

Remuneration report 2023/24

Introduction

This report describes how the guidelines for remuneration of senior executives for Dustin Group AB, as adopted by the 2019/20 Annual General Meeting (AGM), were applied in 2023/24. The report also contains information about remuneration of the CEO and a summary of our outstanding share-based incentive programmes. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

For more information about the remuneration of senior executives, refer to Note 7 on pages 95–97 of our Annual Report for 2023/24. For more information about the Remuneration Committee's work in 2023/24, refer to the Corporate Governance Report on pages 77–80 of the 2023/24 Annual Report.

Board fees are not included in this report. These fees are determined annually by the AGM and presented in Note 7 on page 97 of the 2023/24 Annual Report.

Key developments 2023/24

The CEO summarises Dustin's overall performance in his statement on page 6 of the 2023/24 Annual Report.

Dustin's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of our business strategy and safeguarding of our long-term interests, including their sustainability, is that we can recruit, retain, engage and develop qualified employees. This means that we must be able to offer competitive remuneration. Our remuneration guidelines enable us to offer executives a competitive total remuneration

package. According to the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed base salary, variable pay, pension benefits and other benefits. In addition to remuneration covered by the remuneration guidelines, Dustin's AGM has resolved to implement long-term share-based incentive programmes.

The complete remuneration guidelines are available at <https://www.dustingroup.com/en/remuneration>. In 2023/24, Dustin applied the guidelines adopted by the AGM. There were no deviations from the guidelines, or from the decision-making process that, according to the guidelines, must be applied to determine the remuneration. The auditor's opinion on whether we have complied with the remuneration guidelines is available at <https://www.dustingroup.com/en/general-meetings>. No remuneration has

been repaid. Based on the conclusions from the evaluation of the variable remuneration programmes and application of the remuneration guidelines, the Board has decided to recommend that the remuneration guidelines remain unchanged.

Total CEO remuneration

Table 1 – Total CEO remuneration (KSEK) in 2023/24

Executive's name, position	Financial year	Fixed remuneration		Variable remuneration		Extraordinary items	Pension costs	Total-remuneration	Ratio of fixed and variable components****
		Base salary*	Other benefits**	One-year***	Multi year				
Johan Karlsson, CEO	2023/24	6,754	97.8	2,980	-	-	1,239.2	11,071	70/30

* Including vacation pay of KSEK 15.

** Comprises company car.

*** Consists of short-term variable remuneration accrued in 2023/24, which is paid out quarterly in arrears.

**** Fixed remuneration here consists of base salary, other benefits and pension costs.

During the 2023/24 financial year, Dustin Group's CEO Johan Karlsson's accumulated remuneration amounted to SEK 8.9 million. According to the Board's decision on November 16, 2023, Johan Karlsson was granted a discretionary bonus of

SEK 2 million due to his strong performance. The average annual remuneration figure for the company's other employees, excluding social security contributions, amounts to KSEK 626.

Short and long-term variable CEO remuneration

Application of performance criteria to short-term variable remuneration

The performance criteria for variable remuneration to the CEO have been selected to realise Dustin's strategy and to encourage achievements that are aligned with Dustin's long-term interests. When

selecting performance criteria, the strategic targets as well as long and short-term business priorities for 2023/24 have been taken into account. The non-financial performance criteria further contribute to alignment with sustainability, customer satisfaction and culture.

Table 2 – CEO's performance during the reported financial year: variable pay

Executive's name, position	Description of criteria related to the remuneration component	Relative weighting of performance criteria	a. Measured performance and b. Actual remuneration outcome	
Johan Karlsson, CEO	Group EBITA (quarterly)	50%	a) Q1: 0%	b) - KSEK
			a) Q2: 0%	b) - KSEK
			a) Q3: 0%	b) - KSEK
a) Q4: 0%			b) - KSEK	
	Group EBITA (annually)	20%	a) 0%	b) - KSEK
	Milestones (annually)	30%	a) 83%	b) 980 KSEK

Warrant programme

Dustin currently has one outstanding long-term incentive programme based on warrants, which was implemented following a resolution by the AGM (LTI 2022). During this financial year, one incentive programme was vested (LTI 2021). No warrants were exercised since the market price was lower than the exercise price.

The long-term incentive programme consists of warrants and synthetic options (for employees in Norway and the Netherlands only) and has a vesting period of 3.4 years. The warrants and synthetic options were transferred at a price corresponding to the market value of the warrants and the synthetic options at the date on which they were transferred (premium), calculated using a generally accepted valuation model (Black-Scholes). The calculation was carried out by an independent valuer.

When transferring the warrants to the participants, Dustin reserved the right to repurchase the warrants should the participant no longer be employed by, or render services to, the Group, or transfer their warrants (pre-emptive bid). Dustin has also reserved the right to (i) buy back the synthetic options should the participant transfer the synthetic options (pre-emptive bid) and (ii) cap the amount per synthetic option that each participant can receive so that the market value of each synthetic option corresponds to the market value of each warrant.

Dustin has issued a total of 956,458 warrants (of which 700,649 are outstanding) and 20,456 synthetic options are included in the outstanding programme.

If all warrants are fully exercised, Dustin's share capital could amount to a maximum of SEK 4,330,010.82 (based on the current quotient value and provided no recalculation has been carried out in accordance with the conditions), corresponding to a dilution of around 0.15 per cent of the shares in Dustin, based on the number of shares outstanding.

Table 3 – Long-term incentive programmes (CEO)

Name of executive	The main terms and conditions for the warrant programmes					Opening balance	During the year			Closing balance
	Name of programme	Vesting date	Purchase date	Exercise period	Exercise price (SEK)	Warrants at beginning of the year	Purchased warrants	Warrants held	Warrants exercised	Warrants at year-end
Johan Karlsson, CEO	LTI 2021	January 31, 2021– June 30, 2024	January 27, 2021	January 31– June 30, 2024	86.00	93,312	-	-	-	93,312
	LTI 2022	February 1, 2022– June 30, 2025	February 1, 2022	January 31– June 30, 2025	112.00	81,828	-	-	-	81,828
Total						175,140	-	-	-	175,140

Performance share programme (PSP)

During the 2023/24 financial year, a new long-term incentive programme was implemented in the form of a performance-based share programme, PSP 2024. PSP 2023 was implemented in the previous financial year.

The AGM on December 12, 2023 resolved to adopt the share-based incentive programme proposed by the Board. Based on the AGM's authorisation on February 8, 2024, the Board decided to implement a directed issue of new shares and an immediate buy-back of 4,000,000 Class C shares. The aim of the issue and the buy-back is to ensure the future supply of ordinary shares to the participants in the incentive programme.

PSP 2024 and PSP 2023 focus on strategically important financial performance measures such as organic growth and EBITA margin (PSP 2023) or EPS (PSP 2024), as well as total shareholder return (TSR). Furthermore, the PSP programmes include a target related to product recycling (annual takeback sales) with the aim of linking the participants' remuneration to Dustin's sustainability targets for 2030.

According to PSP 2024, Category 1 (CEO) may allocate up to 73,000 Investment Shares. For each Investment Share, the participant is entitled to receive a total of 7 performance share rights, of which 1 performance share right of Series A, 2.25 performance share rights of Series B and C, respectively, and 1.5 performance share rights of Series D.

According to PSP 2023, Category 1 (CEO) may allocate up to 15,900 Investment Shares. For each Investment Share, the participant is entitled to receive a total of 7 performance share rights, of which 1 performance share right of Series A, 2.25 performance share rights of Series B and C, respectively, and 1.5 performance share rights of Series D.

Table 4 – Long-term incentive programmes (outgoing CEO)

Name of executive	Name of programme	Number of shares	Performance target												Total		
			Total shareholder return (A)			Organic growth (B)			EBITA margin (C)			EBITA margin (C)					
			Min.	Max.	Max. number	Min.	Max.	Max. number	Min.	Max.	Max. number	Min.	Max.	Max. number	Min.	Max. number	Max. total
Johan Karlsson, CEO	PSP 2024	73,000	0.0x	1.0x	73,000	0.0x	2.3x	164,250	0.0x	2.3x	164,250	0.0x	1.5x	109,000	0.0x	511,000	7.0x
	PSP 2023	15,900	0.0x	1.0x	15,900	0.0x	2.3x	35,775	0.0x	2.3x	35,775	0.0x	1.5x	23,850	0.0x	111,300	7.0x
Total		88,900	-	-	88,900	-	-	200,025	-	-	200,025	-	-	133,350	0.0x	622,300	7.0x

Comparative information about change in remuneration and the company's performance

Table 5 – Change in remuneration and the company's performance for the reported financial year

	2023/24	2022/23
Total CEO remuneration (KSEK)	11,071.0	8,969.0
Year-on-year change (KSEK)	2,102.0	-1,601.8
Change in percentage (%)	23.4%	-15.2%
The Group's operating profit (MSEK)	332.4	466.6
Year-on-year change (MSEK)	-134.2	-291.4
Change in percentage (%)	-28.8%	-38.4%
Average remuneration to full-time employees in Dustin Aktiebolag (KSEK)*	613.3	551.9
Year-on-year change (MSEK)	61.4	31.2
Change in percentage (%)	11.1%	6.0%

* Total remuneration in 2023/24 divided between average number of employees in Dustin Aktiebolag (as per the 2023/24 Annual Report), excluding members of Executive Management.