

Compensation report 2025

Introduction

This report describes how the guidelines for remuneration to senior executives of Sensime AB (publ), adopted by the Annual General Meeting on 16 May 2024 and the Annual General Meeting on 19 May 2025, were applied during 2025. The report also contains information on remuneration to the CEO and a summary of the company's outstanding share and share price-related incentive programs. The report has been prepared in accordance with the Companies Act and the Swedish Corporate Governance Board's Rules on remuneration to senior executives and incentive programs.

Further information on remuneration to senior executives can be found in Note 9 (Remuneration to employees, etc.) on pages 59-61 of the 2025 annual report. Information on the work of the remuneration committee during 2025 can be found in the corporate governance report on pages 30-35 of the annual report.

Board fees are not covered by this report. Such remuneration is decided annually by the Annual General Meeting and is reported in Note 9 (Employee remuneration, etc.) on pages 59-61 of the Annual Report.

Development in 2025

The CEO summarizes the company's overall results in his report on pages 6-7 of the annual report for 2025.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding its long-term interests, including its sustainability, is that the company can recruit and retain qualified employees. This requires that the company can offer competitive remuneration. The company's remuneration guidelines enable senior executives to be offered a competitive total remuneration. According to the remuneration guidelines, remuneration to senior executives must be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash compensation must be linked to financial or non-financial criteria. They can consist of individually adapted quantitative or qualitative goals. The criteria must be designed so that they promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development.

The guidelines can be found on pages 33-34 of the annual report.

The company has followed the applicable remuneration guidelines adopted by the general meeting during 2025. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that, according to the guidelines, should be applied to determine the remuneration.

The auditor's opinion on the company's compliance with the guidelines is available at <https://www.senzime.com/en/shareholder-meetings>

In addition to the compensation covered by the compensation guidelines, the company's annual general meetings have decided to introduce long-term share-related incentive programs.

Table 1 – Total remuneration to the CEO in 2025 (kSEK)

The executive's name (position)	<u>Fixed compensation</u>		<u>Variable remuneration</u>		Extraordinary items	Pension costs	Total compensation	The share of fixed or variable remuneration
	Basic salary	Other benefits	Annual	Perennial				
Philip Siberg	3 320	149	1 163	-	118	753	5 504	75% / 25%

Share-based remuneration

Outstanding share-related and share-price-related incentive programs

Option program

Below is a summary of option programs that are/were found in the group during any of the periods covered by the 2025 annual report. During the period January-December 2025, all 396,000 employee stock options from the old 2021–2025 program have expired.

Employee stock option program 2022/2026

The Annual General Meeting on May 18, 2022 resolved on an additional employee stock option program comprising 900,000 options. These employee stock options shall be offered and allocated to employees based on the participants' individual performance during an evaluation period that shall last until and including December 31, 2022 (the "Evaluation Period"). However, allocation may take place earlier or later after a special decision by the Board of Directors. The maximum number of employee stock options that may be allocated to participants is 200,000 employee stock options per person.

Allocated employee stock options shall vest over three years as follows: 20% of allocated employee stock options shall be vest on February 1, 2024; 20% of the allocated employee stock options vest on February 1, 2025 and 60% of the allocated employee stock options vest on February 1, 2026. Participants can exercise allocated and vested employee stock options during the period February 1, 2026 to February 28, 2027.

The subscription price is set at SEK 30.00. There are a total of 691,000 options remaining in the program. The market value at the time of allocation was SEK 7.80 per option.

Employee stock option program 2023/2027

The Extraordinary General Meeting of September 20, 2023 resolved on an additional employee stock option program comprising 1,000,000 options. These employee stock options shall be offered and allocated to employees based on the participants' individual performance during an evaluation period that shall last until and including December 31, 2023 (the "Evaluation Period"). However, allocation may take place earlier or later after a special decision to this effect by the Board of Directors. The maximum number of employee stock options that may be allocated to participants is 200,000 employee stock options per person.

Allocated employee stock options vest over three years as follows: 20% of allocated employee stock options vest on October 1, 2024; 20% of the allocated employee stock options vest on October 1, 2025 and 60% of the allocated employee stock options vest on October 1, 2026.

Participants can exercise allocated and vested employee stock options during the period October 1, 2026 to October 1, 2027. The subscription price is set at SEK 8.30. A total of 920,000 of these options were allocated in October 2023 and the distribution is as follows: CEO: 75,000 employee stock options; other members of the Management Team in total: 450,000 employee stock options (maximum individual allocation 75,000); other employees: 470,000 (maximum individual allocation 50,000). 75,000 options have expired in 2024.

Employee stock option program 2024/2028

The Annual General Meeting on 16 May 2024 resolved on an additional employee stock option program comprising 1,100,000 options. These employee stock options shall be offered and allocated to employees based on the participants' individual performance during an evaluation period that shall last until and including 31 December 2024 (the "Evaluation Period"). However, allocation may take place earlier or later following a special decision by the Board of Directors. The maximum number of employee stock options that may be allocated to participants is 95,000 employee stock options per person.

Allocated employee stock options vest over three years as follows: 20% of allocated employee stock options vest on 1 October 2025; 20% of the allocated employee stock options vest on October 1, 2026 and 60% of the allocated employee stock options vest on October 1, 2027. Participants can exercise allocated and vested employee stock options during the period October 1, 2027 to October 1, 2028.

The subscription price is set at SEK 8.70. A total of 1,000,000 of these options were allocated in October 2024. The market value at the time of allocation was SEK 6.46 per option.

Employee stock option program 2025/2029

The Annual General Meeting on 19 May 2025 resolved on an additional employee stock option program comprising a maximum of 1,500,000 options. These employee stock options shall be offered and allocated to employees based on the participants' individual performance during an evaluation period that shall last until and including 31 December 2025 (the "Evaluation Period"). However, allocation may take place earlier or later after a special decision to this effect by the Board of Directors. The maximum number of employee stock options that may be allocated to participants is 200,000 employee stock options per person.

Allocated employee stock options vest over three years as follows: 20% of allocated employee stock options vest on 1 October 2026; 20% of the allocated employee stock options vest on October 1, 2027 and 60% of the allocated employee stock options vest on October 1, 2028. Participants can exercise allocated and vested employee stock options during the period October 1, 2028 to October 1, 2029.

The subscription price is set at SEK 6.30. A total of 1,485,000 of these options were allocated during 2025. The market value at the time of allocation was SEK 4.67 per option.

Below is a summary of the CEO's outstanding warrants and employee options:

Table 2 – Share option program for the CEO

	Main terms and conditions for the stock option programs								Opening balance 9	During the year			Outgoing balance		
	1	2	3	4	5	6	7	8		10	11	12	13	14	15
Executive name (position)	The name of the program	Performance period	Date of assignment	Date of vesting	End of lock-in period	Period of utilization	Exercise price (SEK)	Allotted stock options	Share options at the beginning of the year	Allotted stock options	Vested stock options	Share options with performance conditions	Allotted stock options that have not been vested	Vested stock options	Stock options subject to lock-in period
Philip Siberg, CEO from 03 maj 2023	Employee stock options	2023-2027	2023-10-01	2024-10-01-2026-10-01	2026-10-01	2026-10-01–2027-10-01	8,30	75 000	0	0	15 000	-	45 000	30 000	-
Philip Siberg, CEO	Employee stock options	2024-2028	2024-10-01	2025-10-01-2027-10-01	2027-10-01	2027-10-01–2028-10-01	8,70	95 000	75 000	95 000	19 000	-	76 000	19 000	-
Philip Siberg, CEO	Employee stock options	2025-2029	2025-10-01	2026-10-01-2028-10-01	2028-10-01	2028-10-01–2029-10-01	6,30	175 000	170 000	175 000	0	-	175 000	0	-

Application of performance criteria

The performance criteria for the CEO's variable compensation have been chosen to realize the company's strategy and to encourage actions that are in the company's long-term interest. When choosing the performance criteria, the strategic goals and short- and long-term business priorities for the year 2025 have been taken into account. The non-financial performance criteria further contribute to adaptation to sustainability and the company's values.

Table 3 – Executive Director's performance during the reported financial year: variable cash remuneration

The executive's name (position)	Description of criteria relating to the compensation component	Relative weighting of performance criteria	(a) measured performance and b) actual allocation/ compensation outcome
Philip Siberg (CEO)	Sales target	40%	a) Achived 86% of target for 2025 b) 56% or 652 960 SEK
	Success with EU sales	15%	a) Achived 83% of target for 2025 b) 53% or 231 743 SEK
	Secure long-term financing	10%	a) Achived 100% of target for 2025 b) 100% or 291 500 SEK
	Other specific value-creating projects	35%	a) Achived various targets för 2025 b) 43 725 SEK

Comparative information regarding changes in compensation and the company's results

Table 4 – Changes in remuneration and the company's results during the last five reported financial years (FY) (kSEK)

	RY-4 vs RY-5	RY-3 vs RY-4	RY-2 vs RY-3	RY-1 vs RY-2	RY vs RY-1	RY 2025
Remuneration to the CEO (kSEK) *	2 754 (+10,2%)	3 035 (+28,1%)	3 889 (+10,0%)	4 280 (+9,4%)	4 680 (+17,6)	5 504
Group operating profit (kSEK)	-48 866 (-72,3%)	-84 191 (-59,0%)	-133 905 (-2,6%)	-137 360 (+9,7%)	-131 732 (+7,0%)	- 122 575
Average remuneration based on the number of full-time equivalent employees** in the Parent Company (kSEK)	1 056 (-9,6%)	955 (+16,5%)	1 112 (+11,6%)	1 241 (-3,7%)	1 195 (+0,1%)	1 196

* Combined 12 months' remuneration for both former and new CEO during 2023

** Excluding members of group management