

A man wearing a white safety helmet and a high-visibility yellow jacket with reflective stripes is focused on handling a large coil of green rope. He is wearing orange and black work gloves. The background shows the deck of a ship with a white superstructure and blue railings. The text 'ALLIGO AB CORPORATE GOVERNANCE REPORT 2022' is overlaid on the left side of the image. The 'UNIVERN' logo is visible on the worker's jacket.

**ALLIGO AB
CORPORATE
GOVERNANCE REPORT
2022**

ALLiGO

CORPORATE GOVERNANCE REPORT

Alligo's corporate governance aims to ensure that the business creates long-term sustainable value for shareholders and other stakeholders. High standards of openness, reliability and ethical values are guiding principles for Alligo's business.

Alligo applies the Swedish Corporate Governance Code (the "Code"). The Code is part of the self-regulation system of Swedish trade and industry, and is based on the "comply or explain" principle. This means that a company that applies the Code may deviate from individual rules, but is required to provide an explanation for each deviation. This corporate governance report for the 2022 financial year was prepared in accordance with the recommendations of the Code. The corporate governance report constitutes a part of the formal annual accounts and has been reviewed by the company's auditors.

The purpose of the company's corporate governance structure is to establish a clear distribution of roles and responsibilities between the owners, Board of Directors, Board committees and executive management. Alligo AB primarily applies the Swedish Companies Act and the rules that apply as a result of the company's shares being listed on Nasdaq Stockholm ("Stockholm Stock Exchange") as well as best practice in the stock market. In the course of its operations, Alligo also complies with the regulations stipulated in the company's Articles of Association. The Articles of Association are available in full on the company's website. In addition to this, there are policies in a number of areas, including the Group's Code of Conduct, which must be familiar

to and complied with by all employees. All parts of the business also work in accordance with Alligo's management systems.

Corporate governance structure at Alligo

The General Meeting of Shareholders is the company's highest decision-making body. The Board of Directors and its Chair, as well as the auditors where applicable, are appointed by the Annual General Meeting. The Nomination Committee drafts proposals for the Annual General Meeting regarding the composition of the Board of Directors. By order of the Annual General Meeting, it is the duty of the appointed auditors to examine the financial statements and the administration of the Board of Directors and the CEO during the financial year. The Board of Directors is ultimately responsible for the company's organisation and administration. It is also the duty of the Board to ensure that all shareholders' interests in Alligo are provided for. The Board of Directors appoints the CEO and the Deputy CEOs. The Audit Committee examines the procedures for risk management, governance, control and financial reporting. The Remuneration Committee prepares proposals concerning remuneration levels for the CEO as well as general incentive programmes for the approval of the Board. It is also the responsibility of the Remuneration

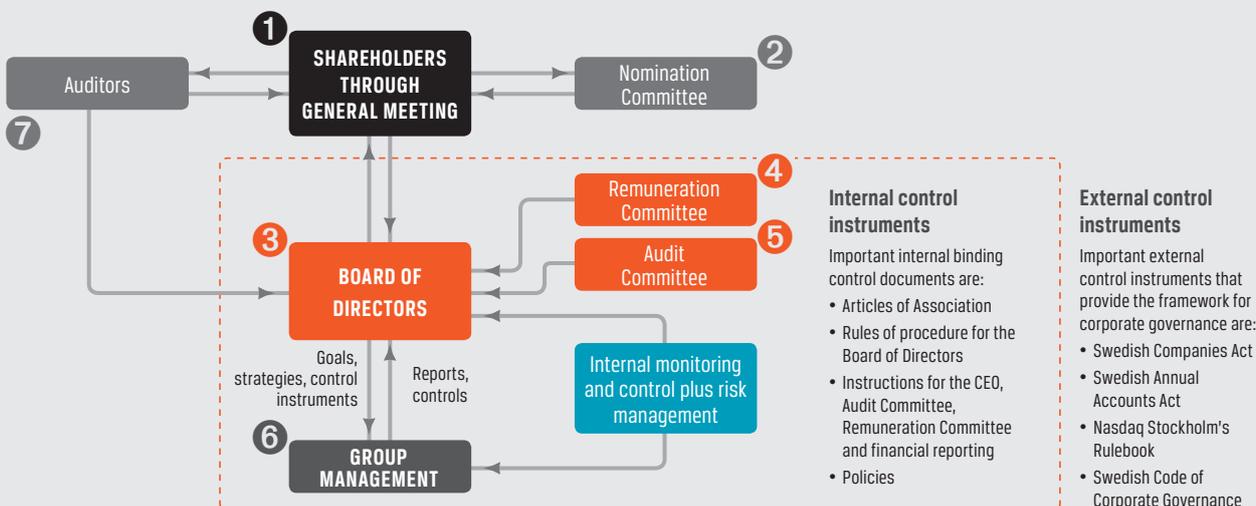
Committee to decide on remuneration levels for other senior executives. The CEO and other members of the management are responsible for the day-to-day administration of Alligo.

Share structure and holding of treasury shares

The share capital amounted to approximately MSEK 102 as at 31 December 2022. The distribution by class of share was as follows: Class A shares 564,073, Class B shares 50,342,116. The total number of shares before repurchasing was 50,906,189. The number of repurchased Class B shares was 425,300 and the total number of shares after repurchasing was 50,480,889.

All shares carry equal rights to Alligo AB's assets and earnings. The company's Class A shares entitle the holder to ten votes each and Class B shares to one vote each. The Articles of Association contain no limitations concerning how many votes each shareholder may cast at the General Meeting of Shareholders. For repurchased shares held in treasury, all rights are waived until such time as the shares are reissued. The Board is authorised, during the period until the next Annual General Meeting, to decide to increase the company's share capital through a new issue of shares up to a maximum of 10 per cent of the number of shares in the company as a means of payment for acquisitions.

CORPORATE GOVERNANCE STRUCTURE



According to Chapter 6, Section 2a of the Swedish Annual Accounts Act, listed companies are required to disclose information concerning certain circumstances that may affect opportunities to take over the company through a public takeover bid for the shares in the company. The company's lenders are entitled to cancel approved committed credit facilities if the company's shares are delisted from Nasdaq Stockholm or in connection with public takeover bids if the bidder secures a shareholding of more than 50 per cent of the number of shares in the company or controls at least 50 per cent of the votes in the company. Otherwise the company has not entered into any significant agreements with suppliers or employees that would be affected, change, expire or stipulate the payment of financial remuneration should control of the company change as a result of a public takeover bid for the shares in the company.

Treasury shares and incentive programmes

As at 31 December, the number of Class B shares held in treasury amounted to 425,300, corresponding to 0.8 per cent of the total number of shares and 0.8 per cent of the total number of votes. There were no changes to the holding of treasury shares during the financial year.

The 2022 Annual General Meeting approved a call option programme ("Call option programme 2022/2025") containing a maximum of 185,000 options, corresponding to approximately 0.36 per cent of the total number of shares and approximately 0.33 per cent of the total number of votes in the company. The programme is designed for key personnel in senior positions and provides the opportunity to acquire call options at market price for Class B shares repurchased by Alligo. After two years, a subsidy will be paid equivalent to the premium paid for each call option (before tax) provided that the option holder's employment at the Group has not been terminated and that the call options have not been divested prior to this point. The subsidy is recognised as an accrued expense until the time when the employment condition is met. The subsidy is also charged with social security contributions.

Each call option entitles the holder to acquire one (1) repurchased Class B share in the company on three occasions: 1) during the period from 2 June 2025 to 16 June 2025 inclusive, 2) during the period from 18 August 2025 to 1 September 2025 inclusive, and 3) during the period from

3 November 2025 to 17 November 2025 inclusive. The redemption price has been calculated as SEK 129.30, based on 120 per cent of the volume-weighted average price during the period 12 May to 25 May 2022. If the share price at the time the call option is exercised exceeds SEK 194.00, the redemption price shall be increased krona for krona by the amount in excess of SEK 194.00. The option premium has been calculated as SEK 7.82 by an independent third party according to the accepted Black-Scholes model.

185,000 call options have been allotted and acquired by employees on market terms. Of these, 80,000 have been acquired by the Group CEO and CFO and 105,000 by other key personnel. The option premium paid totals MSEK 1.4.

In June 2022, a cash redemption of the remaining 8,000 outstanding options in the "Call option programme 2018/2022" took place for a cash sum of SEK 362,647.

1 Shareholders

As at 31 December 2022, Nordstjernan AB held 54.6 per cent of the share capital and 49.6 per cent of the total number of votes in the company. No other shareholders had direct or indirect shareholdings in the company representing more than one-tenth of the total number of votes. As at 31 December 2022, Alligo AB had approximately 5,000 shareholders. Further information regarding Alligo's shares and ownership structure as at 31 December 2022 is provided in the section on the Alligo share on page 24.

General Meeting

The General Meeting of Shareholders is the company's highest decision-making body where shareholders exercise their voting rights. At the Annual General Meeting, decisions are made concerning the annual report, dividends, the election of the directors and auditors, directors' and auditors' fees, and other matters in accordance with the Swedish Companies Act and the Articles of Association.

Extraordinary General Meeting on 23 March 2022

An Extraordinary General Meeting of Alligo AB was held on 23 March 2022. The Meeting resolved to distribute all of the shares in the wholly owned subsidiary Momentum Group AB to the shareholders of Alligo AB. Göran Näsholm, Stefan Hedelius, Johan Sjö, Johan Eklund and Christina Åqvist were re-elected to the Board of

Directors. It was recorded that Gunilla Spongh declined re-election. Cecilia Marlow was elected as a new member of the Board. Göran Näsholm was elected Chair of the Board of Directors.

Annual General Meeting on 11 May 2022

The Annual General Meeting of Alligo AB was held on 11 May 2022 in Stockholm. The notice for the Annual General Meeting and the supporting documentation for the Meeting were published in accordance with the company's Articles of Association. A total of approximately 50 shareholders participated in the Meeting, representing a combined total of 81.5 per cent of the votes in the company. The Meeting was attended by all Board members and the company's auditors.

Among other decisions, the Meeting resolved on authorisations for repurchases of own shares and new share issues in conjunction with acquisitions, a decision on the issue of call options, a decision on changing the guidelines for determining remuneration and other terms of employment for senior executives and also approved the Board of Directors' remuneration report and discharged the Board of Directors and CEO from liability for their administration of the company during the 2021 financial year. Göran Näsholm, Stefan Hedelius, Johan Sjö, Christina Åqvist and Cecilia Marlow were re-elected to the Board of Directors. It was recorded that Johan Eklund declined re-election. Pontus Boman was elected as a new member of the Board. Göran Näsholm was re-elected Chair of the Board of Directors.

2 Nomination Committee

The Annual General Meeting in August 2020 resolved on the instructions for the appointment of a Nomination Committee at Alligo as well as its duties, which apply until further notice.

In accordance with these instructions, the Nomination Committee is tasked ahead of the upcoming Annual General Meeting with submitting proposals for the number of Board members, the election of Board members including the Chair of the Board, the election of auditors, Board fees and auditors' fees, the Chair of the Meeting, proposed principles for the appointment of next year's Nomination Committee and instructions for its work. As part of the process to prepare a proposal for Board members, the Chair of the Board presents the evaluation of the Board's work carried out during the past year. The company's business and future direction are also presented by the CEO, while the Chair of the Audit Committee reports

on the cooperation with the auditors. This then provides the basis for the work of the Nomination Committee, together with the requirements of the Swedish Code of Corporate Governance and the company-specific requirements at Alligo.

Composition of the Board of Directors

In its nomination work, the Nomination Committee ensures that the proposed Board of Directors has a well-balanced composition in relation to the company's operations, stage of development and circumstances that ensures its ability to manage the company's affairs effectively and with integrity. The Board of Directors must contain the skills and qualities that are considered important for Alligo's continued development. In addition to good knowledge of Alligo's business and industry, the Board of Directors must also possess general expertise in areas such as corporate management, accounting, sustainability, law and finance. The composition of the Board must be characterised by diversity and breadth in terms of experience, qualifications and background, while giving consideration to an even gender distribution and continuity.

Nomination Committee 2023

A Nomination Committee was appointed ahead of the 2023 Annual General Meeting comprising Peter Hofvenstam (nominated by Nordstjernan) as Chair, Stefan Hedelius (nominated by Tom Hedelius), Joakim Spetz (nominated by Swedbank Robur Funds) and Lilian Fossum Biner (nominated by Handelsbanken Funds).

The Nomination Committee's complete motions regarding the Board of Directors and auditors will be presented in the notice for the 2023 Annual General Meeting and on the Company's website. The Nomination Committee will present

and motivate its motions regarding the Board of Directors and auditors on the company's website in conjunction with the publication of the notice for the Meeting and at the Annual General Meeting itself. No separate remuneration was paid for work on the Nomination Committee during the year.

3 Board of Directors

In accordance with Alligo's Articles of Association, the Board of Directors is to comprise not fewer than five and not more than eight ordinary Board members.

Board members

Alligo AB's Board of Directors comprises six ordinary Board members appointed by the 2022 Annual General Meeting: Göran Näsholm (Chair), Pontus Boman, Johan Sjö, Cecilia Marlow, Stefan Hedelius and Christina Åqvist. A presentation of these Board members, including information on other assignments and work experience, can be found on page 59 and on the company's website. All Board members are independent in relation to the company and its senior executives. Two Board members are dependent in relation to the company's major shareholders. Accordingly, the Board of Directors meets the requirement that at least two of the Board members who are independent in relation to the company should also be independent in relation to major shareholders. There is also one employee representative on the Board, Johanna Främberg.

According to the resolution of the Annual General Meeting, each Board member elected by the Annual General Meeting receives a fee of SEK 300,000. The Chair of the Board receives a fee of SEK 650,000. A separate fee of SEK 150,000 is paid to the Chair of the Audit Committee and SEK 100,000 is paid to the Chair of the Remuneration

Committee. The total Board fee of SEK 2,400,000 is therefore SEK 400,000 lower than the previous year.

Refer to the table below for a summary of the members of the Board elected by the Annual General Meeting, their participation in committees, attendance at Board meetings, dependency and fees.

Chair of the Board

The Chair of the Board is responsible for ensuring that the work of the Board is well organised and conducted efficiently and that the Board performs its duties. In particular, the Chair is responsible for organising and leading the work of the Board in a manner that creates the best possible conditions for the Board to conduct its work. It is the Chair's task to ensure that a new Board member receives the required introductory training and any other training deemed appropriate by the Chair and the Board member, to ensure that the Board continuously updates and deepens its knowledge about the company, to ensure that the Board holds meetings as required and receives sufficient information and supporting data for its work, to propose an agenda for Board meetings in consultation with the CEO, to ensure that the decisions of the Board are carried out and to ensure that the work of the Board is evaluated annually. The Chair is responsible for all contact with the owners regarding ownership matters and for conveying feedback from the owners to the Board.

Duties of the Board

The Board of Directors is ultimately responsible for the company's organisation and administration of the company's affairs in the interests of the company and of all shareholders in accordance with the laws, regulations, agreements and

BOARD COMPOSITION, ATTENDANCE, DEPENDENCY CONDITIONS AND FEES FOR 2022

Ordinary Board members	Year of election	Position	No. of meetings attended			Dependent in relation to		Fee, SEK
			Board of Directors	Audit Committee	Remuneration Committee	Alligo	Major shareholders	
No. of meetings			17	4	2			
Göran Näsholm	2019	Chair of the Board, Chair of Remuneration Committee	17	1	2	No	No	750,000
Johan Sjö	2019	Board member*	13	1	2	No	Yes	300,000
Pontus Boman	2022	Board member	8	2		No	Yes	300,000
Stefan Hedelius	2016	Board member	16	1	1	No	No	300,000
Cecilia Marlow	2022	Chair of Audit Committee, Board member	12	4		No	No	450,000
Christina Åqvist	2020	Board member	14	1		No	No	300,000
Johan Eklund	2020	Board member	9	2		No	Yes	0
Gunilla Spongh	2016	Board member	5	1		No	No	0

*Chair of the Board up to the Annual General Meeting on 23 March 2022.

THE WORK OF THE BOARD OF DIRECTORS IN 2022

DECEMBER

- Budget 2023
- Accounting issues
- Business intelligence
- Status Norway
- Employee survey
- Evaluation of CEO and senior executives
- Board evaluation
- Acquisition opportunities

OCTOBER

- Interim Report Q3
- Reporting of management audit and review for Q3
- Business intelligence
- Budget 2023
- Policy documents
- Sustainability
- Acquisition opportunities

SEPTEMBER

- Sustainability
- Business intelligence
- Follow-up on coordination of logistics and IT systems
- Status Sweden
- IT structure
- Policy documents
- Acquisition opportunities

JULY

- Interim Report Q2
- Follow-up on coordination of logistics and IT systems
- Business intelligence
- Acquisition opportunities

JUNE

- Strategy
- Situation analysis
- Follow-up on coordination of logistics IT systems, legal structure
- Audit plan
- Status Finland
- Sustainability
- Acquisition opportunities

JANUARY

- Distribution of Momentum Group
- Financing

FEBRUARY

- Year-End Report 2021
- Proposal for appropriation of profits
- Reporting of final audit report
- Risk assessment
- Internal control
- Remuneration of senior executives
- Financing
- Distribution of Momentum Group
- Convening of extraordinary meeting
- Russia's invasion of Ukraine

MARCH

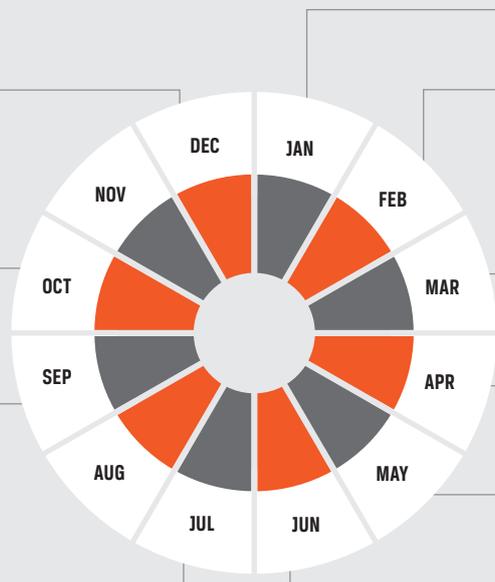
- Submission of Annual Report
- Remuneration report
- Share options scheme
- Convening of Annual General Meeting
- Distribution of Momentum Group
- Business intelligence
- Central warehouses Norway
- Acquisition opportunities

APRIL

- Interim Report Q1
- Acquisition opportunities
- Business intelligence

MAY

- Statutory Board meeting
- Board's rules of procedure and CEO instructions
- Business intelligence
- Coordination of logistics IT systems, legal structure
- Acquisition opportunities



internal guidelines that the company is obligated to follow. This responsibility includes Alligo's sustainability work and the company's impact on the economy, environment and people.

The duties of the Board of Directors include establishing and monitoring the company's overall goals and strategies, ensuring that there are effective systems for the monitoring and control of the business and associated risks, identifying the impact of sustainability issues on the company's risks and business opportunities, adopting guidelines on the company's conduct in society in order to secure its ability to create long-term value, and ensuring that the company's provision of information is characterised by transparency and is accurate, relevant and reliable. The Board is also responsible for decisions regarding acquisitions and divestments of businesses, major investments, repurchases of own shares, and appointment and remuneration of the Group's corporate management.

Each year, the Board adopts written rules of procedure that regulate the work of the Board and its internal distribution of responsibility, including its committees and the distribution of responsibilities with internal business area boards, the procedure for resolutions within the Board, the

agendas of Board meetings and the duties of the Chair as well as instructions for financial reporting. The Board has also issued instructions to the CEO, which grant the authority to make decisions regarding investments, corporate acquisitions and sales as well as financing issues. The Board has also adopted a number of policies for the Group's operations, including a financial policy, privacy policy and code of conduct.

The Board of Directors oversees the work of the CEO through ongoing monitoring of the business during the year and is responsible for ensuring that the organisation, management and guidelines for the administration of the company's affairs are appropriate. The Board is also responsible for the company having adequate internal control and effective systems for the monitoring and control of operations and for the company's compliance with legislation and regulations applicable to its operations. The Board and CEO present the annual accounts to the Annual General Meeting.

Evaluation of the Board's work

The work of the Board is evaluated annually under the supervision of the Chair of the Board. The purpose of this evaluation is to enhance the

working methods and efficiency of the Board of Directors by obtaining the opinions of the Board members on how Board work is carried out and which steps can be taken to improve the efficiency of Board work, on sustainable enterprise and on whether the Board is well balanced in terms of skills. The results of the evaluation performed in November have been reported to and discussed by both the Board of Directors and the Nomination Committee and they provide an important basis for the Nomination Committee ahead of the Annual General Meeting.

The Board evaluates the work of the CEO on an ongoing basis. This issue is also specifically addressed once a year without the presence of any member of the Group's corporate management. The Board also evaluates and comments on any significant assignments, if any, performed by the CEO outside the company. Each Board member is to independently assess the matters to be addressed by the Board and request the information deemed necessary to make well-founded decisions.

Each Board member is to continuously acquire any knowledge about the company's operations, organisation, markets and so forth required for the assignment.

Work of the Board

The work of the Board of Directors follows an annual plan. In addition to the statutory meeting, which is held in conjunction with the Annual General Meeting, the Board of Directors normally convenes on eight occasions each year (ordinary meetings) in connection with the publication of the interim reports, the signing of the annual report, the adoption of the budget and the monitoring of sustainability work, as well as an annual strategy meeting. Extraordinary meetings are convened when necessary. Each meeting follows an agenda, which is distributed to the Board members prior to each Board meeting along with supporting documentation. The decisions of the Board are made after discussions led by the Chair of the Board. The Remuneration Committee and Audit Committee appointed by the Board are tasked with drafting motions for resolutions by the Board and their work is carried out in accordance with instructions adopted annually by the Board.

The agenda for the statutory meeting of the Board includes the adoption of the rules of procedure for the Board of Directors, decisions regarding signatory powers and the approval of the minutes. The items addressed at the ordinary meeting in February include the year-end financial statements, the proposed appropriation of profit and the financial report. In conjunction with this meeting, the company's auditors report to the Audit Committee and to the Board of Directors as a whole on their observations and assessments based on the audit performed. The company's

auditors also present a corresponding report to the Audit Committee and to the Board of Directors as a whole on the management audit performed and the review of the third quarter. Each ordinary meeting also includes a number of fixed agenda items, including reports on the current financial outcome of the company's operations.

The Board of Directors held 17 Board meetings during the 2022 financial year, including a statutory meeting and four meetings per capsulam. The Board's work during the year focused on issues pertaining to measures taken to address the uncertain market situation and follow-up of ongoing operations, the distribution of the Momentum Group, the coordination of logistics and business systems, the Group's organisation and strategic development, and the Group's financial position. Refer to the table on page 54 for information regarding attendance at Board and committee meetings.

The CEO and the Group CFO report to and attend Board meetings. Other employees in the Group participate in Board meetings for the presentation of specific issues or whenever deemed appropriate. The Secretary of the Board is the Group CFO.

4 Remuneration Committee

The Remuneration Committee appointed by the Board prepares the motion regarding guidelines for determining remuneration and other terms of employment for senior executives. A proposal for new guidelines is to be prepared at least every four years and the Board submits the proposal

for resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting of Shareholders. The Remuneration Committee shall also monitor and evaluate the programme for the variable remuneration of senior executives, the application of the guidelines for the remuneration of senior executives, as well as the current remuneration structures and remuneration levels at the company. The Board prepares an annual remuneration report on the application of the company's remuneration guidelines.

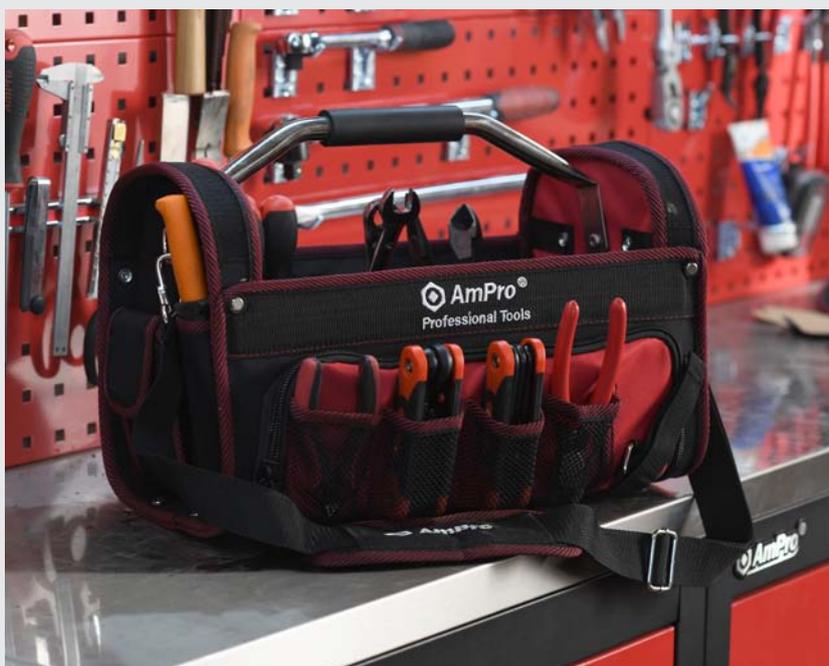
Remuneration of the CEO shall be decided by the Board of Directors after being prepared and recommended by the Remuneration Committee, within the scope of established remuneration principles. Remuneration of other senior executives shall be decided by the Remuneration Committee, within the scope of established remuneration principles and after consulting with the CEO. The Remuneration Committee informs the Board of its decisions.

The Remuneration Committee consists of the Chair of the Board Göran Näsholm (Chair of the Remuneration Committee) and Board member Johan Sjö. The CEO presents reports to the Committee. The CEO does not report on their own remuneration. The Remuneration Committee convened on two occasions during the 2022 financial year, during which minutes were taken.

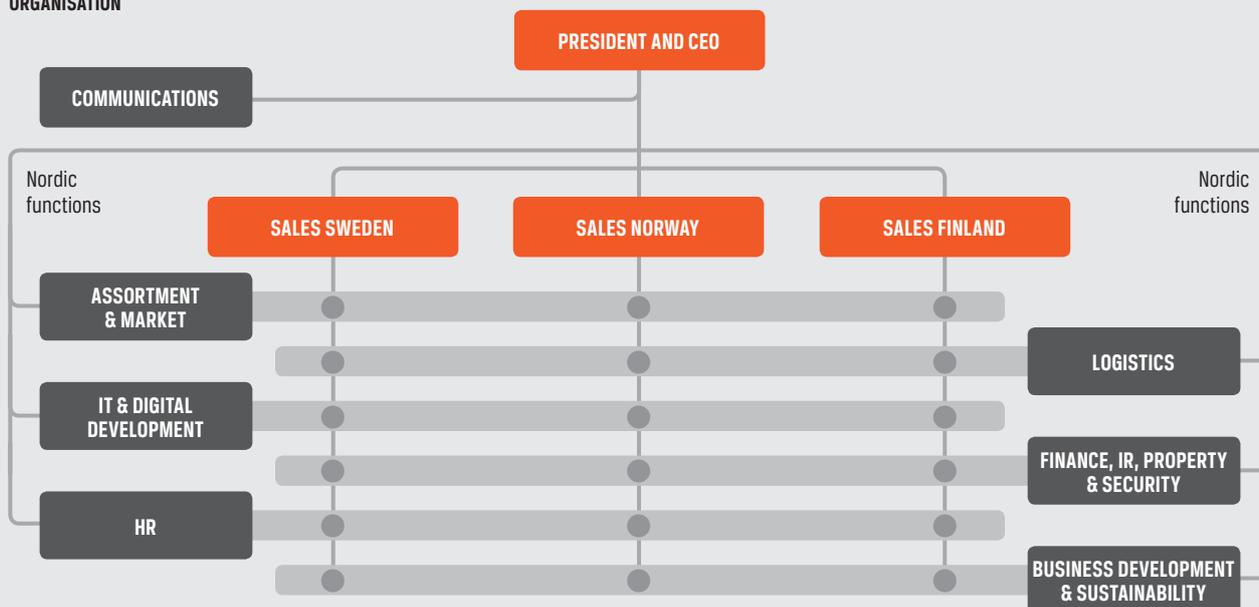
5 Audit Committee

The Board has appointed an Audit Committee, which – without influencing the responsibilities and duties of the Board in any other respect – is responsible for monitoring the company's financial reporting, monitoring the efficiency of the company's internal control and risk management with respect to its financial reporting, remaining informed about the audit of the annual report and consolidated financial statements, reviewing and monitoring the impartiality and independence of the auditors and whether the auditors have provided the company with services other than auditing services, and assisting in the preparation of motions regarding the election of auditors for resolution by the General Meeting of Shareholders.

The Audit Committee consists of Board member Cecilia Marlow (Chair of the Audit Committee) and Board member Pontus Boman. The committee members have particular expertise, experience and interest in financial and accounting matters. In conjunction with the Board of Directors' adoption of the annual accounts and the accounts for the third quarter, the Audit Committee meets with and receives a report from



ORGANISATION



the company's external auditors. At the same time, the Committee also meets with the auditors without the presence of the CEO, the Group CEO or other members of Group management. The Audit Committee meets ahead of each reporting date and the Group CFO attends these meetings. During the 2022 financial year, the Audit Committee held four minuted meetings, which report the results of its work to the Board of Directors on an ongoing basis. During the year, SEK 150,000 was paid to the Chair of the Committee.

6 CEO and Group management

The CEO manages the operations in accordance with the Swedish Companies Act and the framework established by the Board. With respect to the authority of the CEO to make decisions regarding investments, corporate acquisitions, corporate sales and financing issues, the rules approved by the Board of Directors apply. In consultation with the Chair of the Board, the CEO prepares the necessary information and supporting data for Board meetings, reports on various matters and explains the motivation for motions presented for resolution. Supporting information for the Board's examination of motions is sent to the Board members one week before the Board meeting. The Board also receives monthly reports containing up-to-date information about the commercial and financial development of the company, as well as the progress made in relation to sustainability.

The CEO leads the work of Group management and makes decisions in consultation with the other members of management. The Group management meets once a month to follow up on

operations and discuss general Group matters, including risk and sustainability, and to draft proposals for the strategic plan, business plan and budget which the CEO presents to the Board of Directors. The work to develop the business plan involves employees at many levels throughout the Group and is overseen by Group management on an ongoing basis. The matters examined by the Board of Directors have largely reflected the work of the Group management during the year. In addition, the CEO and the Group CFO ("Corporate management") hold monthly meetings with each country manager on country-specific issues, acquisitions and follow-up of operations, as well as six-monthly reviews with each Nordic function.

7 Auditors

According to the Articles of Association, a registered accounting firm (or, alternatively, one or two authorised public accountants) is to be elected as auditor. KPMG was elected as the company's auditor at the 2022 Annual General Meeting for the period until the end of the 2023 Annual General Meeting. The Chief Auditor is Helena Arvidsson Ålgne. KPMG performs the audit of Alligo AB and most of its subsidiaries. The company's auditors follow an audit plan, which includes feedback from the Board and the Audit Committee, and reports its findings to the company management teams, corporate management and the Board and Audit Committee of Alligo AB during the course of the audit and in conjunction with the adoption of the accounts for the third quarter and the annual accounts. The company's auditor also participates in the

Annual General Meeting, presenting and commenting on the audit work. The independence of the external auditors is regulated through special instructions established by the Board, which state the areas which may be addressed by the external auditors in addition to the normal audit work. KPMG continuously assesses its independence in relation to the company and provides the Board with written assurance of the auditing firm's independence in relation to Alligo each year. The total fee for KPMG's services in addition to the audit assignment amounted to MSEK 1 (1) during the 2022 financial year.

Ethical guidelines

Alligo strives to conduct its business with high requirements imposed on integrity and ethics. The Board of Directors adopts a Code of Conduct for the Group's operations on an annual basis, which also includes ethical guidelines. The Code of Conduct is available in full on the company's website.

Guidelines for determining remuneration and other terms of employment for senior executives

The Board aims to ensure that the remuneration system in place for the CEO and other members of the Group's senior management is competitive and in line with market conditions. The guidelines for determining remuneration and other terms of employment for senior executives that applied for the 2022 financial year, which were adopted by the 2022 Annual General Meeting, are presented on pages 49-51.

INTERNAL CONTROL OF FINANCIAL REPORTING

Alligo's work with internal monitoring and control is designed to ensure that financial reporting is appropriate, accurate and reliable in accordance with applicable laws and regulations.

According to the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board of Directors is responsible for the company's internal control. This responsibility includes an annual evaluation of the financial reporting received by the Board of Directors and specifying requirements for its content and presentation so as to ensure the quality of the reporting. These requirements stipulate that the financial reporting must be suited to its purpose, with the application of the accounting rules in force and other requirements that apply to listed companies. The following description is limited to the internal control of Alligo with respect to financial reporting.

Control environment

The basis of the internal control of the company's financial reporting comprises the control environment, including the organisation, decision paths, lines of authority and responsibilities documented and communicated in various control documents, such as control documents established by the Board, policies and Group-wide guidelines and manuals.

The Group's most important financial control documents are gathered on its intranet and include a comprehensive financial policy, a reporting manual, a manual for the Group's internal bank, a description of accounting policies and expanded instructions preceding every closing of the books. These financial rules and regulations are updated regularly and training programmes are offered during the financial year to ensure the uniform implementation and application of the rules and regulations. On a more general level, all operations in the Alligo Group are to be conducted in accordance with the Group's Code of Conduct.

Control activities

Alligo has established control structures to manage the risks that the Board of Directors and corporate management consider to be significant to the company's internal control with respect to financial reporting. Examples include transaction-related controls, such as regulations concerning authorisation and investments, as well as clear payment procedures and analytical controls performed by the Group's controller organisation. Controllers at all levels in the Group play a key role in terms of integrity, competence and the ability to create an environment that is conducive to achieving transparency and true and fair financial reporting.

The monthly earnings follow-up conducted via the internal reporting system is an important overall control activity. The earnings follow-up includes reconciliations with previously set goals and the most recent forecast as well as follow-up of adopted key performance indicators. This follow-up of earnings also functions as an important complement to the controls and reconciliations performed in the actual financial processes.

Follow-up

Follow-ups to assure the quality of the Group's internal control are performed within the Group in various ways. The central finance function works pro-actively through its participation in various projects aimed at developing internal control. The function also continuously conducts audits to assess the efficiency of internal controls in various parts of the Group and follows up the implementation of the Group's policies and guidelines.

Alligo strives to achieve an open corporate climate and high business ethics. The success of the Group is based on a number of ethical guidelines, which are described in Alligo's Code of Conduct. The Group's internal and external stakeholders play a key role in helping to identify any deviations from established values and ethical guidelines. To make it easier to identify such deviations, Alligo has introduced a whistleblowing system. The whistleblowing system allows any suspicions of misconduct to be reported anonymously. It is an important tool for reducing risks and fostering high business ethics and thereby maintaining customer and public confidence in the Group's operations.

Internal audit

The Board has decided not to establish a special internal audit function. This decision was made based on the size and operations of the Group as well as the existing internal control processes as described above. When necessary, the Audit Committee commissions external advisers to assist on projects relating to internal control.

Auditors' review of the six-month or nine-month report

Alligo's nine-month report for the 2022 financial year was reviewed by the company's external auditors in line with the Code. In 2021, an enhanced review was performed on the financial statements for the third quarter in relation to continuing operations, commissioned by the CEO and Group CFO.

Non-compliance

The company has not breached the rulebook of the stock exchange on which its shares are listed for trading or the best practice in the stock market.

BOARD OF DIRECTORS



GÖRAN NÄSHOLM

Chair of the Board since 2022.
Board member since 2019.

Born: 1955.

Education/training: M.Sc. in Mechanical Engineering & M.Sc. Econ.

Other current assignments: Chair of the Board of Malef Holding AB and LW Sverige AB. Board member of Pegroco Invest AB, Nordisk Bergteknik AB and GardenStore AB.

Work experience: President & CEO of Ahlsell AB. Senior positions in the Ahlsell Group, President of Jirva AB, Purchasing Director at Calor Celsius AB and senior positions in the Alfa Laval Group.

Independent in relation to:
- the company and its management: Yes.
- major shareholders: Yes.

Shares owned: 60,000 Class B shares (own holding).



CECILIA MARLOW

Board member since 2022.

Born: 1960.

Education/training: B.Sc. in Economics.

Other current assignments: Chair of the Board of NCS Colour AB, NCS Colour Holding AB and Wästbyggen Gruppen AB. Board member of Spendrups Bryggeriaktiebolag, Kivra AB, Mordin AB, Segelman Virtual Stores AB, Bokusgruppen AB, Alligo Holding AB and Desenio Group AB.

Work experience: Chair of the Board/ Board member of several listed and unlisted companies, including STH Svenska Handelsfastigheter, Kivra AB, AR Packaging Group AB, Perma Ventures AB, MatHem i Sverige AB, Platzer Fastigheter, Claes Ohlson and Midsöna. Board member and CEO of Internationella Engelska Skolan.

Independent in relation to:
- the company and its management: Yes.
- major shareholders: Yes.

Shares owned: 1,500 Class B shares (own holding).



JOHAN SJÖ

Board member since 2019.

Born: 1967.

Education/training: M.Sc. in Economics.

Other current assignments: Senior Advisor Nordstjernan AB, Chair of the Board of AddLife AB and OptiGroup AB. Board member of Camfil AB and M2 Asset Management AB.

Work experience: Investment Director and Head of Distribution & Trade at Nordstjernan AB, President & CEO of the Addtech Group and senior positions in the Bergman & Beving Group and at Alfred Berg/ABN Amro.

Independent in relation to:
- the company and its management: Yes.
- major shareholders: No.

Shares owned: 39,400 Class B shares (own holding).



PONTUS BOMAN

Board member since 2022.

Born: 1971.

Education/training: M.Sc. Eng. and Industrial Economics.

Other current assignments: Investment Director at Nordstjernan AB.

Work experience: President and CEO of the Bergman & Beving Group, senior positions at B&B Tools, ESSVE, Boston Consulting Group and Accenture.

Independent in relation to:
- the company and its management: Yes.
- major shareholders: No.

Shares owned: –.



STEFAN HEDELIUS

Board member since 2016.

Born: 1969.

Education/training: University studies in economics, various international executive education programmes.

Other current assignments: CEO and Board member of Human Care Group AB. Board member of AddLife AB.

Work experience: CEO of NOTE AB, Vice President Brand and Marketing at Scandinavian Airlines (SAS) and senior positions in the Ericsson Group, including Vice President Marketing and Communications, Head of Strategy and Marketing, and Vice President of Ericsson Austria.

Independent in relation to:
- the company and its management: Yes.
- major shareholders: Yes.

Shares owned: 1,500 Class B shares (own holding).



CHRISTINA ÅQVIST

Board member since 2020.

Born: 1978.

Education/training: LL.B.

Other current assignments: Partner at Indequity AB. Chair/member of the boards of companies in which Indequity invests.

Work experience: President & CEO of Distrelec Group AG, Head of Retail & Greenfield Expansion at B&B Tools, consultant at Boston Consulting Group and corporate lawyer at Advokatfirman Vinge.

Independent in relation to:
- the company and its management: Yes.
- major shareholders: Yes.

Shares owned: –.



JOHANNA FRÄMBERG

Deputy Board member since 2022.

Employee representative.

Born: 1980.

Education/training: KY Logistik.

Other current assignments: Process & Logistics Developer, Swedol AB.

Independent in relation to:
- the company and its management: No.
- major shareholders: Yes.

Shares owned: –.

AUDITORS

KPMG AB have been auditors for Alligo AB since 2016.

HELENA ARVIDSSON ÄLGNE

Authorised Public Accountant. Chief Auditor.

Born: 1962.

Helena Arvidsson Älgne has been Chief Auditor for Alligo AB since 2020.

JONAS ERIKSSON

Authorised Public Accountant. Cosignatory.

Born: 1974.

Jonas Eriksson has been cosignatory auditor for Alligo AB since 2021.

GROUP MANAGEMENT



CLEIN JOHANSSON ULLENVIK

President and CEO since November 2021.

Born: 1966.

Education/training: M.Sc. Business and Economics.

Other current assignments: Chair of the Board, Board member and/or CEO of several subsidiaries within the Alligo Group. Board member of CT Invest AB and Greenboys AB.

Work experience: President and CEO of Swedol AB, CEO and President of Monier Roofing, senior positions at ABB and Ahlsell.

Shares owned: 35,658 Class B shares (own holding).

Call options: 50,000.



IRENE WISENBORN BELLANDER

CFO since November 2021.

Born: 1973.

Education/training: M.Sc. Business Administration and Economics.

Other current assignments: Board member of several subsidiaries within the Alligo Group.

Work experience: CFO Swedol AB, CFO Bring, senior positions at Mekonomen and Lantmännen. Authorised Public Accountant PwC.

Shares owned: 4,000 Class B shares (own holding).

Call options: 30,000.



HÅKAN WANSELIUS

Head of Assortment and Procurement since 2022.

Born: 1962.

Education/training: Post-secondary marketing training.

Other current assignments: Board member of several subsidiaries within the Alligo Group.

Work experience: Head of Sales and Marketing at Swedol AB, Country Manager Monier Roofing, Head of Sales and Marketing at Alcro-Beckers, Snickers Workwear and Black & Decker.

Shares owned: 500 Class B shares (own holding).

Call options: 13,000.



GUSTAF JOHANSSON

CIO since 2022.

Born: 1988.

Education/training: MSc Engineering and MBA.

Other current assignments: –.

Work experience: Senior positions at Momentum Group and B&B Tools.

Shares owned: 3,500 Class B shares (own holding).

Call options: 13,000.



KLAS WAHLSTRÖM

HR Director since 2022.

Born: 1962.

Education/training: B.Sc. in Economics.

Other current assignments: –.

Work experience: HR Director at Praktikertjänst, HR Director at Aleris, Deputy CEO and other senior positions at Manpower.

Shares owned: –.

Call options: –.



PETER SÖDERBERG

Head of Business Development and Sustainability since 2022.

Born: 1973.

Education/training: M.Sc. Eng. and Industrial Economics.

Other current assignments: –.

Work experience: Business Development Manager at Swedol AB, partner at Occam Associates, management consultant at Boston Consulting Group.

Shares owned: 7,200 Class B shares (own holding).

Call options: 13,000.



PONTUS GLASBERG

Head of Logistics since 2022.

Born: 1978.

Education/training: Technology/Economics programme.

Other current assignments: –.

Work experience: Logistics Director at Swedol AB, senior positions at Volvo CE and Spendrups.

Shares owned: 20,000 Class B shares (own holding).

Call options: 10,000.



TORBJÖRN ERIKSSON

Country Manager Sales Sweden since 2022.

Born: 1967.

Education/training: Mechanical engineer.

Other current assignments: –.

Work experience: Head of Division Tools Nordics, CEO of Tools Sweden, senior positions at Momentum Industrial and Movomech.

Shares owned: –.

Call options: 10,000.



JENS HENRIKSEN

Country Manager Sales Norway since 2022.

Born: 1969.

Education/training: MSc Engineering and Master in Management.

Other current assignments: Board member of Astrup AS.

Work experience: CEO of Tools AS, CEO of Luna Norge, senior roles at ELFA Distrelec.

Shares owned: 46,420 Class B shares (own holding).

Call options: 13,000.



SEPPO RONKAINEN

Country Manager Sales Finland since 2022.

Born: 1969.

Education/training: MSc Engineering in process and materials technology.

Other current assignments: –.

Work experience: Senior positions at multinational companies such as Metso:Outotec and Wärtsilä and CEO positions at medium-sized privately owned Finnish companies.

Shares owned: –.

Call options: –.

Auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 10, 13, 28–45, 110–120 and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the sustainability report is differ-

ent and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Alligo AB (publ) by the general meeting of shareholders on 11 May 2022.
KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2016.

Stockholm, 5 April 2023

Helena Arvidsson Älgne
Authorised Public Accountant
Chief Auditor

KPMG AB

Jonas Eriksson
Authorised Public Accountant

WE MAKE BUSINESSES WORK

Alligo AB (publ)

Postal address:
Box 631
SE-135 26 Tyresö, Sweden

Visiting address:
Vindkraftsvägen 2
SE-135 70 Stockholm

Tel.: +46 8 727 27 20
Co. reg. no.: 559072-1352
IR contact: ir@alligo.com

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