executive Management

## 5.2 Cash bonus (STIP)

Overall financial performance was good in 2021. 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 2022.

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

Additional warrants have been granted in 2021. The warrants granted are vesting in 2024 with exercise period until April 2026.

Warrants granted in 2017 vested in April 2020 with exercise period until April 2022.

Warrants	Number of warrants 1				Number of
	January 2021	Granted	Forfeited	Exercised	warrants 31 December 2021
<b>Steffen Kremmer</b>					
Granted 2017	0	0	0	0	0
Granted 2021	0	40.000	0	0	40.000
<b>Total</b>	<b>0</b>	<b>40.000</b>	<b>0</b>	<b>0</b>	<b>40.000</b>
<b>Lionel Girieud</b>					
Granted 2017	20.000	0	0	0	20.000
Granted 2021	0	40.000	0	0	40.000
<b>Total</b>	<b>20.000</b>	<b>40.000</b>	<b>0</b>	<b>0</b>	<b>60.000</b>
<b>Morten Kofod Jensen</b>					
Granted 2017	0	0	0	0	0
Granted 2021	0	30.000	30.000	0	0
<b>Total</b>	<b>0</b>	<b>30.000</b>	<b>30.000</b>	<b>0</b>	<b>0</b>



## 6. Comparative four-year summary

thousand DKK	2021	%-change YoY	2020	%-change YoY	2019	%-change YoY	2018	%-change YoY	2017
<b>Board of Directors</b>									
Jens Wittrup Willumsen	450	13%	400	0%	400	0%	400	0%	400
Christian Herskind Jørgensen	225	13%	200	0%	200	0%	200	0%	200
Carsten Krogsgaard Thomsen	225	13%	200	0%	200	0%	200	0%	200
Lars Tveen	175	17%	150	0%	150	0%	150	0%	150
Sophie Louise Knauer (from april 2020)	175	17%	150	N/A	-	N/A	-	N/A	-
Samuel Waldorph Andreasen (until april 2020)	-	N/A	-	N/A	150	0%	150	0%	150
<b>Total Board of Directors</b>	<b>1.250</b>	<b>14%</b>	<b>1.100</b>	<b>0%</b>	<b>1.100</b>	<b>0%</b>	<b>1.100</b>	<b>0%</b>	<b>1.100</b>
<b>Executive management</b>									
Lionel Girieud, managing director Vibration	2.500	35%	1.850	-6%	1.962	20%	1.635	-19%	2.022
Steffen Kremmer, managing director Concrete	3.224	49%	2.160	3%	212	N/A	-	N/A	-
Søren Pedersen, managing director Concrete (until 25 November 2019)*	-	N/A	-	N/A	1.703	-8%	2.058	-12%	2.337
Peter Thomsen, Group CFO (Until 28 May 2018)	-	N/A	-	N/A	-	N/A	1.455	N/A	-
Jacob Have, Group CFO (until 31 March 2018)*	-	N/A	-	N/A	-	N/A	403	-9%	1.777
Morten Kofod-Jensen (until October 31, 2021)	1.676	N/A	-	N/A	-	N/A	-	#DIV/0!	-
Ulrik Damgaard (from October 1, 2021)	361	N/A	-	N/A	-	N/A	-	#DIV/0!	-
<b>Total Executive Management*</b>	<b>7.761</b>	<b>194%</b>	<b>4.010</b>	<b>-1%</b>	<b>3.877</b>	<b>-30%</b>	<b>5.551</b>	<b>-10%</b>	<b>6.136</b>

\* Percentage change computation is based on an annualised remunerations

thousand DKK	2021	%-change YoY	2020	%-change YoY	2019	%-change YoY	2018	%-change YoY	2017
<b>The Group and divisions results</b>									
<b>Concrete:</b>									
EBIT**	6.078	7%	5.672	337%	1.298	-51%	2.658	N/A	- 18.931
After tax	4.474	68%	2.663	-11%	2.981	384%	616	N/A	- 18.263
<b>Vibration:</b>									
EBIT**	17.319	47%	11.797	-37%	18.863	20%	15.665	-10%	17.495
After tax	12.137	22%	9.958	-27%	13.620	2%	13.375	-9%	14.730
<b>SKAKO A/S</b>									
EBIT**	-3.161	32%	- 2.388	-2%	- 2.441	17%	- 2.081	-120%	10.301
After tax	-3.804	71%	- 2.229	-9%	- 2.441	-9%	- 2.670	-126%	10.304
<b>Group:</b>									
EBIT**	20.321	34%	15.169	-16%	18.005	10%	16.403	N/A	- 3.894
After tax	15.607	44%	10.859	-24%	14.246	12%	12.698	N/A	- 6.160

\*\* After special items

thousand DKK	2021	%-change YoY	2020	%-change YoY	2019	%-change YoY	2018	%-change YoY	2017
<b>Average employee remuneration based on FTE</b>									
Concrete	710	2%	699	-3%	724	13%	638	-10%	708
Vibration	562	14%	494	-15%	579	0%	578	1%	571
Group***	632	10%	577	-12%	655	7%	613	-5%	646

\*\*\*There are no FTE's employed in the parent company. All FTE's are employed in the divisions.

The table represents average remuneration for SKAKO Group and divisions. SKAKO A/S has employees.

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

	Status	Movements				Status
	1 January 2021	Buy	Vested	Exercised warrants	Sale	31 December 2021
<b>Board of Directors</b>						
Jens Wittrup Willumsen*	419.876	-	-	-	-	419.876
Christian Herskind Jørgensen*	509.000	-	-	-	7.000	502.000
Carsten Krogsgaard Thomsen	19.255	-	-	-	-	19.255
Lars Tveen	6.104	9.000	-	-	-	15.104
Sophie Louise Knauer	-	-	-	-	-	-
<b>Total</b>	<b>954.235</b>	<b>9.000</b>	<b>-</b>	<b>-</b>	<b>7.000</b>	<b>956.235</b>
<b>Executive Management</b>						
Steffen Kremmer	1.236	-	-	-	-	1.236
Lionel Girieud	5.166	-	-	-	-	5.166
Morten Kofod-Jensen	-	-	-	-	-	-
Ulrik Damgaard	-	-	-	-	-	-
<b>Total</b>	<b>6.402</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.402</b>
<b>Total</b>	<b>960.637</b>	<b>9.000</b>	<b>-</b>	<b>-</b>	<b>7.000</b>	<b>962.637</b>

\* Owns 50 % of the company Frederik 2 ApS, which own in total 800.000 shares in SKAKO A/S. The shares have been allocated with 50 % for each participant.

## 8. Deviations from the Remuneration Policy

There have been no deviations from the Remuneration Policy in 2021

## 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 2021 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 behavior and ethical requirements applicable in Denmark.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

### 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, 17 March 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

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