

Remuneration report 2019/20



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Summary of remuneration report for 2019/20

A summary of the contents of the Remuneration report is outlined in the table below. Figures in brackets refer to financial year 2018/19.

Focus points	Reporting
Total remuneration broken down by components and distribution between variable and fixed remuneration	<ul style="list-style-type: none"> • In 2019/20, total remuneration of DKK 4.2m (DKK 4.0m) was paid to the Board of Directors. • The total remuneration paid to the Executive Board amounted to DKK 31.9m (DKK 14.0m). The main reason for the increase in remuneration is a significant increase in variable remuneration (both STI and LTI) elements as a result of achieving the performance targets. • The Board of Directors receives fixed remuneration only, while the remuneration for the Executive Board is divided into fixed and variable remuneration based on a 42/58 (99/1) ratio. • A more detailed specification of the remuneration paid to each member of the management, including the individual remuneration components, appears from Annexe A (Executive Board) and Annexe B (Board of Directors).
Alignment of the Executive Board's remuneration with Ambu's remuneration policy and long-term results	<ul style="list-style-type: none"> • The targets that forms the basis of the remuneration for the Executive Board are closely related to the goals which are normative for Ambu's strategy and which are communicated externally. • The remuneration of the management is in accordance with Ambu's remuneration policy, and the earning of cash bonuses and the vesting of share-based instruments are based on the realisation of the agreed targets. • The alignment of the remuneration for the Executive Board with Ambu's short-term financial targets and long-term value creation is ensured through the allocation of short-term and long-term incentive for the individual financial years based on the realization of the targets
Use of KPIs	<ul style="list-style-type: none"> • The Executive Board's long-term incentive is conditional on the achievement of a financial KPI, that reflects Ambu's strategy. • The Executive Board's short-term incentive is tied to several KPIs based on Ambu's financial and strategic outlook for the year.
Five-year summary of remuneration, results and average salary in Ambu	<ul style="list-style-type: none"> • The remuneration report contains a five-year summary illustrating the annual change in (i) the management's remuneration, (ii) Ambu's results and (iii) the average salary for Ambu employees, while more detailed tables for the individual members of the management can be found in Annexe A (Executive Board) and Annexe B (Board of Directors).
Performance share units and share options	<ul style="list-style-type: none"> • The Executive Board's long-term incentive has historically been based on share options (purchase options), each entitling the holder to purchase one Class B share at a predetermined price, depending on the level of which the set KPIs have been achieved. • For the financial year 2019/20, allocation of Performance Share Units (PSUs) will start to replace share options as the preferred instrument, and with effect from 2020/21 all allocations will be done through PSUs • A PSU will entitle the holder to one Class B share based on the share price at vesting, provided that the predetermined KPIs are achieved. • For practical reasons, it is agreed that PSUs issued to the CEO must always be settled in cash at time of vesting. • For 2019/20, the CEO received PSUs while the CFO was covered by the historic share options programmes. • In 2019/20, Ambu made a conditional allocation of a total of 99,316 PSUs to the CEO and 159,803 share options to the CFO. • The shareholdings of the individual members of the management appear from Annexe A and Annexe B, while Annexe C provides an overview of existing share programmes (purchase options and warrants) in Ambu.
Information on use of clawback	<ul style="list-style-type: none"> • The STI and LTI agreements contain provisions on clawback of the variable remuneration for the Executive Board, but there has been no basis for applying the clawback provisions.
Value cap on PSU programme	<ul style="list-style-type: none"> • With the introduction of the PSU programme from 2019/20 an annual value cap is implemented, whereby the value at vesting cannot exceed four times the annual fixed base salary measured at the time of granting.
Deviations from the remuneration policy	<ul style="list-style-type: none"> • There have been no deviations from Ambu's remuneration policy implemented on 17 December 2019.

GENERAL INTRODUCTION

According to Ambu's remuneration policy, the remuneration for the Executive Board consists of the following components:

- Fixed base salary
- Pension contributions
- Tax compensation
- Employee benefits
- Short-term incentives ("STIs")
- Long-term incentives ("LTIs")

The Board of Directors, however, only receives a fixed remuneration.

In addition to the fixed base salary, the Executive Board's remuneration includes a variable remuneration component in the form of STIs and LTIs. According to the terms applying for the CEO, the variable component may constitute up to 150% of the fixed salary based on on-target realization of the agreed KPIs and 250% based on maximum realization. At maximum realisation, LTI will constitute 150% of the fixed salary and STI 100% of the fixed salary.

For the CEO, the STI element includes housing allowances to be paid for an interim period of 12 months, up to and including April 2020.

In the second half of 2018/19, Ambu's strategy was adjusted to focus even further on innovation and our ability to commercialize, and this means that STI targets for now include financial as well as non-financial KPIs

relating to product innovation. In addition, as of 2019/20 all new allocations of LTI will be in the form of Performance Share Units (PSUs) rather than the share options that have been used in the past. The shift to PSUs reflects the Board's overall ambition of securing a more direct correlation between the remuneration of the Executive Board and the value creation for the shareholders of Ambu.

As part of the transition to PSUs, a maximum has been introduced on the value of one year's allocation of PSUs at the time of vesting. The value cap at vesting has been set to four times annual base salary measured at the time of granting (allocation).

For 2019/20, the total variable compensation allocated to the CEO and CFO is as follows;

- STI is paid at 99% of maximum.
- The ordinary LTI programmes (share options and PSUs) will be allocated at 100% of maximum
- The Big Five 2020 programme (which for historical reasons only applies for the CFO) will be allocated at 21.25% of maximum.

The development in the remuneration paid to the Board of Directors and to the Executive Board since 2015/16 is summarized in the table on page 3. 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 that the value of the Class A-share corresponds to the listed value of the Class B-shares.

Basis of comparison for Ambu A/S ¹	2019/20	2018/19	2017/18	2016/17	2015/16
Total remuneration for the Board of Directors (DKK '000)	4,215	4,033	4,300	3,250	3,250
Development (remuneration for the Board of Directors) – Index 2015/16 = 100	130	124	132	100	100
Total remuneration excl. severance pay for the Executive Board (DKK '000)	31,896	13,993	26,255	17,144	15,919
Variable portion of remuneration for the Executive Board	58%	1%	59%	47%	49%
Annual increase in remuneration for the Executive Board	128%	-47%	53%	8%	23%
Development (remuneration for the Executive Board) – Index 2015/16 = 100	200	88	165	108	100
Average remuneration, exclusive of the Executive Board (DKK '000)	837	809	773	789	786
Ratio – CEO vs. average remuneration	31	24	24	15	14
EBIT before special items	36	549	428	384	362
Net profit for the year (DKK m)	56	400	313	384	262

¹All remuneration figures are exclusive of severance pay

Financial numbers for Ambu Group	2019/20	2018/19	2017/18	2016/17	2015/16
Revenue (DKK m)	3,567	2,820	2,606	2,355	2,084
Organic growth	26%	4%	15%	14%	9%
EBIT margin before special items	12.0%	17.0%	21.6%	19.1%	17.1%
EBIT before special items (DKK m)	428	480	563	450	356
Development (EBIT before special items) – Index 2015/16 = 100	123	135	158	126	100
Market value of Class A and Class B shares (DKK bn)	45	28	38	23	17
Development (market value) – Index 2015/16 = 100	265	165	224	135	100

As the table shows, the remuneration for the Board of Directors has increased by 30% since 2015/16, while the total remuneration for the Executive Board has increased by 100%.

In the same period, Ambu's EBIT before special items increased by 23% due to organic growth in revenue and the scaling achieved, while the market value of the share capital increased by 165%.

The 129% increase to DKK 32.0 in the remuneration paid to the Executive Board from 2018/19 to 2019/20 is primarily related to the fact that the allocation of LTIs in 2018/19 included a reversal of prior years' cost accruals by DKK 6.2m and to KPIs not achieved for the STI and LTI 2020.

1 REMUNERATION FOR THE BOARD OF DIRECTORS

1.1 Members of the Board of Directors

At the annual general meeting on 17 December 2019, there were the following changes to the Board of Directors:

- Jens Bager stepped down as Chairman of the Board and he has received his remuneration up until the date when his services ended.
- Lars Rasmussen was elected Chairman of the Board and Britt Meelby Jensen was elected member of Board of Directors.

As of 30 September 2020, the members of the Board of Directors are:

- Lars Rasmussen, Chairman
- Mikael Worning, Vice-Chairman
- Britt Meelby Jensen
- Oliver Johansen
- Christian Sagild
- Henrik Ehlers Wulff
- Thomas Lykke Henriksen
- Jakob Koch
- Jakob Bønnelykke Kristensen

Members of the Board of Directors do not receive variable remuneration and are not part of any share-based incentive schemes. Their fixed annual remuneration is approved by the annual general meeting. The remuneration for the Board of Directors for 2019/20 remains unchanged since 2018/19 and is composed as follows:

DKK '000	Board	Audit Committee	Remuneration Committee
Member	300	100	100
Vice-Chairman	600	-	-
Chairman	900	150	150

Members of the Nomination Committee do not give receive additional remuneration.

In addition, members of the Board of Directors are reimbursed for reasonable travel expenses as well as

any social security costs imposed by foreign authorities in relation to the board members' compensation from Ambu A/S.

Annexe B provides an overview of the remuneration paid to the individual members of the Board of Directors since 2015/16 and an overview of changes to their shareholdings during the 2019/20 financial year.

There are no special retention and redundancy schemes for the members of the Board of Directors.

2 REMUNERATION FOR THE EXECUTIVE BOARD

2.1 Executive Board

The members of the Executive Board are:

- Juan Jose Gonzalez, CEO
- Michael Højgaard, CFO

Juan Jose Gonzalez has been with Ambu since May 2019, and for the purpose of completeness the remuneration paid to his predecessor is disclosed in the relevant annexes.

The remuneration for the Executive Board 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 Board.

The remuneration consists of a fixed salary as well as STI and LTI elements. In addition, members of the Executive Board receive pension contributions and usual non-cash benefits. The total remuneration paid to the Executive Board for the period 2015/16 to 2019/20 is shown in Annexe A and is divided into the following categories:

- Fixed base salary
- Pension contributions
- Tax compensation
- Employee benefits
- Short-term incentives
- Long-term incentives

2.2 The Executive Board's fixed salary

The Remuneration Committee ensures that the fixed salary of the Executive Board is competitive and reasonable considering Ambu's financial position and development, based on e.g. benchmarking against peer companies of similar size and complexity. The salary is reviewed once a year by the Board of Directors.

The pension contributions for the Executive Board have been agreed up to 12%.

Employee benefits consist mainly of the costs of company cars. Other employee benefits include accident insurance, free telephone and internet access.

2.3 Other matters relevant to the employment

The notices of termination to be given by Ambu to members of the Executive Board cannot exceed 18 months, and the notice of termination to be given by the members of the Executive Board to Ambu can normally not exceed nine months. Moreover, any severance pay to members of the Executive Board, 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 Board member, the company will pay up to 18 months' remuneration to the relatives of such Executive Board member.

2.4 Claw back

The Executive Board's variable pay is covered by claw back clauses if the pay was given based on misstated or falsified data.

3 THE EXECUTIVE BOARD'S VARIABLE REMUNERATION

The variable pay and annual KPIs for the Executive Board are determined by the Remuneration Committee. The ratio between the variable and fixed pay elements is benchmarked in the same way as the fixed salary.

The Executive Board's variable remuneration constituted 58% of the total remuneration paid for 2019/20 including the CEO's housing allowance. For 2018/19, the share was 1%.

3.1 Short-term incentive for 2019/20

The KPIs for the Executive Board's STI for 2019/20 are aligned with Ambu's strategic focus for the year and have been defined as follows:

KPIs	Weight
Organic revenue growth	33%
EBIT%	33%
FDA clearance of duodenoscope	33%
Total	100%

With the achieved results for 2019/20, the STI KPIs have been achieved at 99% of maximum, and the CEO and CFO will consequently receive a total payment of DKK 10.1m as follows:

Executive Board	Achievement of maximum	DKKm
Juan Jose Gonzalez, CEO*	99%	8.6
Michael Højgaard, CFO	99%	1.5

* STI payments include temporary housing allowance

3.2 Allocation of long-term incentive for 2019/20

The KPIs for the Executive Board's LTI programmes for 2019/20 are aligned with Ambu's strategic growth focus:

KPI	Weight
Organic revenue growth	100%

Based on the financial performance for 2019/20, 99,316 performance share units will be allocated to the CEO and 80,728 share options will be allocated to the CFO for year 3 of the LTI 2020 programme.

In addition to the ordinary LTI programme for 2019/20, in the past share options have been allocated under the programme referred as 'Big Five 2020' which vests by the end of the 2019/20 financial year. For historical reasons, only the CFO participates in this programme, and the KPIs agreed are based on the average organic revenue growth achieved since 2016/17 and the EBIT margin for 2019/20. In total, the KPIs for the Big Five 2020 programme have been achieved at a level equal to 21.25% of the total allocation which results in the allocation of 79,075 share options.

Information about the exercise price and market values in general appears from Annexe C.

3.3 The Executive Board's total long-term incentive payment

For the 2019/20 financial year, Ambu had four active share option schemes, the key terms of which are stated in Annexe D.

The LTI 2020 share programme and the 'Big Five 2020' scheme were both concluded at the end of the 2019/20 financial year.

The Executive Board is entitled to participate in the general employee share programmes.

Annexe C contains a detailed specification of the Executive Board's share-based payment for the period since 2015, where:

- the Executive Board has been allocated 1,097,000 options (including employee shares and PSUs), and
- the Executive Board has exercised options with a total value of DKK 30m.

In addition, it appears from Annexe C that the Executive Board had 422,000 outstanding options and PSUs at the end of 2019/20. Calculated at a market price of DKK 180.00 per share, the total value of the outstanding options is DKK 51m.

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 2019/20 financial year.

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 Board of Ambu A/S ('Ambu') since 2015/16 as well as the relationship between the remuneration and Ambu's remuneration policy as of 17 December 2019, including how the remuneration contributes towards promoting and achieving Ambu's strategic goal, long-term financial results and creation of shareholder value.

The Remuneration report will be presented to the annual general meeting on 9 December 2020.

Copenhagen, 11 November 2020

Board of Directors

Lars Rasmussen
Chairman

Mikael Worning
Vice-Chairman

Britt Meelby Jensen

Oliver Johansen

Christian Sagild

Henrik Ehlers Wulff

Thomas Lykke Henriksen
Elected by the employees

Jakob Koch
Elected by the employees

Jakob Bønnelykke Kristensen
Elected by the employees

Independent Auditor's report of 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 2019/20 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 Annex A-C 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 17 December 2019 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 are independent of Ambu A/S in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements, which rely on general principles regarding integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

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 2019/20 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 Annex A-C are accurate and complete.

Copenhagen, 11 November 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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State Authorised
Public Accountant
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Public Accountant
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Annexe A: Five-year overview of remuneration for the Executive Board from Ambu A/S

Total remuneration (DKK '000)						
Remuneration component	2019/20	2018/19	2017/18	2016/17	2015/16	
Juan Jose Gonzalez, CEO	Fixed salary	7,260	2,723	-	-	-
	Pension contributions	726	272	-	-	-
	Employee benefits	226	79	-	-	-
	Tax compensation	835	1,449	-	-	-
	Short-term incentives ¹	8,549	2,769	-	-	-
	Long-term incentives	3,911	495	-	-	-
	Fair value adjustment of LTIs ²	2,462	-	-	-	-
	Total remuneration	23,969	7,787	-	-	-
	Fixed remuneration	38%	58%	-	-	-
	Variable remuneration	52%	42%	-	-	-
Total	100%	100%	-	-	-	
Michael Højgaard, CFO	Fixed salary	3,805	3,280	3,124	2,624	2,343
	Pension contributions	457	394	312	210	187
	Employee benefits	149	167	167	131	105
	Short-term incentives	1,509	0	1,348	1,537	1,385
	Long-term incentives	2,007	-363	2,728	659	721
	Total remuneration	7,927	3,478	7,679	5,161	4,741
	Fixed remuneration	56%	110%	47%	57%	56%
	Variable remuneration	44%	-10%	53%	43%	44%
	Total	100%	100%	100%	100%	100%
	Resigned Executive Board Member	Fixed salary	-	4,744	6,276	5,276
Pension contributions		-	569	628	528	480
Employee benefits		-	185	287	277	257
Short-term incentives		-	0	2,620	4,533	4,137
Long-term incentives		-	-2,770	8,765	1,369	1,508
Total remuneration before severance pay		-	2,728	18,576	11,983	11,178
Severance pay		-	25,400	-	-	-
Total remuneration		-	28,128	18,576	11,983	11,178
Fixed remuneration		-	110%	39%	51%	49%
Variable remuneration		-	-10%	61%	49%	51%
Total	-	100%	100%	100%	100%	
Total	Executive Board in total	31,896	39,393	26,255	17,144	15,919
	Executive Board excl. severance pay in total	31,896	13,993	26,255	17,144	15,919
	Annual increase in remuneration excl. severance pay	128%	-47%	53%	8%	23%
	Fixed remuneration	42%	99%	41%	53%	51%
	Variable remuneration	58%	1%	59%	47%	49%
	Total	100%	100%	100%	100%	100%
Ratio	Average remuneration in Ambu (excluding the Executive Board)	693	809	773	789	786
	Average remuneration/CEO ratio ³	38	24	24	15	14

¹Includes housing allowance and ordinary cash bonuses.

²The LTI programme (PSU) for the CEO is to be settled in cash at time of vesting, and therefore reflects the fair market value based on the share price as of 30 September 2020.

³The ratio for 2018/19 is calculated applying full-year compensation for CEO Juan Jose Gonzalez against the average compensation paid excluding the Executive Board in Ambu A/S.

Annexe A: Five-year overview of remuneration for the Executive Board (continued)

Specification of employee benefits (DKK '000)					
Employee benefits	2019/20	2018/19	2017/18	2016/17	2015/16
Juan Jose Gonzalez, CEO					
Company car	218	76	-	-	-
Telephone and internet	3	2	-	-	-
Insurance	5	2	-	-	-
Total	226	79	-	-	-
Michael Højgaard, CFO					
Company car	145	163	163	128	101
Telephone and internet	3	3	3	3	3
Insurance	1	1	1	1	1
Total	149	167	167	131	105
Resigned Executive Board Member					
Company car	-	166	265	264	241
Bridge tolls and ferry	-	16	19	9	13
Telephone	-	2	3	3	3
Insurance	-	1	1	1	1
Total	-	185	287	277	257

Shareholdings (number of Class B shares with a nominal value of DKK 0.50 each)					
Member of the Executive Board	2019/20	2018/19	2017/18	2016/17	2015/16
Juan Jose Gonzalez, CEO	162,240	161,000	-	-	-
Michael Højgaard, CFO	18,544	38,050	22,110	21,620	20,240
Subtotal	180,784	199,050	22,110	21,620	20,240
Resigned Executive Board Member	-	-	161,530	160,365	158,480
Total	180,784	199,050	183,640	181,985	178,720

Value of realized share options at time of exercise (DKKm)						
Member of the Executive Board	2019/20	2018/19	2017/18	2016/17	2015/16	Total
Juan Jose Gonzalez, CEO	-	-	-	-	-	-
Michael Højgaard, CFO	19.8	41.2	46.4	22.5	12.3	142.2
Realized subtotal	19.8	41.2	46.4	22.5	12.3	142.2
Resigned Ex. Board Member	-	82.5	134.3	-	18.4	235.2
Realized in total	19.8	123.7	180.7	22.5	30.7	377.4

Annexe A: Five-year overview of remuneration for the Executive Board (continued)

Ambu Group's financial key figures (DKKm) – realized figures					
Key figures and ratios	2019/20	2018/19	2017/18	2016/17	2015/16
Revenue	3,567	2,820	2,606	2,355	2,084
Organic growth	26%	4%	15%	14%	9%
EBIT margin before special items	12.0%	17.0%	21.6%	19.1%	17.1%
EBIT before special items	428	480	563	450	356
Annual growth in EBIT before special items	-12%	-15%	25%	26%	51%
Free cash flow before acquisitions	-133	274	321	321	285
In % of revenue	-3.7%	9.7%	12.3%	13.6%	13.7%

Ambu A/S financial key figures (DKKm) – realized figures					
Key figures and ratios	2019/20	2018/19	2017/18	2016/17	2015/16
EBIT before special items	36	549	428	384	362
Net profit for the year	56	400	313	384	262

Ambu's remuneration policy	
General	<ul style="list-style-type: none"> Basically, the structure of the individual remuneration for the members of the Executive Board is identical, and the remuneration report therefore reviews the relationship between the Executive Board's remuneration and Ambu's remuneration policy together.
Remuneration policy	<ul style="list-style-type: none"> The remuneration for the Executive Board is in keeping with Ambu's remuneration policy, including the vesting of LTIs and earning of STIs for the Executive Board, which have been factually based on the Executive Board's achievement of agreed KPIs.
Long-term goals	<ul style="list-style-type: none"> The Executive Board's short-term and long-term incentive schemes are linked directly to the financial targets set out in Ambu's strategy. By creating a link between the Executive Board's variable remuneration and Ambu's overall strategy, it is ensured that the Executive Board's remuneration package contributes to Ambu's long-term results, and that the Executive Board's interests and the shareholders' interests are the same.
KPIs	<ul style="list-style-type: none"> The KPIs for the Executive Board's variable remuneration correspond to the financial targets in Ambu's strategy. Ambu uses financial KPIs at three levels. If the lowest KPI level is not achieved, no variable remuneration is allocated to the Executive Board based on this KPI.

Annexe B: Five-year overview of remuneration for the Board of Directors, in DKK

Member of the Board of Directors	2019/20			2018/19	2017/18	2016/17	2015/16
	Board fee	Committee fee	Total	Total	Total	Total	Total
Lars Rasmussen, Chairman (C) Remuneration Committee	709	118	827	-	-	-	-
Mikael Worning (VC) Audit Committee	600	100	700	700	700	525	525
Britt Meelby Jensen (MB) Remuneration Committee	236	79	315	-	-	-	-
Oliver Johansen (MB) Remuneration Committee	300	100	400	400	400	300	300
Christian Sagild (MB) Audit Committee	300	150	450	450	450	350	350
Henrik Ehlers Wulff (MB) Audit Committee	300	100	400	400	400	300	300
Thomas Lykke Henriksen (EEBM)	300	-	300	300	300	-	-
Jakob Koch (EEBM)	300	-	300	300	300	-	-
Jakob Bønnelykke Kristensen (EEBM)	300	-	300	300	300	225	225
Jens Bager (C)*	191	32	223	1,050	1,050	800	800
Allan Søgaard Larsen (MB)*	-	-	-	133	400	300	300
Anita Krarup Rasmussen (EEBM)*	-	-	-	-	-	225	225
Pernille Bartholdy (EEBM)*	-	-	-	-	-	225	225
Total	3,536	679	4,215	4,033	4,300	3,250	3,250

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; EEBM: 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 Member of the Board of Directors	Number of shares 1.10.2019	Bought during the year	Sold during the year	Number of shares 30.9.2020
Lars Rasmussen (C)	0	0	0	0
Mikael Worning (VC)	66,900	0	0	66,900
Oliver Johansen (MB)	22,920	4,825	0	27,745
Britt Meelby Jensen (MB)	0	4,000	0	4,000
Christian Sagild (MB)	240,000	15,000	0	255,000
Henrik Ehlers Wulff (MB)	10,645	0	0	10,645
Thomas Lykke Henriksen (EEMB)	9,602	241	0	9,843
Jakob Koch (EEMB)	2,571	322	0	2,893
Jakob Bønnelykke Kristensen (EEMB)	6,664	307	0	6,971
Total	359,302	24,695	0	379,172

Ambu's remuneration policy

General	<ul style="list-style-type: none"> The Board of Directors' remuneration structure is based on a basic remuneration which forms the basis of the remuneration paid to the members of the Board of Directors, the Chairman and the Vice-Chairman. The remuneration for the members of the Board of Directors consists solely of fixed remuneration, and the remuneration structure is therefore basically the same for the individual members of the Board of Directors. Members serving on committees receive separate remuneration for this work. The remuneration report therefore reviews the connection between the Board of Directors' remuneration and Ambu's remuneration policy together.
Remuneration policy	<ul style="list-style-type: none"> The remuneration for the Board of Directors is in keeping with Ambu's remuneration policy, which stipulates that the Board of Directors receives fixed annual remuneration, and that the Board of Directors does not receive incentive-based remuneration or share-based incentives.

Annexe C: Five-year overview of existing long-term incentive programs, '000

	Purchase options					PSUs			Purchase options (employee shares)				Total	
	2015	2020, years 1 and 2	2020, year 3	2020, Big Five	Subtotal	2019	2020	Subtotal	2016	2017	2018	2019		
No. of participants	2	2	2	2		1	1		2	2	2	2	-	
Juan Jose Gonzalez						29	99	128					1	129
Michael Højgaard	379	134	81	372	966				1				1	968
Resigned Executive Board member	790	496	270	1,246	2,803				2	1	1			2,807
No. of options issued^{1,2} ('000)	1,170	630	351	1,618	3,768	29	99	128	3	2	2	2	3,904	
Has program vested?	yes	yes	no	no					yes	yes	no	no		
Juan Jose Gonzalez														
Michael Højgaard	29				29									30
Value of exercised options, DKKm	29				29									30
Juan Jose Gonzalez						29	99	128					1	129
Michael Højgaard	125	47	81	79	332								1	333
No. of outstanding options ('000)	125	47	81	79	332	29	99	128					2	462
Exercise price, DKK	43	120	134	134		0	0		0	0	0	0		
Year of expiration	2023	2024	2025	2024		2022	2023		2018	2019	2020	2020		
Juan Jose Gonzalez						5	18	23						23
Michael Højgaard	17	3	4	4	27									27
Market value of outstanding options at 30 Sept. 2020, DKKm	17	3	4	4	27	5	18	23						51

¹Share-based incentive schemes allocated prior to FY 2014/15 are not included in this table.

²Calculated before cancellation of options due to non-vesting of options, resignations etc.

Annexe D: Overview of active long-term incentive programmes

Ambu currently has four active share option schemes, for which the key terms are listed below:

2015 programme

- The option agreement was entered into on 10 November 2015, which is the date of allocation. The programme includes only the Executive Board and the Executive Management Team.
- One third of the options are vested in each of the financial years 2015/16, 2016/17 and 2017/18.
- The final allocation of each third takes place on 30 September in each of these financial years and is calculated in proportion to the realization of the financial targets.
- The agreed targets are the same as the financial outlook announced for the year.
- The exercise price is based on an average of the market price on 1 October 2015 and the following four business days. For each of the three portions allocated, the exercise price is then calculated as this average market price with the addition of 8% p.a., calculated from 1 October 2015 until the end of the financial year to which the allocation relates.
- The options are vested three years after the time of allocation, and the exercise period is then also three years.
- For each financial year, the options allocated may constitute up to 25% of the fixed base salary based on the realization of the financial targets.

2020 programme

- The option agreement was entered into on 1 October 2017, which is the date of allocation. The programme includes the Executive Board and the Executive Management Team as well as a number of employees in the global organization.
- One third of the options are vested in each of the financial years 2017/18, 2018/19 and 2019/20; however, several employees only participate in the first year of the programme, i.e. 2017/18.
- The final allocation of each third takes place on 30 September in each of these financial years and is calculated in proportion to the realization of the financial targets.
- The agreed targets are based on the financial outlook for the year, with the possibility of a higher number of options vesting if these targets are exceeded.
- The exercise price is based on an average of the market price on 14 December 2017 and the following four business days. For each of the three portions allocated, the exercise price is then calculated as this average market price with the addition of 8% p.a., calculated from 1 October 2017 until the end of the financial year to which the allocation relates.
- The options are vested three years after the time of allocation, and the exercise period is then also three years.
- For each financial year, the options allocated may constitute up to 50% of the fixed base salary based on the on-target realization of the financial targets.
- If stretch targets (Maximum) are realized, the allocation for each financial year may constitute up to 100% of the fixed base salary.

Big Five 2020 programme

- The option agreement was entered into on 1 October 2017, which is the date of allocation. The programme includes only the Executive Board and the Executive Management Team.
- The options are vested over the three-year strategy period and will be finally allocated on 30 September 2020.
- The exercise price is determined based on an average of the market price on 14 December 2017 and the following four business days with the addition of 8% p.a., calculated as from 1 October 2017 and until 30 September 2020.
- The allocation for the three-year strategy period may constitute up to 150% of the fixed base salary of the individual member of the Executive Board based on the on-target realization of the financial targets defined in the Big Five strategy.
- If the stretch targets (Maximum) defined in the strategy are realized by the end of 2020, the allocation for the three-year strategy period may amount to up to 300% of the fixed base salary of the individual member of the Executive Board.
- The agreement contains a 12-month waiting period after which the options can be exercised during a period beginning 1 October 2021 and ending 30 September 2024.

PSU programme

- The PSU agreement is entered into on 1 January each year, which is the date of allocation.
- The PSUs will vest after three years.
- The value of PSUs allocated is determined based on Ambu's job level structure and the agreed ratio of the fixed base salary
- The number of PSUs allocated are hereafter based on the average of the market price on date of the annual general meeting and the following four business days.
- The agreed targets are based on the financial outlook for the financial year.
- If the stretched targets (Maximum) are realized, the allocation may constitute up to 150% of the fixed base salary.
- At vesting, a cap is set at four times the annual base salary measured at the time of granting.

Information about the exercise price and market values appears from Annexe C.

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