

Remuneration report 2025

Introduction

This report describes how the guidelines for Group Management remuneration of Husqvarna AB, adopted by the Annual General Meeting 2025, were implemented in 2025. 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 91-92 in the Annual Report 2025. Information on the work of the People Committee in 2025 is set out in the Corporate Governance Report available on pages 76 in the Annual Report 2025.

Remuneration to 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 92 in the Annual Report 2025.

Key developments 2025

The CEO summarizes the company's overall performance in his statement on page 6-7 in the Annual Report 2025.

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 succeed, the company must offer competitive remuneration. The Company's remuneration guidelines enable the company to offer executives 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 91-92 in the Annual Report 2025. The remuneration guidelines, adopted in 2021 and reapproved again in 2025 by Annual General Meeting, have been fully implemented. The guidelines will be proposed to be changed by the Annual General Meeting in 2026.

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. 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 2025 (kSEK)*

Name of director (position)	Fixed remuneration		Variable remuneration		Pension expense *****	Severance***	Total remuneration	Proportion of fixed and variable remuneration
	Base salary***	Other benefits	One-year variable	Multi-year variable*** *				
Pavel Hajman (CEO)**	7,000	14	1,693	-2,432	2,709	13,279	22,263	100/0*****
Glen Instone (CEO)**	4,112	122	1,233	184	1,234	0	6,885	67/33

* Remuneration earned in 2025. Disbursement may not have been made the same year.

**Pavel Hajman 1 January – 10 August 2025, Glen Instone 11 August – 31 December 2025.

*** Including vacation.

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

*****Pension expense (column 6) has been counted entirely as fixed remuneration.

*****Cost for Pavel Hajman's severance payment. In the amount social costs and employer pension tax of kSEK 2,818 is included.

*****The cost is calculated based on the principal in IFRS 2 and allocated over the vesting period. The cost is related to LTI 2023, LTI 2024 and LTI 2025. The forecasts for value creation have been adjusted downward in 2025, which is why the year contains reversals of previously made provisions.

Share-based remuneration

The Company has implemented four share award programs (2022-2024, 2023-2025, 2024-2026 and 2025-2027) with up to maximum 135 participants in the 2022, 2023, 2024 and 2025 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-year performance period for each program. The LTI 2022, 2023, 2024 and 2025 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 for the performance-based share awards to vest.

In total, 9.9 million performance shares have been awarded, which corresponds to 1.7% of the share rights 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 2022	2022-2024	28 April 2022	28 April 2025	28 April 2025	29,354	0	2,935***	0	0	0
Pavel Hajman (CEO)	LTI 2023	2023-2025	21 April 2023	21 April 2026	21 April 2026	47,803	0	0	0	0	0
Pavel Hajman (CEO)*	LTI 2024	2024-2026	10 May 2024	10 May 2027	10 May 2027	132,738	0	0	0	0	0
Pavel Hajman (CEO)*	LTI 2025	2025-2027	15 May 2025	15 May 2028	15 May 2028	0	0	0	0	0	0
Pavel Hajman (CEO)**						209,895	0	2,935	0	0	0
Glen Instone (CEO)***	LTI 2022	2022-2024	28 April 2022	28 April 2025	28 April 2025	35,213	0	3,521***	0	0	0
Glen Instone (CEO)	LTI 2023	2023-2025	21 April 2023	21 April 2026	21 April 2026	60,130	0	0	60,130	60,130	60,130
Glen Instone (CEO)*	LTI 2024	2024-2026	10 May 2024	10 May 2027	10 May 2027	67,121	0	0	67,121	67,159	67,159
Glen Instone (CEO)*	LTI 2025	2025-2027	15 May 2025	15 May 2028	15 May 2028	0	97,770	0	97,770	97,770	97,770
Glen Instone (CEO)**						162,464	97,770	3,521	225,059	225,059	225,059

*Shares are dependent on continuous employment.

** This is a summary row for the plans 2022, 2023, 2024, 2025.

***In 2025, Share Award Plan LTI 2022 vested, whereupon performance shares awards (2,935) vs (3,521) gave the right to the corresponding number of Husqvarna shares that were transferred to the CEO's Pavel Hajman (CEO until 10 August 2025) and CEO Glen Instone (CEO as from 11 August 2025). All remaining shares for Pavel Hajman were forfeited according to the plan rules.

***Value: kSEK 135,2 resp kSEK 162,2 calculated as the market price per share at the time of vesting (SEK 46,07) multiplied by the number of share awards (2,935 resp 3,521).

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 2025 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 2,901* b) kSEK – 0
Pavel Hajman (CEO)	Group Cash Conversion Cycle (CCC) reduction days	15%	a) -17 days** b) kSEK – 1,015
Pavel Hajman (CEO)	Group Cash Flow (CF)	15%	a) kSEK 3,267*** b) kSEK 0
Pavel Hajman (CEO)	Individual Key Performance Indicators 2025	20%	a) Rating 3 b) kSEK – 677

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
Glen Instone (CEO)	Group Earnings Before Interest and Tax (EBIT)	50%	c) kSEK 2,901* d) kSEK – 0
Glen Instone (CEO)	Group Cash Conversion Cycle (CCC) reduction days	15%	c) -17 days** d) kSEK – 617
Glen Instone (CEO)	Group Cash Flow (CF)	15%	c) kSEK 3,267*** d) kSEK 0
Glen Instone (CEO)	Individual Key Performance Indicators 2025	20%	c) Rating 4 d) kSEK – 617

* 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
Glen Instone (CEO)	LTI 2025	Group Value Creation 2025-2027*	90%	N/A**
Glen Instone (CEO)	LTI 2025	Group Carbon dioxide (CO2) emission reduction 2025-2027	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	2023	2024	2025
CEO remuneration*	15,781	19,650 (+24%)	29,797 (+50%)
Group operating profit	4,970,000**	3,195,000** (-35%)	2,901,000** (-9%)
Average remuneration on a full-time equivalent basis of employees***of the parent company	766	793 (+3.5%)	817 (+3.0%)

*CEO remuneration includes both Pavel Hajman (1 January-10 August) and Glen Instone (11 August-31 December). Severance payment is included for Pavel Hajman, amount is 13,279 TSEK.

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

*** Excluding members of Group Management.