



REMUNERATION REPORT 2021/22

Ambu FOREVER
FORWARD

REMUNERATION REPORT 2021/22

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Our statutory reporting for 2021/22 includes four reports: Annual Report, Sustainability Report, Remuneration Report and Corporate Governance Report.



Annual Report 2021/22



Sustainability Report 2021/22



Corporate Governance Report 2021/22

STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholders,

Since 1937, Ambu's primary objective has been advancing healthcare by developing innovative medical devices. Today, 85 years later, Ambu is the leader in single-use endoscopy.

To lead this primary objective, Ambu's Remuneration Committee aims to set a remuneration policy that attracts, motivates and retains talented leaders at both the Board and Executive level. Likewise, the Remuneration Committee aims to ensure compensation is aligned to achieve the business goals of the company. This report is intended to give you a detailed and transparent overview of the composition and aspects of remuneration to both the Board of Directors and Executive Management of Ambu.

Last year, the Remuneration Report 2020/21 was presented for approval at the Annual General Meeting in December 2021 and was endorsed by a significant majority. 98.8% of the votes were cast in favour, 1.1% were against, and 0.1% abstained.

The Remuneration Policy 2020/21 was also presented for approval at the Annual General Meeting in December 2021 and was endorsed by a significant majority. 94.4% of the votes were cast in favour, 5.4% were against, and 0.2% abstained.

MAIN ACTIVITIES IN 2021/22

- Search for a new CFO and CEO
- Change in size of STI and LTI for the CEO
- Introduction of ESG targets in the short-term incentive plan

EXECUTIVE MANAGEMENT

2022 saw a change in Executive Management as Ambu welcomed both a new CEO and CFO. Britt Meelby Jensen joined Ambu as CEO in May, while Thomas Frederik Schmidt joined Ambu as CFO in June.

Sign-on bonuses to attract the executives were given upon signing. The bonus to the CEO was DKK 0.8m given in the form of PSUs, while the CFO received a conditional cash bonus of DKK 2.4m.

EXECUTIVE'S VARIABLE REMUNERATION

Ambu realised organic revenue growth of 4% in 2021/22, following 16% growth last year. At the beginning of 2021/22 however, our ambitions were higher with a financial target for organic revenue growth of 15-19%. Consequently, the CEO and CFO, did not receive long-term incentive pay (LTI) for 2021/22.

The short-term incentive pay (STI) was paid out at 5% of the maximum, reflecting the level of achievement of the KPIs set at the beginning of the financial year. This payout reflects that 2021/22 was a difficult year.

BOARD OF DIRECTORS

Two new members of the Board joined in December 2021. As Britt Meelby Jensen stepped out of the board to become the CEO of Ambu in May 2022, the board now comprises of eight members. In addition to this change, an Innovation Committee was established to support Ambu's Innovation Race strategy.

THE YEAR TO COME

In the financial year 2022/23, Ambu will continue to develop and launch innovative new devices that improve patient safety, simplify hospital workflows, and reduce healthcare costs. The announced strategy shows high ambitions for the year, and remuneration will reflect the results Ambu achieves and the ability to deliver on our strategic plans.



JØRGEN JENSEN

Chairman of the Remuneration Committee

SUMMARY OF REMUNERATION REPORT FOR 2021/22

A summary of the contents of the Remuneration Report is outlined in the table below (the table continues on the following page). Figures in brackets refer to the financial year 2020/21.

FOCUS POINTS	REPORTING
Total remuneration broken down by component and distribution between variable and fixed remuneration	<ul style="list-style-type: none"> The Board of Directors receives fixed remuneration only, while the remuneration of the Executive Management is divided into fixed and variable remuneration. For 2021/22, remuneration totalling DKK 5.5m (DKK 4.7m) was paid to the Board of Directors, representing an increase of 17% mainly impacted by the establishing of an Innovation Committee. The total remuneration earned by the Executive Management for 2021/22 amounted to DKK 17.6m (DKK 15.1m), excluding one-off payments of severance and resignation compensation to the former CEO and CFO. This year's remuneration was impacted by sign-on bonuses of DKK 3.2m to the CEO and CFO combined. The variable portion of Britt Meelby Jensen's total remuneration was 24% and for Thomas Frederik Schmidt the variable portion constituted 61%. Adjusted for the sign-on bonuses, 5% of the short-term incentive pay (STI) KPI's was achieved while being a 0% achievement for the long-term incentive pay (LTI) KPI 'Organic revenue growth'.
Alignment of the Executive Management's remuneration with Ambu's remuneration policy and long-term results	<ul style="list-style-type: none"> The remuneration of the management is in accordance with Ambu's remuneration policy, and the earning of cash bonuses, as well as the vesting of share-based instruments, are based on the achievement of the agreed targets. Alignment of the remuneration of the Executive Management with Ambu's short-term financial targets and long-term value creation is ensured through the allocation of short-term and long-term incentives for the individual financial years, based on the achievement of the targets. The targets that form the basis for the remuneration of the Executive Management are closely related to the goals which are normative for Ambu's strategy, and which are communicated externally.
Use of KPIs	<ul style="list-style-type: none"> The Executive Management's STI is tied to several KPIs based on Ambu's financial and strategic outlook for the year. For 2021/22 the KPIs also include an ESG target. The Executive Management's LTI is conditional on the achievement of a financial KPI that reflects how Ambu's strategy is being executed.

Five-year summaries of remuneration, fees, and annual results	<ul style="list-style-type: none"> The Remuneration Report includes five-year summaries illustrating the annual change in this year's Executive Management's remuneration and shareholdings, individual Board of Director fees, and the annual result of Ambu Group and Ambu A/S.
Long-term incentive program	<ul style="list-style-type: none"> LTI for the Executive Management is allocated as Performance Share Units (PSUs). A PSU will entitle the holder to one Class B share based on the share price at vesting, provided that the predetermined KPI is achieved. The PSU program has an annual value cap, whereby the value at vesting cannot exceed four times the annual fixed base salary measured at the time of grant. In 2021/22, Britt Meelby Jensen received a sign-on bonus worth 30% of fixed base salary on an annual prorated basis in the form of PSUs. The KPIs for the year 2021/22 was not achieved and consequently no allocation of PSUs was allocated to the CEO or the CFO. The Executive Management did not participate in the annual employee share program.
Clawback information	<ul style="list-style-type: none"> The STI and LTI agreements contain clawback provisions on the variable remuneration of the Executive Management. There has been no basis for applying the clawback provisions.
Deviations from the remuneration policy	<ul style="list-style-type: none"> There has been one deviation from Ambu's remuneration policy, approved on 14 December 2021. In accordance with the remuneration policy, the Board of Directors has applied their discretion to deviate from the remuneration policy when this is in the interest of the shareholders by allocating PSUs to Thomas Frederik Schmidt as of January 1, 2022. The decision to deviate the remuneration policy by backdating the grant of LTI was made with the objective to enrol the new CFO into the annual PSU programme, which the Board assessed to be in the shareholders' interests. At grant date, the value of the grant was 40% of prorated base salary at target, conditional upon meeting pre-defined KPI's set at the beginning of the financial year. The PSUs have since lapsed as the 'Organic revenue growth' performance metric was achieved below threshold.

DEVELOPMENT OF REMUNERATION AND KEY FINANCIAL FIGURES

The table on the next page shows a five-year development in the remuneration paid to the Board of Directors and to the Executive Management having received pay in 2021/22. The table also shows the development in Ambu's market value based on all Class A and Class B shares less the company's portfolio of treasury shares (assuming the value of the Class A shares corresponds to the listed value of the Class B shares).

As the table shows, the remuneration of the Board of Directors increased by 17% since last

year, while the total remuneration of the Executive Management has increased by 17% since last year incl. a sign-on bonus granted to the CEO and CFO respectively.

Since last year, Ambu Group's EBIT before special items decreased by -64%, while the market value of Group decreased to DKK 17bn (DKK 48bn) by end of September 2022. For two consecutive years achievement in STI and LTI KPI's combined have been below targets set in the beginning of the year. STIs and LTIs are further outlined in Section 3.

BASIS OF COMPARISON FOR AMBU A/S ¹	21/22	20/21	19/20	18/19	17/18
Total remuneration of the Board of Directors (DKK '000)	5,518	4,734	4,215	4,033	4,300
<i>Annual change in remuneration of the Board of Directors</i>	17%	12%	5%	-6%	-
Britt Meelby Jensen, CEO	3,982	-	-	-	-
<i>Variable portion of remuneration</i>	24%	-	-	-	-
Thomas Frederik Schmidt, CFO	4,051	-	-	-	-
<i>Variable portion of remuneration</i>	61%	-	-	-	-
Juan Jose Gonzalez, former CEO	6,315	10,105	28,610	10,987	-
<i>Variable portion of remuneration</i>	3%	10%	68%	59%	-
<i>Annual change in remuneration³</i>	-5%	-65%	84%	-	-
Michael Højgaard, former CFO	3,212	4,946	8,156	4,287	7,015
<i>Variable portion of remuneration</i>	4%	9%	46%	10%	49%
<i>Annual change in remuneration³</i>	-3%	-39%	90%	-39%	-
Total remuneration earned, Executive Management (DKK '000)²	17,560	15,051	36,766	15,274	7,015
<i>Annual change in remuneration of Executive Management</i>	17%	-59%	141%	-	-
Average remuneration per employee, exclusive of the Executive Management (DKK '000)	837	844	837	809	773
Ratio – CEO vs. average remuneration	11	12	34	24	16
EBIT before special items (Ambu A/S)	62	-54	73	549	428
Net profit for the year (Ambu A/S)	59	22	85	400	313

¹ All remuneration figures are exclusive of severance and resignation pay.

² Five-year overview of total remuneration earned of executive management only includes executives having received pay in 2021/22.

³ All annual developments are calculated based on an annualised compensation before severance and resignation pay.

FINANCIAL NUMBERS FOR AMBU GROUP	21/22	20/21	19/20	18/19	17/18
Revenue (DKKbn)	4,444	4,013	3,567	2,820	2,606
Organic growth	4%	16%	26%	4%	15%
EBIT before special items (DKKbn)	122	340	428	480	563
EBIT margin before special items	2.7%	8.5%	12.0%	17.0%	21.6%
<i>Annual growth in EBIT before special items</i>	-64%	-21%	-12%	-15%	25%
Free cash flow before acquisitions	-458	-245	-133	274	321
<i>In % of revenue</i>	-10%	-6%	-4%	10%	12%
Development (EBIT before special items) – Index 2017/18 = 100	22	60	76	85	100
Market value of Class A and Class B shares (DKKbn)	17	48	45	28	38
Development (market value) – Index 2017/18 = 100	45	126	118	74	100

1 REMUNERATION OF THE BOARD OF DIRECTORS

The Board of Directors receives only fixed remuneration fees, which are set and approved by the shareholders at the Annual General Meeting. The fee was last changed in December 2020 and is aligned with other comparable Danish and European companies with respect to complexity, size, scope and workload of the role. All members of a committee receive a fee. The Board of Directors does not receive any variable remuneration and are not part of any share-based incentive schemes as recommended by the Danish Committee on Corporate Governance.

The remuneration committee met three times during 2021/22. All members attended the meetings.

1.1 MEMBERS OF THE BOARD OF DIRECTORS

During 2021/22 Britt Meelby Jensen stepped down as member of the Board of Directors to become CEO of Ambu on 19 May 2022. Susanne Larsson and Michael Del Prado were elected members of the Board of Directors at the Annual General Meeting in December 2021. Three new employee elected members were elected in 2021 to join the board for a four-year period. As from 30 September 2022, the Board of Directors and their respective committees are stated in the table below.

A new Innovation Committee was established in 2021/22 to focus on Ambu's Innovation Race Strategy and Ambu's continuing journey as an innovative medical technology company.

MEMBERS OF THE BOARD OF DIRECTORS	COMMITTEE
Jørgen Jensen (Chairman)	Remuneration (Chairman), Innovation (Member), Nomination (Chairman),
Christian Sagild (Vice Chairman)	Audit (Member), Nomination (Member)
Henrik Ehlers Wulff	Remuneration (Member), Innovation (Member)
Michael Del Prado	Innovation (Chairman), Nomination (Member)
Susanne Larsson	Audit (Chairman), Remuneration (Member)
Charlotte Elgaard Bjørnhof	Employee Elected
Jesper Bartroff Frederiksen	Employee Elected
Thomas Bachgaard Jensen	Employee Elected

1.2 REMUNERATION OF THE BOARD OF DIRECTORS

All remuneration to members leaving or joining Ambu's Board of Directors is calculated based on the date when their service ends or begins. An overview of the fixed remuneration fees is outlined in the table below.

In addition to fixed fees and reimbursement of reasonable travel expenses, a travel allowance is granted on a per meeting basis for eligible members of the board. This allowance is only granted to those board members required to travel outside of their country of residence to

attend board and committee related meetings. Social security costs imposed by foreign authorities are also reimbursed in relation to the Board members' compensation from Ambu A/S. The table on the next page provides a five-year overview of the remuneration paid to the individual in-year 2021/22 members of the Board of Directors and an overview of changes in their shareholdings during 2021/22. There are no special retention or redundancy schemes for members of the Board of Directors.

DKK '000	BOARD	AUDIT, INNOVATION, NOMINATION AND REMUNERATION COMMITTEE
Chairman	1,050	175
Vice Chairman	700	-
Member	350	117

		21/22				20/21	19/20	18/19	17/18
MEMBER OF THE BOARD OF DIRECTORS	ELECTED	BOARD FEE	COMMITTEE FEE	TRAVEL ALLOWANCE	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Jørgen Jensen (C)	Dec 2020	1,050	407	-	1,457	992	-	-	-
<i>Annual change in fee</i>	-	-	-	-	47%	-	-	-	-
Christian Sagild (VC)	Dec 2012	700	222	-	922	808	450	450	450
<i>Annual change in fee</i>	-	-	-	-	14%	80%	0%	0%	-
Henrik Ehlers Wulff (MB)	Dec 2015	350	234	-	584	561	400	400	400
<i>Annual change in fee</i>	-	-	-	-	4%	40%	0%	0%	-
Michael Del Prado (MB)	Dec 2021	278	167	173	618	-	-	-	-
Susanne Larsson (MB)	Dec 2021	278	167	-	445	-	-	-	-
Charlotte Elgaard Bjørnhof (EEMB)	Dec 2021	278	-	-	278	-	-	-	-
Jesper Bartroff Frederiksen (EEMB)	Dec 2021	278	-	-	278	-	-	-	-
Thomas Bachgaard Jensen (EEMB)	Dec 2021	278	-	-	278	-	-	-	-
FORMER MEMBERS	RESIGNED								
Mikael Worning (MB)*	Dec 2021	72	24	-	96	534	700	700	700
Britt Meelby Jensen (MB)*	May 2022	221	125	-	346	467	315	-	-
Thomas Lykke Henriksen (EEMB)*	Dec 2021	72	-	-	72	350	300	300	300
Jakob Koch (EEMB)*	Dec 2021	72	-	-	72	350	300	300	300
Jakob Bønnelykke Kristensen (EEMB)	Dec 2021	72	-	-	72	350	300	300	300

C: Chairman of the Board of Directors; VC: Vice Chairman of the Board of Directors; MB: Member of the Board of Directors elected by the general meeting; EEMB: Employee-elected member of the Board of Directors.

*Former members of the Board of Directors.

SHAREHOLDINGS (number of Class B shares with a nominal value of DKK 0.50 each)				
CURRENT MEMBERS OF THE BOARD OF DIRECTORS	NUMBER OF SHARES 01.10.2021	BOUGHT DURING THE YEAR	SOLD DURING THE YEAR	NUMBER OF SHARES 30.09.2022
Jørgen Jensen	16,236	-	-	16,236
Christian Sagild	255,000	-	-	255,000
Henrik Ehlers Wulff	10,645	-	-	10,645
Susanne Larsson	0	-	-	0
Michael Del Prado	0	-	-	0
Jesper Bartroff Frederiksen	1,199	298	-	1,497
Charlotte Elgaard Bjørnhof	376	269	-	645
Thomas Bachgaard Jensen	1,094	219	-	1,313

2 NON-VARIABLE REMUNERATION OF THE EXECUTIVE MANAGEMENT

2.1 EXECUTIVE MANAGEMENT

As per September 2022 the members of the Executive Management are:

- Britt Meelby Jensen, CEO
- Thomas Frederik Schmidt, CFO

Britt Meelby Jensen has been with Ambu since 19 May 2022, while Thomas Schmidt has been with Ambu since 1 June 2022. Remuneration paid to their predecessors are also explained below and disclosed in the relevant overviews in section 4.

2.2 REMUNERATION

The remuneration of the Executive Management is determined by the Board of Directors based on market levels, Ambu's financial position, and the competences, efforts, and results of the individual members of the Executive Management.

Remuneration per design is composed of the following components.

TARGET REMUNERATION PER COMPONENT	CEO	CFO
Fixed base salary	47%	50%
Pension contributions	4%	5%
Employee benefits	1%	3%
Short-term incentives (STI)	24%	22%
Long-term incentives (LTI)	24%	20%
Total	100%	100%

In addition to the above, the CFO received one-time compensation for relocation to Denmark.

Fixed base salary, pension contributions, tax compensation and employee benefits are considered non-variable remuneration, while STI, LTI and sign-on bonuses are considered variable remuneration as these components

are subject to achieving pre-defined performance levels.

2.3 THE EXECUTIVE MANAGEMENT'S NON-VARIABLE REMUNERATION

The Remuneration Committee ensures that the non-variable remuneration of the Executive Management is competitive and reasonable, in view of Ambu's financial position and development, based on benchmarking against a peer group of European Life Science companies and other Danish listed companies of similar size and complexity.

The pension contribution for the Executive Management has been agreed at 10% of base salary. Employee benefits mainly concern the costs of company cars. Other employee benefits include health insurance, telephone, and internet access.

2.4 TERMINATION / RESIGNATION

The notice of termination to be given by Ambu to members of the Executive Management may not exceed 18 months.

An Executive Board member's total value for the notice period, including severance / resignation pay, cannot exceed a value corresponding to two years' fixed base salary.

The notice of termination to be given by the members of the Executive Management to Ambu cannot, exceed nine months.

Moreover, any severance payments to members of the Executive Management, for example in the event of a change of control, is subject to a maximum value corresponding to two years' remuneration. In the event of the death of an Executive Management member, the company will pay up to 18 months' remuneration to the surviving relatives of any such Executive Management member.

2.5 DEVIATION TO THE POLICY

The Board of Directors has the discretionary authority to deviate from the Remuneration Policy with respect to a change in control and other matters. The discretionary authority was applied in 2021/22.

In accordance with the remuneration policy, the Board of Directors has applied their contractual discretion to deviate the remuneration policy by allocating PSUs to Thomas Frederik Schmidt as at January 1, 2022.

The decision to deviate the remuneration policy by backdating the grant of LTI was made with the objective to enrol the new CFO into the annual PSU program. The PSUs have since lapsed as the 'Organic growth' performance metric was achieved below threshold.

At grant date, the LTI was worth 40% of prorated base salary at target, conditional upon meeting pre-defined KPI's set at the beginning of the financial year.

2.6 DISCRETIONARY PAYOUT AND CLAWBACK

The Board of Directors has the discretionary power to grant a discretionary cash bonus of an additional 25% of fixed base salary to the Executive Management.

The sign-on bonus given to Britt Meelby Jensen worth DKK 808,000 is considered within the Board of Director's discretion as the bonus is less than 25% of the CEO's annual remuneration.

As a sign-on bonus, Thomas Frederik Schmidt received a cash bonus of DKK 2,400,000, payable over 4 years and subject to continued employment. On an annual basis, DKK 600,000 is paid out in October in the years 2023, 2024 and 2025.

The Executive Management's variable pay is covered by clawback clauses if the pay was granted based on misstated or falsified data. There has been no clawback since 2017/18 to date.

2.7 DEPARTURE OF PREVIOUS EXECUTIVE MANAGEMENT

In May 2022, the former CEO left the company with a 12-month notice for a total severance payment of DKK 14,544,000 of which DKK 3,758,000 is conditional on future not yet defined KPI's pertaining to 2022/23.

	SEVERANCE COMPONENT	DKK ('000)
Juan Jose Gonzalez	Fixed salary, 12 months	8,634
	Tax compensation	742
	STI 21/22, achieved	157
	STI 22/23, expected	3,758
	LTI (previous years), achieved	1,253
	Total severance payment	14,544

By end of May 2022, the former CFO left the company for then to work three months as consultant assisting with the transition in Executive Management team. Following this period, a 4-month notice period commenced. Lastly, a fixed resignation payment set at four months of compensation will be paid.

The combined value of the resignation payment to the former CFO was DKK 7,832,000 of which DKK 1,920,000 is conditional upon future not yet defined KPI's pertaining to 2022/23.

	RESIGNATION COMPONENT	DKK ('000)
Michael Højgaard	Consulting fee, 3 months*	1,221
	Fixed salary, 4 months	2,005
	STI 21/22, achieved	15
	STI 22/23, expected	1,920
	LTI (previous years), achieved**	356
	Resignation pay (4 months)	2,315
	Total resignation payment	7,832

*Consulting rendered by Michael Højgaard to assist onboarding the new Executive Management is disclosed as resignation fee for sake of transparency.

**Michael Højgaard is seen as a good leaver in respect of LTIs.

3 VARIABLE REMUNERATION OF THE EXECUTIVE MANAGEMENT

Variable remuneration and annual KPIs for the Executive Management are proposed by the Remuneration Committee and approved by the Board of Directors. The ratio between non-variable (fixed) and variable pay elements are benchmarked in the same way as the non-variable remuneration.

Within the outlines of Ambu's remuneration policy, the valuation of the STI and LTI for the CEO and CFO constitute of base salary as follows at Target or Max achievement of pre-defined KPI('s):

Value of variable component in % of Base Salary	Britt Meelby Jensen, CEO	Thomas Frederik Schmidt, CFO
STI (Target / Max)	50% / 100%	45% / 90%
LTI (Target / Max)	50% / 100%	40% / 80%
Total	100% / 200%	85% / 170%

The valuation for STI and LTI of base salary in Target / Max has changed for what now applies to the CEO. The value of base salary was previously; STI: 75% / 100%, LTI: 75% / 150%.

3.1 SIGN-ON BONUSES

As a sign-on grant, the CEO received 8,548 PSUs worth DKK 808,000 at grant date based on a quoted share price of DKK 94.56, corresponding to 30% of 2021/22 fixed base salary. The PSUs has a 3-year vesting period from May 2022 and the value cap applies to the future value of vesting as for other PSUs.

As a sign-on bonus, the CFO received a cash bonus of DKK 2.4m, payable over 4 years and subject to continued employment cf. section 2.6.

3.2 SHORT-TERM INCENTIVES FOR 2021/2022

The KPIs for the Executive Management's STI for 2021/22 are aligned with Ambu's strategic

focus for the year and have been defined as follows:

KPI	WEIGHT	THRESHOLD	TARGET	MAX
Organic revenue growth	50%	14%	18%	20%
EBIT margin	45%	7%	8%	9%
ESG – maintain Sustainability at medium risk	5%	No	-	Yes
Total	100%			

The organic revenue growth and EBIT margin was set and aligned with the outlook in the beginning of the financial year. The ESG KPI, Sustainability, will either result in a full payout or no payout. Sustainability is a leading ESG rating firm with independent and externally comparable ESG metrics. Ambu's annual ESG rating, as an STI KPI, was introduced in 2021/22 at an initial weight of 5%. It is the intention to increase the ESG weighting going forward as Ambu puts more emphasis and investments into ESG.

With the results achieved for 2021/22, the STI KPIs have been achieved at 5% of maximum, corresponding to a compensation worth 5% of fixed base salary for the CEO and 4.5% of fixed base salary for the CFO.

EXECUTIVE MANAGEMENT	ACHIEVEMENT OF MAXIMUM	DKK ('000)
Britt Meelby Jensen, CEO	5%	135
Thomas Frederik Schmidt, CFO	5%	53
Total	5%	188

3.3 THE EXECUTIVE MANAGEMENT'S LONG-TERM INCENTIVE PROGRAM STRUCTURE

LTI is granted each year as Performance Share Units (PSU). The PSU agreement is entered into on 1 January each year, which is the date of allocation. The performance period is 9 months until September 30 the same year followed by 2 years and 3 months of vesting period. The PSUs then vest 3 years after allocation. The number of PSUs allocated is based on the average of the quoted stock price on the date of the Annual General Meeting and the following four business days, or when granted during the year. The agreed targets are based on the financial outlook for the financial year. At vesting, a cap is set at four times the annual fixed base salary measured at the time of granting.

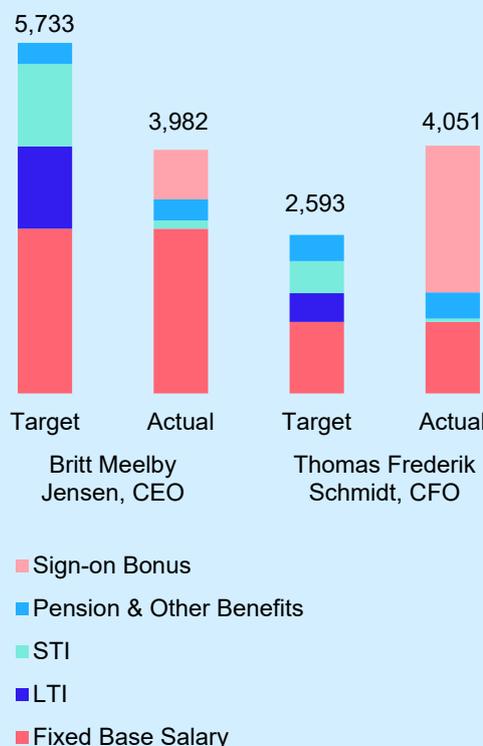
3.4 LONG-TERM INCENTIVES FOR 2021/22

The KPI for the Executive Management's LTI program pertaining to the 2021/22 performance is aligned with Ambu's strategic growth focus:

KPI	WEIGHT
Organic revenue growth	100%

Based on the financial performance for 2021/22, the threshold of the KPI for organic revenue growth was not reached. Consequently, no allocation of LTI will take place for 2021/22.

REMUNERATION DISTRIBUTION, DKK ('000)



3.5 ANNUAL RESULT AND DISTRIBUTION OF REMUNERATION 2021/22

As can be seen above, the distribution of the remuneration to Executive Management was consistent with Ambu's financial performance being significantly below target, when adjusting for conditional sign-on grant and cash-bonus.



4 FIVE-YEAR REMUNERATION OVERVIEW OF THE EXECUTIVE MANAGEMENT OF AMBU A/S

TOTAL REMUNERATION (DKK '000)						
REMUNERATION COMPONENT	2021/22	2020/21	2019/20	2018/19	2017/18	
Britt Meelby Jensen, CEO	Fixed base salary	2,694	-	-	-	-
	Pension contributions	270	-	-	-	-
	Employee benefits	75	-	-	-	-
	Sign-on bonus (LTI)	808	-	-	-	-
	Short-term incentives	135	-	-	-	-
	Long-term incentives ¹	0	-	-	-	-
	Total remuneration earned ²	3,982	-	-	-	-
	Adjustment of LTIs to IFRS ⁵	-709	-	-	-	-
	Total expense in the income statement	3,273	-	-	-	-
	Fixed remuneration	76%	-	-	-	-
	Variable remuneration	24%	-	-	-	-
Thomas Frederik Schmidt, CFO	Fixed base salary	1,170	-	-	-	-
	Pension contributions	117	-	-	-	-
	Employee benefits	311	-	-	-	-
	Sign-on bonus (cash)	2,400	-	-	-	-
	Short-term incentives	53	-	-	-	-
	Long-term incentives ¹	0	-	-	-	-
	Total remuneration earned ²	4,051	-	-	-	-
	Adjustment of sign-on to IFRS ⁵	-1,800	-	-	-	-
	Total expense in the income statement	2,251	-	-	-	-
	Fixed remuneration	39%	-	-	-	-
	Variable remuneration	61%	-	-	-	-

TOTAL REMUNERATION – FORMER EXECUTIVE MANAGEMENT MEMBERS

TOTAL REMUNERATION (DKK '000)						
REMUNERATION COMPONENT	2021/22	2020/21	2019/20	2018/19	2017/18	
Juan Jose Gonzalez	Fixed base salary	4,711	7,342	7,260	2,723	-
	Pension contributions	471	734	726	272	-
	Employee benefits	156	228	226	79	-
	Tax compensation	758	835	835	1,449	-
	Short-term incentives ³	219	819	8,549	2,769	-
	Long-term incentives ¹	0	147	11,014	3,695	-
	Total remuneration earned ²	6,315	10,105	28,610	10,987	-
	Change in annual remuneration ⁴	-5%	-65%	84%	-	-
	Severance pay	14,544	-	-	-	-
	Total remuneration earned incl. severance pay	20,859	10,105	28,610	10,987	-
	Adjustment of LTIs to IFRS ⁵	-6,285	8,340	-4,641	-3,227	-
	Total expense in the income statement	14,574	18,445	23,969	7,760	-
	Fixed remuneration	97%	90%	32%	41%	-
	Variable remuneration ⁶	3%	10%	68%	59%	-
Michael Højgaard	Fixed base salary	2,607	3,848	3,805	3,280	3,124
	Pension contributions	313	462	457	394	312
	Employee benefits	174	178	149	167	167
	Short-term incentives	118	381	1,509	0	1,348
	Long-term incentives ¹	0	77	2,236	446	2,064
	Total remuneration earned ²	3,212	4,946	8,156	4,287	7,015
	Change in annual remuneration ⁴	-3%	-39%	90%	-39%	-
	Resignation pay	7,832	-	-	-	-
	Total remuneration earned incl. resignation pay	11,044	4,946	8,156	4,287	7,015
	Adjustment of LTIs to IFRS ⁵	0	696	-229	-809	664
	Total expense in income statement	11,044	5,642	7,927	3,478	7,679
	Fixed remuneration	96%	91%	54%	90%	51%
	Variable remuneration ⁶	4%	9%	46%	10%	49%

TOTAL REMUNERATION – EXECUTIVE MANAGEMENT MEMBERS

		TOTAL REMUNERATION (DKK '000)				
INDIVIDUAL MEMBER		2021/22	2020/21	2019/20	2018/19	2017/18
Total	Britt Meelby Jensen	3,982	-	-	-	-
	Thomas Frederik Schmidt	4,051	-	-	-	-
	Juan Jose Gonzalez	6,315	10,105	28,610	10,987	-
	Michael Højgaard	3,212	4,946	8,156	4,287	7,015
	Total Executive Management remuneration earned²	17,560	15,051	36,766	15,274	7,015
	Severance and resignation pay	22,376	-	-	-	-
	Executive Management remuneration earned incl. severance and resignation pay	39,936	15,051	36,766	15,274	7,015

Ratio	Average remuneration in Ambu A/S (excluding the Executive Management)	837	844	837	809	773
	Average remuneration/CEO pay ratio⁷	11	12	34	24	16

¹ The Long-term incentives includes the two-year employee share program and the three-year LTI programs. The value of the LTI programs is based on the fair value per unit at time of grant times the total number of awards achieved.

² The line "Total remuneration earned" show the value of compensation earned by the Executive Management as it includes the value of LTIs at fair value per unit at the time of granting, multiplied by the total number of awards achieved.

³ 2018/19 and 2019/20 include housing allowance.

⁴ Change in annualised remuneration since last year before severance and resignation pay.

⁵ The line "Adjustment of LTIs to IFRS" includes effects of accounting accruals as well as the effect from mark-to-market of the PSUs in cases where the LTIs will eventually be settled in cash.

⁶ Distribution of "Total remuneration earned" between fixed and variable pay does not include severance and resignation pay.

⁷ The CEO-pay ratio for 2021/22 is calculated by applying full-year compensation for CEO Britt Meelby Jensen against the average compensation paid excluding the Executive Management and Board of Directors of Ambu A/S. This practise also applies to the ratio in 2018/19.

**5-YEAR SHAREHOLDINGS OVERVIEW OF CURRENT MANAGEMENT
(number of Class B shares with a nominal value of DKK 0.50 each)**

MEMBER OF THE EXECUTIVE MANAGEMENT	30.09.22	30.09.21	30.09.20	30.09.19	30.09.18
Britt Meelby Jensen, CEO	45,333	-	-	-	-
Thomas Frederik Schmidt, CFO	0	-	-	-	-
Total	45,333	-	-	-	-

EXISTING LTI PROGRAMMES FOR CURRENT EXECUTIVE MANAGEMENT AND OUTSTANDING LTI PROGRAMMES OF FORMER EXECUTIVE MANAGEMENT MEMBERS

	PURCHASE OPTIONS				PSUs					PURCHASE OPTIONS (EMPLOYEE SHARES)				
	2020, years 1 + 2	2020, year 3	2020, Big Five	Sub-total	2019	2020	2021	2022	Sub-total	2017	2018	2019	2021	Total
No. of participants	2	2	2		1	1	2	4		2	2	2	2	-
Britt Meelby Jensen								9	9					9
Thomas Frederik Schmidt								12	12					12
Former Executive Management	630	351	1,618	2,599	29	99	66	85	279	1	2	2	2	2,885
No. of instruments issued¹ ('000)	630	351	1,618	2,599	29	99	66	106	300	1	2	2	2	2,906
Has program vested?	yes	no	yes		yes	no	no	no		yes	yes	yes	no	
Britt Meelby Jensen														-
Thomas Frederik Schmidt														-
Value of exercised instruments, DKKm														-
Britt Meelby Jensen								9	9					9
Thomas Frederik Schmidt														-
Former Executive Management	202	351	344	897		99			99				2	998
No. of outstanding instruments ('000)	202	351	344	897		99		9	108				2	1,007
Exercise price, DKK	120	134	134		0	0	0	0		0	0	0	0	
Year of expiration	2024	2025	2024		2022	2023	2024	2025		2019	2020	2021	2023	
Britt Meelby Jensen								1	1					1
Thomas Frederik Schmidt														
Market value of outstanding instruments at 30 Sept. 2022, DKKm								1	1					1

¹Calculated before cancellation, non-vesting of instruments and resignations etc.

THE BOARD OF DIRECTORS' STATEMENT ON THE REMUNERATION REPORT

The Board of Directors has today considered and adopted the Remuneration Report of Ambu A/S for the financial year 2021/22.

The Remuneration Report has been prepared in accordance with Section 139b of the Danish Companies Act and the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

The Remuneration Report describes the remuneration received by the Board of Directors and the Executive Management of Ambu A/S ('Ambu') with the goal of contributing towards promoting and achieving Ambu's strategic goals, long-term financial results, and shareholder value creation. In our opinion, the remuneration is in accordance with Ambu's remuneration policy, adopted on 14 December 2021, and is free from material misstatement and omissions.

The Remuneration Report will be presented at the Annual General Meeting on 14 December 2022.

Ballerup, 15 November 2022

BOARD OF DIRECTORS



JØRGEN JENSEN
Chairman

CHRISTIAN SAGILD
Vice Chairman

HENRIK EHLERS WULFF

SUSANNE LARSSON

MICHAEL DEL PRADO

**CHARLOTTE ELGAARD
BJØRNHOFF**
Employee-elected

**THOMAS BACHGAARD
JENSEN**
Employee-elected

**JESPER MAD S BARTROFF
FREDERIKSEN**
Employee-elected

THE INDEPENDENT AUDITOR'S REPORT ON THE REMUNERATION REPORT

To the shareholders of Ambu A/S,

As agreed with the Company's Board of Directors, we have examined that the Remuneration Report for Ambu A/S for the financial year 2021/22 includes the disclosures required by Section 139 b(3) of the Danish Companies Act and that the information pertaining to remuneration, company performance and individual shareholdings included in the Remuneration Report's tables on page 6-16 are accurate and complete.

The degree of assurance we express in this report is reasonable.

BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE REMUNERATION REPORT

The Board of Directors is responsible for the preparation of the Remuneration Report in accordance with Section 139 b(3) of the Danish Companies Act and the Remuneration Policy dated 14 December 2021 as adopted by the Annual General Meeting.

The Board of Directors is also responsible for such internal control that the Board of Directors determines is necessary to enable the preparation of the Remuneration Report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, as well as ethical requirements applicable in Denmark.

EY Godkendt Revisionspartnerselskab is subject to the International Standard on Quality Control (ISQC) 1 and thus uses a comprehensive quality control system,

documented policies and procedures regarding compliance with ethical requirements, professional standards, applicable requirements in Danish law and other regulations.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express a conclusion on Remuneration Report based on our examinations. We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit legislation to obtain reasonable assurance for purposes of our conclusion.

As part of our examinations, we performed the below procedures:

- We have verified that the Remuneration Report includes the information on remuneration for each individual member of the Board of Directors and Executive Board as required by section 139 b(3), item 1-6 of the Danish Companies Act.
- We have reconciled the information on financial performance of Ambu A/S included in the Remuneration Report to the financial highlights and other financial information as per the Annual Report for the financial year 2021/22 and, in addition, we have on a sample basis recalculated the average remuneration by Full Time Equivalent excluding Executive Board for Ambu A/S.
- We have examined Management's process for recording, collecting and presenting information on fixed base salary, short term incentives (STI), pension contribution and other benefits to the Executive Board and remuneration to the Board of Directors and on a sample basis verified such information to employment contracts and other agreements and actual disbursements.
- We have examined Management's process for recording, collecting and presenting information on long term incentives (LTI) and on a sample basis verified such

information to contracts, individual allocated, vested and cancelled LTIs.

- We have examined Management’s process for recording, collecting and presenting no. of shares held by the individual members of the Board of Directors and Executive Board and on a sample basis verified such information to supporting documentation.

In our opinion, the examinations performed provide a sufficient basis for our opinion.

CONCLUSION

In our opinion, the Remuneration Report, in all material respects, includes the disclosures required by section 139 b(3) of the Danish Companies Act and the information pertaining to remuneration, company performance and individual shareholdings included in the Remuneration Report’s tables on page 6-16 are accurate and complete.

Copenhagen, 15 November 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

SØREN SKOV LARSEN

State Authorised
Public Accountant
mne26797

HENRIK PEDERSEN

State Authorised
Public Accountant
mne35456



Ambu FOREVER
FORWARD