

## **REMUNERATION REPORT 2023 FOR EPENDION AB**

### Introduction

This report describes how the policies for executive remuneration of Ependion AB, adopted by the Annual General Meeting 2020, was implemented during 2023. The report also provides details on the remuneration to the CEO's and the deputy CEO and a summary of the company share-based incentive program. The report has been prepared in accordance with chap. 8 §§ 53 a and 53 b in the Swedish Companies Act (2005:551) and the Remuneration Rules issued by the Stock Market Self-Regulation Committee.

Further information on executive remuneration is available in note 6 in the 2023 Annual- and Sustainability report. Information on the work of the remuneration committee in 2023 is set out in the Corporate Governance report in the 2023 Annual- and Sustainability Report.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 6 in the Annual- and Sustainability Report 2023.

All amounts in this report are in KSEK unless otherwise stated.

### Key developments 2023

A summary of Ependion's overall performance during the year 2023 can be found in "CEO's statement" on pages 8-9 in the Annual- and Sustainability Report 2023.

### The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration policy enables the company to offer executives a competitive total remuneration. Under the remuneration policy, executive remuneration shall be on market terms and may consist of the following components: fixed base salary, variable remuneration, pension benefits and other benefits. The variable remuneration shall aim to promote long-term value creation within the Group by promoting Ependion's business strategy and its long-term interests, including its sustainability work, and shall be based on a performance- and share-based incentive program. The design of the program aims at the objective of linking the interests of senior executives with the interests of shareholders by the senior executives also being shareholders in Ependion and to increase the proportion of total remuneration linked to the Group's development.

The guidelines are available on page 98 in the Corporate Governance report in the 2023 Annual- and Sustainability Report. The remuneration guidelines, which were unanimously approved by the 2020 Annual General Meeting, have been fully implemented. No deviations from the guidelines have been decided and no exceptions from the implementation process of the guidelines have been made. The Auditor's Report regarding the company's compliance with the guidelines is available on pages 103-106 in the 2023 Annual- and Sustainability Report. No compensation has been refunded. In addition to remuneration covered by the remuneration guidelines, the company's Annual General Meeting has decided to introduce a long-term share-based incentive program.

### Total remuneration to CEO and deputy CEO in 2023

Name (Position)	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration	Proportion fixed and variable *2)
	Base salary	Other benefits *1)	One-year	Multi-year				
Jenny Sjö Dahl (CEO)	4,211	987	1,772	0	0	1,232	8,201	68%/32%
Joakim Laurén (deputy CEO)	2,395	889	829	0	0	589	4,702	64%/36%

\*1) For both CEO and deputy CEO the amount 867 KSEK (6,438 shares at 134.60 SEK) relates to allotment of shares for LTI 2020/2023.

\*2) The LTI 2020/2023-part of Other benefits is included as variable.

### Share-based remuneration

The company has four share-based incentive programs impacting the year (LTI 2020/2023, LTI 2021/2024, LTI 2022/2025 and LTI 2023/2026) with a maximum of 25 participants per program.

In order to receive Performance shares, it is required that the performance target set by the Board regarding the financial years is achieved or exceeded. To participate in the program, the participants themselves must undertake to own shares in Ependion AB. The Performance shares are received free of charge subject to continued employment. The performance target that must be achieved or exceeded refers to (i) EBIT, (ii) Earnings per share, (iii) Free cash flow, and (iv) Order intake for the program LTI 2020/2023. For the programs LTI 2021/2024, LTI 2022/2025 and LTI 2023/2026 the performance targets are (i) EBIT, (ii) Free cash flow, and (iii) Order intake.

A total of approx. 384,000 Performance shares have been awarded for these four programs, which corresponds to approximately 1.3% of the shares in the company.

Name (Position)	Main conditions of share program					Number of shares					
						Information regarding the reported financial year					
	Program name	Performance period	Date for award	Date for allotment	Expire of retention period	Opening balance	During the year		Closing balance		
Entitled shares at the beginning of the year						Awarded	Allotted	Subject to performance condition	Awarded but not allotted	Subject to retention period	
Jenny Sjö Dahl (CEO)	LTI 2020/2023	2020	4 February 2021 *a)	May 2023	May 2023	6,438	0	6,438 *1)	0	0	0
Jenny Sjö Dahl (CEO)	LTI 2021/2024	2021	28 February 2022 *b)	prel. May 2024	prel. May 2024	5,800	0	0	0	5,800	5,800
Jenny Sjö Dahl (CEO)	LTI 2022/2025	2022	9 February 2023 *c)	prel. May 2025	prel. May 2025	0	10,113	0	0	10,113	10,113
Jenny Sjö Dahl (CEO)	LTI 2023/2026	2023	12 February 2024 *d)	prel. May 2026	prel. May 2026	0	0	0	10,500 *2)	0	10,500
Jenny Sjö Dahl (CEO)						12,238	10,113	6,438	10,500	15,913	26,413
Joakim Laurén (deputy CEO)	LTI 2020/2023	2020	4 February 2021 *a)	May 2023	May 2023	6,438	0	6,438 *1)	0	0	0
Joakim Laurén (deputy CEO)	LTI 2021/2024	2021	28 February 2022 *b)	prel. May 2024	prel. May 2024	5,800	0	0	0	5,800	5,800
Joakim Laurén (deputy CEO)	LTI 2022/2025	2022	9 February 2023 *c)	prel. May 2025	prel. May 2025	0	10,113	0	0	10,113	10,113
Joakim Laurén (deputy CEO)	LTI 2023/2026	2023	12 February 2024 *d)	prel. May 2026	prel. May 2026	0	0	0	5,250 *2)	0	5,250
Joakim Laurén (deputy CEO)						12,238	10,113	6,438	5,250	15,913	21,163

\*a) Outcome: 44%

\*b) Outcome: 40%

\*c) Outcome: 67%

\*d) Outcome: 70%

\*1) Value: 867 KSEK based on shareprice at allotment (134,60 SEK) multiplied with number of shares

\*2) LTI 2023/2026 was awarded Februari 12, 2024 where CEO was awarded 10 500 shares and deputy CEO was awarded 5 250 shares.

### Holding of shares and other instruments

For information on the management's holdings of shares and other instruments linked to the company, see page 107 in the 2023 Annual- and Sustainability Report.

Application of performance criteria for CEO and deputy CEO for the financial year:  
variable cash remuneration

Name (position)	Description of criteria for the remuneration component	Relative weight of criteria	a) Measured performance and b) actual award / remuneration outcome
Jenny Sjö Dahl (CEO)	Group orders Jan-Dec	30%	a) 2,292 MSEK b) 0 KSEK
Jenny Sjö Dahl (CEO)	Group EBIT Jan-Dec	40%	a) 322 MSEK b) 1,013 KSEK
Jenny Sjö Dahl (CEO)	Group free cash flow Jan-Dec	30%	a) 118 MSEK b) 759 KSEK
Joakim Laurén (deputy CEO)	Group orders Jan-Dec	30%	a) 2,292 MSEK b) 0 KSEK
Joakim Laurén (deputy CEO)	Group EBIT Jan-Dec	40%	a) 322 MSEK b) 474 KSEK
Joakim Laurén (deputy CEO)	Group free cash flow Jan-Dec	30%	a) 118 MSEK b) 355 KSEK

Comparative information of the change of remuneration and company performance

Comparisons over five years are shown as an annual index with 2018 as the base year where remuneration can be compared with the Group's outcome in the table below.

	2018 index	2019 vs. 2018	2020 vs. 2018	2021 vs. 2018	2022 vs. 2018	2023 vs. 2018	RFY (2023) *1)
Remuneration to CEO *2)	100	94	95	119	125	122	8,201
Remuneration to the deputy CEO *3)	n/a	100	102	157	135	153	4,702
<u>Group actuals</u>							
Orders	100	98	91	127	160	145	2,306,956
EBIT excl. restructuring costs	100	137	39	87	260	414	325,215
Average remuneration on a full-time equivalent basis of employees	100	101	100	104	118	123	649

\*1) Actuals 2023 for reference in KSEK

\*2) In 2022, Per Samuelsson was CEO during Jan-Feb and Jenny Sjö Dahl during Mar-Dec

\*3) Index 100 put to 2019 for reference as role not existed before. The step-up increase in 2021 due to separate agreement impacting that year.