

Annual Remuneration Report 2025

Introduction

This report describes how the principles of remuneration for senior executives at Arjo, adopted by the Annual General Meeting 2024, were implemented in 2025. The report also provides information on remuneration to the CEO and a summary of the company's application of the performance criteria for awarding variable cash remuneration.

Further information on executive remuneration is available in note 3 (Personnel) on pages 98-99 of the 2025 Annual Report. Information on the work of the Remuneration Committee in 2025 is set out in the Corporate Governance Report available on page 31 of the 2025 Annual 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 3 on pages 98-99 of the 2025 Annual Report.

Key developments 2025

The CEO summarizes the company's overall performance in the CEO's comments on pages 8-9 of the 2025 Annual Report.

Guidelines for remuneration

The company's remunerations principles are to be designed to ensure the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainable operations. Remuneration and other employment terms and conditions for senior executives is to be market-based and competitive in every market where the company is active so as to attract, develop and retain skilled and competent employees.

Individual levels of remuneration shall be based on experience, competence, responsibility and performance and be market-conforming in the country in which the senior executive is employed.

The remuneration guidelines, adopted at the 2024 Annual General Meeting, and the auditor's report on whether the company followed these guidelines in 2025 are available on the company's website www.arjo.com

Total remuneration of CEO

The company changed CEO in January 2025. Former CEO Joacim Lindoff ended his employment on January 13, 2025. The Board subsequently appointed Niclas Sjöswärd as interim CEO from the same date and he served in the role for the remainder of the year. Remuneration for both individuals is presented separately in the remuneration tables of this report. The former CEO received a contractual salary and pension during his notice period in 2025. This remuneration is reported as fixed remuneration in accordance with the remuneration policy.

The CEO and the interim CEO of Arjo received the following remuneration components in 2025: basic pay, variable annual,

Table 1 – Total remuneration of the CEO

The table below sets out the total remuneration (SEK) expensed for Arjo's CEO in 2025¹⁾, 2024, 2023, 2022 and 2021.

Name of Director, position	Fiscal year	Fixed remuneration		Variable remuneration			Pension expenses	Total remuneration	Proportion of fixed/variable remuneration
		Basic pay	Other benefits	One-year variable	Multi-year variable	Extraordinary items			
Joacim Lindoff, CEO	2025	10,180,900	119,648	—	—	—	3,633,405	13,933,953	100/0
	2024	9,870,499	155,054	4,195,461	—	—	3,362,405	17,583,419	76/24
	2023	9,539,498	124,776	4,618,688	—	—	2,771,212	17,054,174	73/27
	2022	9,103,500	151,954	446,250	—	—	2,677,500	12,379,204	96/4
	2021	8,618,999	1,171,304	6,800,000	2,925,795	—	2,550,000	22,066,098	56/44
Niclas Sjöswärd, interim CEO	2025	5,253,102	148,332	270,000	—	—	641,774	6,313,208	96/4

1. Arjo changed CEO in 2025. The former CEO ended his employment on January 13, 2025 and was replaced on the same day by an interim CEO. Remuneration of the interim CEO is reported separately as part of annual remuneration for 2025.

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pension contributions and other benefits. Basic pay includes vacation pay. Annual variable remuneration refers to remuneration earned and paid for the 2025 fiscal year.

Incentive programs:

For the CEO and other senior executives, an annual cash-based remuneration program is linked to financial targets and sustainability objectives. In addition, the Company has a long-term cash-based incentive program that runs over a three-year period and is directed at managers, key employees, and other strategically important personnel who are nominated by their manager and approved by the CEO. The program is based on a three-year target relating to the cumulative earnings per share (EPS) for the period, which constitutes 100 percent of the performance assessment. Any payout is made after the end of the three-year period, provided that the participant remains employed and that the established targets have been achieved.

The company does not have any share-based incentive plans.

Description of significant changes to the guidelines and consideration of the opinions of the shareholders

During 2025, the Company has in all material respects complied with the remuneration guidelines adopted by the general meeting. One senior executive has a pre-existing pension agreement with a contribution level of 35 percent, which deviates from the guidelines but continues to apply in accordance with previously agreed terms. No other deviations from the guidelines have occurred, and no comments on the remuneration guidelines have been received.

Table 2a – Performance of the CEO in the reported fiscal year

Set out in the table below is a description of how the criteria for payment of variable short-term compensation have been applied during the fiscal year.¹⁾

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance
			b) Actual award/remuneration outcome
Niclas Sjöswärd, interim CEO	Adjusted earnings before interest, tax depreciation and amortization (EBITA)	75%	a) SEK 1,158 M b) SEK 0
	Working Capital (R12)	15%	a) 117 days b) SEK 0
	Sustainability CO ₂ reduction	10%	a) 21,830 tons CO ₂ b) SEK 270,000
Joacim Lindoff, CEO	Not applicable		

1. The company's CEO left his position on January 13, 2025 and therefore did not participate in the 2025 short-term variable remuneration program. Accordingly, the table presented the outcome for the interim CEO, who served in the role of CEO for most of the fiscal year.

Table 2b - Performance of the CEO in the reported fiscal year

Set out in the table below is a description of how the criteria for payment of variable long-term compensation have been applied during the fiscal year.²⁾

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance
			b) Actual award/remuneration outcome
Niclas Sjöswärd, interim CEO	Not applicable		
Joacim Lindoff, CEO	Not applicable		

2. The company's CEO left his position on January 13, 2025 and therefore did not participate in the 2025 variable remuneration program. The interim CEO did not participate in any long-term variable remuneration program in his capacity as CEO during the fiscal year. Any outcome from LTIPs that ended during the year refers to participation in his previous position and thus is not presented as performance of the CEO in table 2b.

Comparative information on the change of remuneration and Arjo's performance

Table 3 – Change of remuneration and Arjo's performance over the last five reported fiscal years (RFY)¹⁾

Annual change	2022 vs 2021	2023 vs 2022	2024 vs 2023	2025 vs 2024	2025
Joacim Lindoff, CEO	SEK -9,686,894	SEK +4,674,970	SEK +529,245	SEK -3,649,466	SEK 13,933,953
Niclas Sjöswärd, interim CEO ²⁾					SEK 6,313,208
Arjo's performance					
Group operating profit	SEK -386 M	SEK +191 M	SEK +9 M	SEK -218 M	SEK 675 M
Group net sales	SEK +909 M	SEK +1,001 M	SEK +312 M	SEK -293 M	SEK 11,000 M
Average remuneration on a full-time equivalent basis of employees ³⁾					
	SEK -62,205	SEK -21,906	SEK -56,712	SEK -12,288	SEK 833,488
Arjo employees ³⁾ Actual number	206 vs 192	188 vs 206	196 vs 188	214 vs 196	214

1. The role of CEO was held by two persons in 2025. Joacim Lindoff stepped down as CEO on January 13, 2025. Total remuneration for 2025 includes basic pay, benefits, pension premiums and severance pay in accordance with contract. Severance pay is non-recurring, which is why the change in remuneration between 2024 and 2025 is not comparable.

2. Niclas Sjöswärd took office as interim CEO on January 13, 2025. Niclas Sjöswärd did not receive any remuneration from the company in his role as CEO in the preceding fiscal year, which is why no comparative figures are available.

3. Average remuneration of the company's employees and the total number of employees in Sweden (excluding the Management Team) refers to cash salaries and does not include pension premiums or other non-cash benefits.