



## Remuneration Report 2025

## INTRODUCTION

This Remuneration Report of Pihlajalinna Plc (“the Company” or “Pihlajalinna”) is a Remuneration Report for Governing Bodies prepared in accordance with the Limited Liability Companies Act, the Securities Markets Act and the recommendations of the Corporate Governance Code 2025. The People and Sustainability Committee of Pihlajalinna’s Board of Directors has prepared this 2025 Remuneration Report, which will be presented to Pihlajalinna’s Annual General Meeting in 2026. The Remuneration Report contains information on the remuneration of the members of the Board of Directors and the CEO in the financial year 2025. The Pihlajalinna Board of Directors has approved the Remuneration Report for presentation to the Annual General Meeting in 2026.

The Remuneration Report for Governing Bodies 2024 was approved at Pihlajalinna’s Annual General Meeting on 24 April 2025. The decision of the Annual General Meeting on the Remuneration Report is advisory.

The aim of the Remuneration Report is to provide a clear picture of the implementation of the Company’s Remuneration Policy. The Remuneration Policy is available on the Company’s investor website at [pihlajalinna.fi/en/investors](http://pihlajalinna.fi/en/investors) and it has been approved by the Annual General Meeting on 24 April 2025.

There have been no deviations from the Remuneration Policy during the financial year 2025, and there have not been any situations during the financial year where there would have been a need to recover remuneration.

The auditing firm Ernst & Young Oy, which served as Pihlajalinna Plc’s auditor during the financial year 2025, has verified, in accordance with Ministry of Finance decree 608/2019, that the information referred to in Section 3 of the decree has been disclosed in this report.

### Development of remuneration in relation to the Company’s key financial indicators

Pihlajalinna’s General Meeting decides on the remuneration paid to the members of the Board of Directors. The proposal for the remuneration of the Board members is prepared by the Shareholders’ Nomination Board. In 2025, the Board of Directors was paid a one-time annual fee for its entire term, as in the previous year. The remuneration of the Board of Directors is described in the following tables.

Assisting the Board of Directors, the People and Sustainability Committee prepare the principles applied to the remuneration of the CEO. The Company’s Board of Directors appoints the CEO and

potential Deputy CEO and decides on the terms and conditions of their service. In accordance with the Remuneration Policy, the remuneration of the CEO is based on a fixed monthly salary including fringe benefits and separately decided variable remuneration components, such as long-term share-based incentive plan or short-term performance-based incentive plan.

Tuomas Hyyryläinen has served as the CEO of Pihlajalinna throughout the financial year 2025. In addition to the fixed monthly salary, the CEO was paid share-based awards under the long-term incentive plan, as well as performance-based bonuses under the short-term performance-based incentive plan.

The development of the average earnings of employees has shown an increasing trend. Approximately 79% (2024: 79%) of the Company’s employees are within the scope of collective labour agreements. The development of wages for employees in these groups is guided by the general increases defined in the collective agreements.

the average remuneration of the Group’s employees and the Group’s financial performance in the past five financial years:

	2021	2022	2023	2024	2025
<b>Total remuneration of the Board of Directors, EUR <sup>(1)</sup></b>	588,000*	491,000	397,000	358,000	326,560
<b>Total remuneration of the CEO, EUR <sup>(1)</sup></b>	405,000	333,000	647,000	521,000	706,000
Joni Aaltonen, CEO until 8 Mar 2023	405,000	339,000	353,000	0	0
Mikko Wirén, interim CEO 9 Mar - 31 Aug 2023			174,000	0	0
Tuomas Hyyryläinen, CEO from 1 Sep 2023			120,000	521,000	706,000
<b>Average employee earnings, EUR <sup>(2)</sup></b>	45,000	51,000	54,000	60,000	63,000
<b>Revenue, EUR million</b>	577.8	690.5	720.0	704.4	652.3
<b>Operating profit (EBIT), EUR million</b>	27.9	8.9	20.6	48.5	52.7
<b>Profit for the period, EUR million</b>	19.1	7.7	4.6	30.2	38.6

1) Rounded to the nearest thousand

2) Average employee earnings have been calculated by dividing the total wages paid during the financial year by the number of employees as full-time equivalents (FTE), rounded to the nearest thousand

\*) Monthly remuneration paid to the Board of Directors 1–4/2021 for the term 2020–2021 and the annual remuneration paid for the term 2021–2022 as a lump sum in shares and cash on 14 May 2021.

The following table presents the development of the remuneration of the Board of Directors and the CEO compared to the development of

## II REMUNERATION OF THE BOARD OF DIRECTORS

Pihlajalinna's Annual General Meeting held on 24 April 2025 resolved that the Board of Directors would be paid the following annual remuneration for the term ending at the conclusion of the 2026 Annual General Meeting: the Chair of the Board EUR 66,000, the Vice-Chair of the Board and the Chairs of the Committees EUR 44,000, and the other members EUR 33,000.

The Annual General Meeting resolved that annual remuneration shall be paid in Company shares and in cash, with approximately 40 per cent of the remuneration used to acquire shares in the name and on behalf of the members of the Board of Directors, and the remainder paid in cash. The Company was responsible for the expenses and transfer tax arising from the acquisition of the shares. The remuneration could be paid either entirely or partially in cash if the member of the Board of Directors was, on the day of the Annual General Meeting, 24 April 2025, in possession of over EUR 1,000,000 worth of

Company shares. If the term of a Board member ends before the next Annual General Meeting, the Board is entitled to decide on the possible recovery of the remuneration in a manner it deems appropriate.

The General Meeting further decided that Chair of the Board shall be paid a meeting fee of EUR 1,000 in cash for each meeting of the Board of Directors and its committees, and that the other members of the Board shall be paid EUR 660 per meeting. In addition, reasonable travel expenses will also be reimbursed to the members of the Board in accordance with the company's travel policy.

In 2025, the fees paid to Pihlajalinna Plc's Board members for Board and Committee work totalled EUR 326,560 (2024: EUR 358,200). The amount paid in 2024 consisted of meeting fees and the annual fee paid to the Board of Directors for the term 2024–2025, which was paid to the Board members in the form of a lump sum in shares and

fees and the annual fee paid to the Board of Directors for the term 2025–2026, which was paid to the Board members in the form of a lump sum in shares and in cash in May 2025.

The Company does not use any share-based incentive schemes that apply to members of the Board of Directors. The members of the Company's Board of Directors did not receive remuneration during the financial year 2025 from Pihlajalinna Group companies other than the parent company Pihlajalinna Plc.

Remunerations paid to the Board of Directors in 2025, EUR

BOARD MEMBER		ANNUAL FEE, OF WHICH			TOTAL REMUNERATION	THE NUMBER OF SHARES TRANSFERRED AS PART OF THE ANNUAL FEE
		SHARES	CASH	MEETING FEES		
Leinonen Jukka	Chair	26,387	39,613	13,980	79,980	1,856
Niemistö Leena	Vice-Chair of the Board and Chair of the People and Sustainability Committee	17,587	26,413	10,920	54,920	1,237
Ignatius Kim	Member, Audit Committee Chair	17,587	26,413	11,580	55,580	1,237
Iisakka Heli	Member	13,194	19,806	11,580	44,580	928
Juvonen Hannu	Member, People and Sustainability Committee Chair until 24 April 2025	0	0	3,000	3,000	0
Kurki Tiina	Member	13,194	19,806	11,580	44,580	928
Wirén Mikko	Member	13,194	19,806	10,920	43,920	928
		<b>101,142</b>	<b>151,858</b>	<b>73,560</b>	<b>326,560</b>	<b>7,114</b>

in cash in May 2024. The amount paid in 2025 consists of meeting

### III REMUNERATION OF THE CEO

The salary and other taxable benefits of CEO Tuomas Hyryläinen for the financial year that ended on 31 December 2025 were EUR 706,000. The remuneration of the CEO consisted of a fixed annual salary of EUR 378,000 (including fringe benefits and holiday pay), share-based awards under the long-term incentive plan of EUR 167,000 and as well as performance-based bonuses under the short-term performance-based incentive plan of EUR 162,000. The variable remuneration accounted for approximately 87 per cent of the CEO's fixed annual salary.

The CEO was paid share-based rewards of gross amount of EUR 167,000, of which EUR 80,876 was paid in the Company's shares according to the weighted average share price of EUR 12.98 per share (6,232 shares) on the payment date, 14 March 2025, and the remaining EUR 85,885 was paid in cash to cover the taxes incurred. The shares are subject to a transfer restriction and obligation to return the shares in the event of termination in accordance with the incentive scheme.

According to CEO Tuomas Hyryläinen's contract, the notice period for dismissal is six months. The Company is liable to pay the CEO one-time compensation for termination amounting to eight months' total salary.

The Company did not have a Deputy CEO indicated in the Trade Register during the financial year 2025.

#### Long-term incentive plans

Pihlajalinna's Board of Directors has established a long-term share-based incentive plan for key employees of the Group and CEO is entitled to participate to the plan. The Performance Share Plan 2025–2029 consists of three performance periods, covering the financial years 2025–2027, 2026–2028 and 2027–2029. The Board of Directors decides annually on the commencement and details of every performance period. One performance period under the programme, covering 2025–2027, has been commenced.

The purpose of the plan is to combine the objectives of the Company's owners and key personnel in order to increase the Company's value in the long term. The aim is also to commit key personnel to implementing the Company's strategy and objectives by offering them a competitive incentive scheme based on the earning and accumulation of the Company's shares.

In 2024, an external remuneration consultant and benchmarking data were used in evaluating the remuneration of the Management Team (including the CEO) and in preparing the new scheme. Remuneration was assessed in relation to some Finnish listed companies with corresponding revenue, number of personnel, balance sheet value and market value. The assessment focused on the target and earnings levels of remuneration and the relationship between fixed and variable remuneration.

The CEO must own 50 per cent of the shares received until the value of their total shareholding in Pihlajalinna corresponds to their annual base salary for the calendar year preceding the payment of their remuneration. This number of shares must be held for as long as the position as CEO continues.

#### The CEO's remuneration and earning opportunities under long-term incentive plans:

Long-term incentive plan	KPI	Weight	Level achieved	Total weighted performance outcome	Grant date	Number of gross shares granted	Number of gross shares vested*	Vesting date
LTIP 2022	Adjusted EBITA	60 %	100 %	92 %	14 March 2024	14,000	12,850	March 2025
	Sickness absence per cent development	20 %	71 %					
	Customer satisfaction development (NPS)	10 %	100 %					
	Employee Net Promoter Score (eNPS)	10 %	75 %					
PSP 2025-2027	Return on capital employed (ROCE)	40 %	-	-	2 May 2025	96,000	-	Spring 2028
	Total Shareholder Value (rTSR)	30 %	-					
	Annual revenue growth	20 %	-					
	Sickness absence per cent development	10 %	-					

\*The stated number of shares is the gross number of shares. The gross number means that the applicable withholding tax will be deducted from it, and the remaining net amount will be paid to the participants in shares.

## Short-term incentive plan

Pihlajalinna uses a short-term incentive plan (STI), for which the bonus is paid in cash. The Company's Board of Directors confirms the amount, targets and criteria for the CEO's short-term incentive plan annually. The maximum amount of the CEO's short-term incentive plan was 60 per cent of the annual base salary in 2025 (60 per cent in 2024).

The realisation of the incentive bonus for 2024 was 44.9 per cent of the annual base salary, with an amount of EUR 162,000 paid in March 2025.

The CEO's performance earnings criteria and realisation are described in the following table.

	2025	
	Weight	Realisation
Adjusted EBITA	60 %	0 %
Organic revenue growth percentage	30 %	0 %
Employee Net Promoter Score development (eNPS)	10 %	0 %