

## Remuneration report 2024

### **Introduction**

This report describes how the guidelines for Group Management remuneration of Husqvarna AB, adopted by the Annual General Meeting 2021, were implemented in 2024. The report also provides information on remuneration to the CEO and a summary of the Company's outstanding share-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board. Further information on Group Management remuneration is available in note 4 (Employees and employee benefits) on pages 61-62 in the Annual Report 2024. Information on the work of the remuneration (People & Sustainability) committee in 2024 is set out in the Corporate Governance Report available on pages 46 in the Annual Report 2024.

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 4 on page 82 in the Annual Report 2024.

### **Key developments 2024**

The CEO summarizes the company's overall performance in his statement on page 4-5 in the Annual 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 guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, Group Management remuneration shall be on market terms and may consist of the following components: fixed base salary, variable cash compensation, pension benefits and other benefits. The variable cash compensation shall be conditional upon the fulfilment of defined financial criteria as well as non-financial criteria, to promote the Company's business strategy including its sustainability.

The guidelines are found on pages 35-36 in the Annual Report 2024. The remuneration guidelines, adopted unanimously by the 2021 Annual General Meeting, have been fully implemented.

No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The Auditor's Report regarding the Company's compliance with the guidelines is available on [www.husqvarnagroup.com/en/corporate-governance](http://www.husqvarnagroup.com/en/corporate-governance). No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the Annual General Meetings of the Company have resolved to implement a long-term share-based incentive plan.

**Table 1 – Total CEO remuneration in 2024 (kSEK)\***

Name of director (position)	Fixed remuneration		Variable remuneration		Pension expense**	Total remuneration	Proportion of fixed and variable remuneration
	Base salary**	Other benefits	One-year variable	Multi-year variable***			
Pavel Hajman (CEO)	11,095	16	2,352	1,822	4,366	19,651	79/21

\* Remuneration earned in 2024. Disbursement may not have been made the same year.

\*\* Including vacation and ATK payment.

\*\*\* Value of vested share awards as set out in column 9 of Table 2 below.

\*\*\*\* Pension expense (column 6), which in its entirety relates to Base salary, has been counted entirely as fixed remuneration

### **Share-based remuneration**

The Company has implemented four share award programs (2021-2024, 2022-2025, 2023-2026 and 2024-2027) with up to maximum 100 participants in the 2021 program, and with maximum 135 in the 2022, 2023 and 2024 programs.

Performance share awards have been awarded free of charge and are subject to three-year vesting periods and continued employment. The number of performance based share awards that vest and give right to Husqvarna Class B-shares further depend on the fulfilment of certain targets, determined by the Board of Directors, during the three years performance period for each program. The LTI 2021 program has one target, a Value Creation target (Earnings Before Interest and Tax adjusted for items affecting comparability – Average Net Assets x Weighted Average Cost of Capital). The LTI 2022, 2023 and 2024 programs have two targets: one Value Creation target with a weight of 90% and one Carbon dioxide (CO2) emission reduction target with a weight of 10%.

There are three performance levels set for each performance criteria, with a linear progression of the number of performance based share awards from threshold to target and from target to maximum for each program. The threshold must have been reached in order for the performance based share awards to vest.

In total, 6.9 million performance shares have been awarded, which corresponds to 1.2% of the shares in the Company.

**Table 2 – Share award plans (CEO)\***

Name of director (position)	The main conditions of share award plans					Information regarding the reported financial year					
						Opening balance	During the year		Closing balance		
	Name of plan	Performance period	Award date	Vesting date	End of retention period	Share awards held at beginning of year	Awarded	Vested	Subject to performance condition	Awarded and unvested at year end	Shares subject to retention period
Pavel Hajman (CEO)	LTI 2021	2021-2023	31 May 2021	31 May 2024	31 May 2024	35,614	0	4,487***	0	0	0
Pavel Hajman (CEO)	LTI 2022	2022-2024	28 April 2022	28 April 2025	28 April 2025	29,354	0	0	29,354	29,354	29,354
Pavel Hajman (CEO)	LTI 2023	2023-2025	21 April 2023	21 April 2026	21 April 2026	47,803	0	0	47,803	47,803	47,803
Pavel Hajman (CEO)*	LTI 2024	2024-2026	10 May 2024	10 May 2027	10 May 2027	0	132,738	0	132,738	132,738	132,738
<b>Pavel Hajman (CEO)**</b>						<b>112,771</b>	<b>132,738</b>	<b>4,487</b>	<b>209,895</b>	<b>209,895</b>	<b>209,895</b>

\*Shares are dependent on continuous employment.

\*\* This is a summary row for the plans 2021, 2022, 2023, 2024. In 2024, Share Award Plan LTI 2021 vested, whereupon performance shares awards (4,487) gave the right to the corresponding number of Husqvarna shares that were transferred to the CEO. No changes occurred regarding Share Award Plan LTI 2022 and LTI 2023, where the CEO holds 77,157 share awards (29,354 LTI 2022 + 47,803 LTI 2023). In Share Award Plan LTI 2024, the CEO was awarded 132,738 share awards in 2024.

\*\*\*Value: kSEK 900,5 calculated as the market price per share at the time of vesting (SEK 86.30) multiplied by the number of share award (4,487).

### **Application of performance criteria**

The performance measures for the CEO's variable remuneration have been selected to support the Company's strategy.

In the selection of performance measures, the strategic objectives and short- and long-term business priorities for 2024 have been taken into account.

**Table 3(a) - Performance of the CEO in the reported financial year: variable cash remuneration**

Name of director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Pavel Hajman (CEO)	Group Earnings Before Interest and Tax (EBIT)	50%	a) kSEK 3,195* b) kSEK – 0
Pavel Hajman (CEO)	Group Cash Conversion Cycle (CCC) reduction days	15%	a) -2,2 days** b) kSEK - 0
Pavel Hajman (CEO)	Group Cash Flow (CF)	15%	a) kSEK 6,905*** b) kSEK 987
Pavel Hajman (CEO)	Individual Key Performance Indicators 2024	20%	a) Rating 3.5 b) kSEK – 1,364

\* Operating income adjusted for items affecting comparability and excluding acquisitions.

\*\* CCC adjusted for restructuring and acquisitions.

\*\*\* CF equals EBITDA (-) cash out for CPI (+/-) change in Operating Working Capital (Trade receivables, Trade liabilities and Inventory, less (-) Capital expenditure in tangible and intangible assets (excl other assets/liabilities)

**Table 3(b) - Performance of the CEO in the reported financial year: share-based incentives**

Name of director (position)	Name of plan	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Pavel Hajman (CEO)	LTI 2024	Group Value Creation 2024-2026*	90%	N/A**
Pavel Hajman (CEO)	LTI 2024	Group Carbon dioxide (CO2) emission reduction 2024-2026	10%	N/A**

\* Earnings Before Interest and Tax adjusted for items affecting comparability – Average Net Assets x Weighted Average Cost of Capital.

\*\* Performance period still running.

### **Comparative information on the change of remuneration and Company performance**

**Table 4 – Remuneration and Company performance for reported financial year (RFY) (kSEK)**

Year, KSEK	2022	2023	2024
CEO remuneration	19,440	15,781 (-18,9%)	19,650 (+24%)
Group operating profit	4,812,000	4,970,000*(+3.2%)	3,195,000* (-35%)
Average remuneration on a full time equivalent basis of employees** of the parent company	782	766 (-2.1%)	793 (+3.5%)

\* Operating income adjusted for items affecting comparability and excluding acquisitions.

\*\* Excluding members of Group Management.