Atlas Copco AB ("Atlas Copco") remuneration report 2025

Introduction

This remuneration report provides an outline of how the guidelines for remuneration of Group management in Atlas Copco (the "remuneration guidelines"), adopted by the annual general meeting of Atlas Copco 2024, have been implemented in 2025. The report provides details on the remuneration of Atlas Copco's President and CEO. In addition, the report contains a summary of Atlas Copco's outstanding share and share-price related incentive programs, i.e. long-term incentive programs ("LTIPs"). The report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the Swedish Corporate Governance Code and Remuneration Rules issued by the Swedish Corporate Governance Board. Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 4 on p. 117-120 in the Atlas Copco Annual report 2025 (the "annual report 2025").

Information on the work of the remuneration committee in 2025 is set out in the corporate governance report, which is available on p. 93-100 in the annual report 2025.

Remuneration of the board of directors (the "Board") is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 4 on p. 118 in the annual report 2025.

A few comments on the remuneration report 2024 have been received. These have been reported to the Remuneration Committee and have been considered not to give rise to any changes. We are pleased to announce an enhanced level of disclosure of variable remuneration in the remuneration report 2025.

Key Developments 2025

Overall company performance in 2025

The performance of the Atlas Copco Group in 2025 is presented in the annual report 2025 which can be accessed at www.atlascopcogroup.com.

Overview of the application of the remuneration guidelines in 2025

The remuneration guidelines have been applied without deviation. No remuneration has been reclaimed.

Under the remuneration guidelines, remuneration of executive management shall be market competitive and may consist of the following components: base salary, variable compensation, pension benefits and other benefits. The remuneration guidelines, adopted by the annual general meeting 2024, can be accessed at www.atlascopcogroup.com where also the auditor's yearly reports regarding the company's compliance with the remuneration guidelines are available.

In addition to remuneration covered by the remuneration guidelines, the annual general meetings of Atlas Copco have for a number of years resolved to implement share and share price related programs, i.e. LTIPs.

Total remuneration of the President and CEO

The table below sets out Atlas Copco's President and CEO's total remuneration for 2025 (KSEK). The remuneration of the President and CEO is decided by the Board based on the evaluation and proposal by the Board's Remuneration Committee and the guidelines for remuneration of Group management in Atlas Copco. The LTIP is resolved upon the annual general meeting.

		Fixed remuneration			Variable remuneration				
President and CEO	Year	Base salary [1]	Other benefits	Pension expense	One-year variable [2]	Multi-year variable [3]	Extraordinary items	Total	Proportion of fixed and variable remuneration, %
Vagner Rego	2025	17 024	179	5 880	2 419	0	0	25 502	91/9
	2024	10 667	169	3 733	7 680	0	0	22 249	65/35

1) Including vacation pay.
2) The amounts represent the one-year variable compensation earned during the financial year and paid in the following year.
3) The amounts represent the theoretical value of the LTIP which was vested in the financial year and the value at the time of vesting is not to be equated with the year's recognized costs for share based payments presented in note 4 in the annual report. There is no vesting related to the role as President and CEO. For unvested LTIPs, the President and CEO has invested in Atlas Copco AB series A shares, fulfilling the maximum investment required.

Comparative information on the change of remuneration and company performance

The table below sets out actual outcome of remuneration to the President and CEO and average employee remuneration, along with the Group's financial performance from 2021 to 2025.

Total remuneration, KSEK (before taxes)	2025	2024	2023	2022	2021
President and CEO (current) [1]	25 502	22 249			
President and CEO (former) [2]		19 072	42 104	41 562	35 940
Average remuneration on a full-time equivalent basis of employees in Atlas Copco AB [3]	1 303	1 302	1 263	1 218	1 118
Company performance, MSEK					
EVA [4]	17 039	21 052	20 189	15 235	12 090
Profit for the period	26 425	29 794	28 052	23 482	18 134

1) Vagner Rego was appointed President and CEO on May 1, 2024, hence comparative information for prior years in not available.
2) Mats Rahmström was President and CEO up until April 30, 2024.
3) Excluding the President and CEO.
4) Defined as the sum of adjusted operating profit and interest income less tax expenses and cost of capital.

Performance of the President and CEO on one-year variable compensation

The performance criteria for the President and CEO's one-year variable compensation have been selected to contribute to the company's long term and sustainable development. Set out in the table below are the performance criteria decided by the Board in January 2025 and a description of how the criteria for payment of variable compensation have been applied during the financial year. The variable compensation is capped at 80% of the base salary.

President and CEO	Performance criteria	Relative weighting	Actual result	Performance achievement	Remuneration outcome
Vagner Rego	Group Economic Value Added (EVA) [1]	80%	17 039 MSEK	0%	0 KSEK
	Group average Net Working Capital as percentage of sales	10%	23,3%	8%	1 075 KSEK
	Reduce the Group's greenhouse gas emission in line with the goals of the Paris Agreement, Science Based Targets: [2] - Scope 1 and 2	8%	101,5 ktCO2	8%	1 075 KSEK
	- Scope 3	2%	216 640 ktCO2	2%	269 KSEK
		100%		**18%**	**2 419 KSEK**

1) Defined as the sum of adjusted operating profit and interest income less tax expenses and cost of capital.
2) The Science Based targets of the Group are presented in the annual report 2025.

Multi-year variable remuneration (LTIPs)

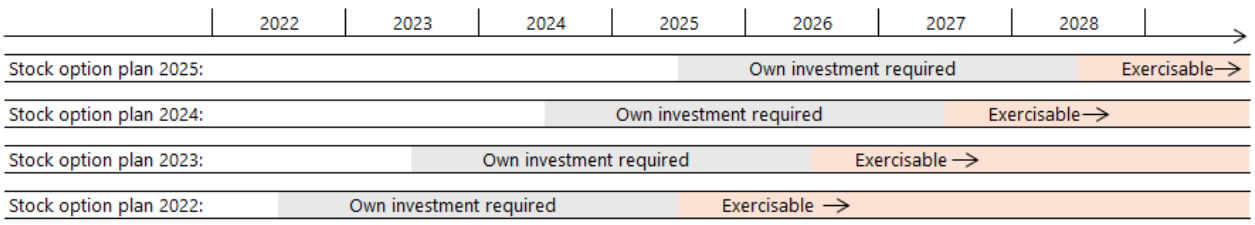
Since 2006 the annual general meeting has resolved each year upon a performance-based employee stock option plan for key employees based on a proposal from the Board for the respective year. The size and the limits of the interval of the performance criteria, have been reviewed annually and established by the Board and are compatible with the goals in the long-term business plan of the Group.

Participation in the plan is based on position, qualification and individual performance and the nominated employees are divided into four different categories with different maximum amount of allotment of stock options.

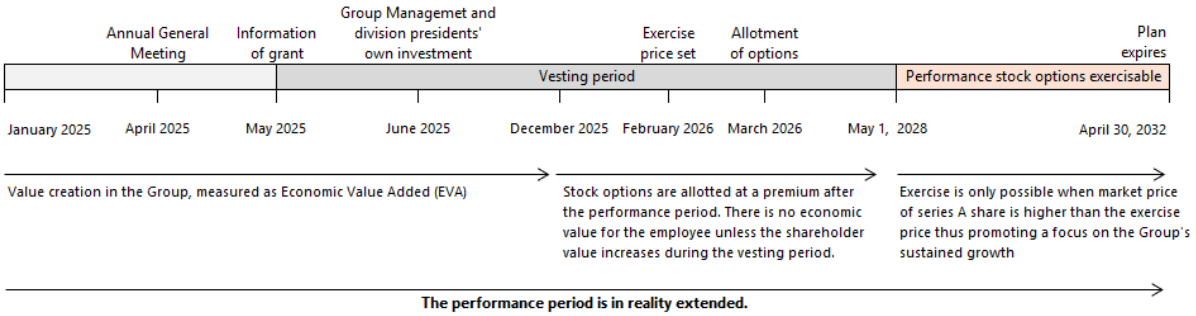
As a prerequisite for the full participation in the plan, Group Management and division presidents have to invest 10% of their base salary (20% for expatriates with net salary), before tax, in Atlas Copco AB series A shares. A lower investment will reduce the number of performance stock options proportionally. Further, up to and including LTIP 2024, Group Management and division presidents who chose to invest in Atlas Copco AB series A shares were, in addition to the proportional participation in the plan, allotted matching options corresponding to the number of shares acquired under the respective plan.

Consequently, and subject to continued employment, there is a prerequisite for Group Management and division presidents that decide to participate in the offered LTIP to always hold invested shares under three consecutive plans.

Own investment for Group Management and division presidents



Timeline for LTIP 2025



For further information on unvested LTIPs, and LTIP vested in the current financial year, see tables below. More information about the LTIPs, can be found in the annual report 2025 note 4 on p. 119-120 and note 23 on p. 136-139.

Unvested LTIP for the President and CEO

LTIP 2025

			Performance criteria				Allotment of options
Performance period	Allotment	Vesting	Description	Conditions [1,2)]	Relative weighting	Possible outcome	Maximum amount [3)]
2025	March 2026	May 2028	Group Economic Value Added (EVA)	EVA during 2025	100%	0%-100%	305 530

1) For the LTIP 2025, the President and CEO invested in 9 104 shares Atlas Copco AB series A shares, fulfilling the maximum investment required.
2) For the LTIP 2025, there was a target range for EVA of 5 500 MSEK.
3) Maximum allotment of stock options corresponds to a theoretical value of 70% of the base salary. Based on the Black & Scholes model for valuating options, the theoretical value presented at the annual general meeting 2025 was 11 760 KSEK.

LTIP 2024

			Performance criteria						Allotment of options	
Performance period	Allotment	Vesting	Description	Conditions [1,2)]	Relative weighting	Possible outcome	Actual result	Performance achievement	Maximum amount	Allotted amount
2024	March 2025	May 2027	Group Economic Value Added (EVA)	EVA during 2024	100%	0%-100%	21 052 MSEK	100%	269 360	269 360
n/a	March 2025	May 2027	1:1 Matching on own investment	Full participation in the plan requires an investment in Atlas Copco AB series A shares.	100%	0%-100%		100%	9 544	9 544

1) For the LTIP 2024, the President and CEO invested in 9 544 shares Atlas Copco AB series A shares, fulfilling the maximum investment required.
2) For the LTIP 2024, there was a target range for EVA of 5 500 MSEK.

Vested LTIP for the President and CEO

LTIP 2022

The Atlas Copco AB Performance Stock Option Plan 2022 vested in 2025. No options vested are subject to performance conditions or retention period. The value at vesting is not to be equated with the year's recognized costs for share based payments presented in note 4 in the annual report 2025. The annual report refers to stock options received in 2018-2024 and includes recognized costs due to changes in stock price and vesting period.

The current President and CEO was appointed in 2024, thus no vesting in 2025 related to the role as President and CEO.