

REMUNERATION REPORT 2024 FOR EPENDION AB

Introduction

This report describes how the guidelines for executive remuneration of Ependion AB, adopted by the Annual General Meeting 2024, were implemented during 2024. The report also provides details on the remuneration to the CEO and the deputy CEO and a summary of the company share-based incentive program. The report has been prepared in accordance with the Swedish Companies Act (2005:551) and the Remuneration rules issued by the Stock Market Self-Regulatory Committee.

Further information on executive remuneration is available in note 6 in the 2024 Annual- and Sustainability report. Information on the work of the remuneration committee in 2024 is set out in the corporate governance report in the 2024 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 2024.

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

Key developments 2024

A summary of Ependion's overall performance during the year 2024 can be found in "CEO's STATEMENT" on pages 8-9 in the Annual- and Sustainability Report 2024.

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 can 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 132-135 in the Corporate Governance Report in the 2024 Annual- and Sustainability Report. The remuneration guidelines, which were unanimously approved by the 2024 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 139-143 in the 2024 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 2024

Name (Position)	Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration	Proportion fixed and variable
	Base salary	Other benefits	One-year	Multi-year *				
Jenny Sjödahl (CEO)	4 587	209	1 254	742	0	1 350	8 142	75%/25%
Joakim Laurén (deputy CEO)	2 483	22	675	742	0	618	4 540	69%/31%

* For both CEO and deputy CEO the amount kSEK 742 (5 800 shares at 128 SEK) relates to allotment of shares for LTI 2021/2024.

Share-based remuneration

The company has four share-based incentive programs impacting the year (LTI 2021/2024, LTI 2022/2025, LTI 2023/2026 and LTI 2024/2027) 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) Earnings per share, (ii) Free cash flow, and (iii) Order intake for the program LTI 2021/2024. For the programs LTI 2022/2025, LTI 2023/2026 and LTI 2024/2027, the performance target that must be achieved or exceeded refers to (i) EBIT, (ii) Free cash flow, and (iii) Order intake. For LTI 2024/2027, in addition to the three performance targets mentioned earlier, there is a fourth performance target (iv) Implementation of ICP (internal carbon price).

A total of approx. 348 000 performance shares have been awarded for these four programs, which corresponds to approximately 1,2% of the shares in the company.

Name (Position)	Main conditions of share program					Information regarding the reported financial year					
						Opening balance	During the year		Closing balance		
	Program name	Performance period	Date for award	Date for allotment	Expire of retention period	Entitled shares at the beginning of the year	Awarded	Allotted	Subject to performance condition	Awarded but not allotted	Subject to retention period
Jenny Sjödahl (CEO)	LTI 2021/2024	2021	28 February 2022 *a)	May 2024	May 2024	5 800	0	5 800 *1)	0	0	0
Jenny Sjödahl (CEO)	LTI 2022/2025	2022	9 February 2023 *b)	prel. May 2025	prel. May 2025	10 113	0	0	0	10 113	10 113
Jenny Sjödahl (CEO)	LTI 2023/2026	2023	12 February 2024 *c)	prel. May 2026	prel. May 2026	0	10 500	0	0	10 500	10 500
Jenny Sjödahl (CEO)	LTI 2024/2027	2024	5 March 2025 *d)	prel. May 2027	prel. May 2027	0	0	0	6 000 *2)	0	6 000
Jenny Sjödahl (CEO)						15 913	10 500	5 800	6 000	20 613	26 613
Joakim Laurén (deputy CEO)	LTI 2021/2024	2021	28 February 2022 *a)	May 2024	May 2024	5 800	0	5 800 *1)	0	0	0
Joakim Laurén (deputy CEO)	LTI 2022/2025	2022	9 February 2023 *b)	prel. May 2025	prel. May 2025	10 113	0	0	0	10 113	10 113
Joakim Laurén (deputy CEO)	LTI 2023/2026	2023	12 February 2024 *c)	prel. May 2026	prel. May 2026	0	5 250	0	0	5 250	5 250
Joakim Laurén (deputy CEO)	LTI 2024/2027	2024	5 March 2025 *d)	prel. May 2027	prel. May 2027	0	0	0	3 000 *2)	0	3 000
Joakim Laurén (deputy CEO)						15 913	5 250	5 800	3 000	15 363	18 363

*a) Outcome: 40%

*b) Outcome: 67%

*c) Outcome: 70%

*d) Outcome: 40%

*1) Value: kSEK 742 based on shareprice at allotment (128 SEK) multiplied with number of shares

*2) LTI 2024/2027 was awarded March 5, 2025 where CEO was awarded 6 000 shares and deputy CEO was awarded 3 000 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 144 in the 2024 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 order intake Jan-Dec	30%	a) 2 039 MSEK b) 0 KSEK
Jenny Sjö Dahl (CEO)	Group EBIT Jan-Dec	40%	a) 251 MSEK b) 638 KSEK
Jenny Sjö Dahl (CEO)	Group free cash flow Jan-Dec	30%	a) 187 MSEK b) 684 KSEK
Joakim Laurén (deputy CEO)	Group order intake Jan-Dec	30%	a) 2 039 MSEK b) 0 KSEK
Joakim Laurén (deputy CEO)	Group EBIT Jan-Dec	40%	a) 251 MSEK b) 344 KSEK
Joakim Laurén (deputy CEO)	Group free cash flow Jan-Dec	30%	a) 187 MSEK b) 368 KSEK

Comparative information of the change of remuneration and company performance

Comparisons over five years are shown as an annual index with 2019 as the base year where remuneration can be compared with the Group's outcome in the table below.

	2019 index	2020 vs. 2019	2021 vs. 2019	2022 vs. 2019	2023 vs. 2019	2024 vs. 2019	RFY (2024) *1)
Remuneration to CEO *2)	100	101	126	133	129	129	8 201
Remuneration to the deputy CEO *3)	100	102	157	135	153	148	4 702
<u>Group actuals</u>							
Orders	100	93	130	164	148	131	2 038 885
EBIT excl. restructuring costs	100	29	63	191	303	234	251 272
Average remuneration on a full-time equivalent basis of employees							
	100	99	103	117	122	125	666

*1) Actuals 2024 for reference in KSEK

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

*3) The step-up increase in 2021 due to separate agreement impacting that year.