

# Luotea

Remuneration Report 2025

## Value Beyond The Surface



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This remuneration report has been prepared in accordance with legislation and the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association, which entered into force on 1 January 2025.

This report describes the remuneration paid to the company's governing bodies—the Board of Directors and the President and CEO—for the financial year 2025. The Personnel and Sustainability Committee of the Board has reviewed the report, and it will be presented to the Annual General Meeting of Luotea plc ('Luotea' or 'the company') in 2026. The resolution of the Annual General Meeting concerning the remuneration report is advisory.

The Annual General Meeting for 2025 supported the remuneration report for the financial year 2024 and approved it through an advisory resolution. The remuneration report and other information required under the Corporate Governance Code, as well as information on the remuneration of the members of the Group Executive Board, are available on the company's website.

## Introduction

Luotea's Personnel and Sustainability Committee has prepared, and the Board of Directors has approved, the remuneration policy, which was presented to the Annual General Meeting in 2024. The remuneration policy describes the remuneration principles for the company's governing bodies—the Board of Directors and the President and CEO. During the 2025 financial year, Luotea complied with the remuneration policy presented to the Annual General Meeting. An external, independent consultant conducts an annual total compensation analysis for management, which is reviewed by the Personnel and Sustainability Committee.

There have been no deviations from the remuneration policy, nor have any remuneration payments been recovered. In accordance with the remuneration policy, the objective of the remuneration framework for the Board of Directors and the President and CEO is to contribute to the favourable development of shareholder value, support the company's competitiveness and long-term financial success, and promote the achievement of the company's strategic goals. A key principle of the remuneration policy is that the remuneration of the Board of Directors and the President and CEO must promote the achievement of these objectives and provide a fair, engaging, competitive and market-aligned compensation structure in terms of both level and composition. All remuneration within the Luotea Group aims to encourage strong performance and motivate personnel to work persistently toward achieving the company's objectives.

Remuneration is one of the means by which the company seeks to ensure the availability of skilled and motivated individuals for roles at all levels of the organisation. These principles also apply to the remuneration of the Board of Directors and the President and CEO. On the right is an illustration of how the remuneration paid to the members of the Board of Directors and the President and CEO has developed in comparison with the average remuneration of employees and the financial performance of the Group.

## Fees paid to the Board of Directors for the financial year 2025

The Annual General Meeting decides each year on the annual and meeting fees to be paid to the members of the Board of Directors for Board and committee work. The Shareholders' Nomination Board prepares proposals regarding remuneration for the Annual General Meeting to be held in spring 2026.

### Annual fees, meeting fees for Board and committee meetings, and other financial benefits

The Annual General Meeting held on 27 March 2025 resolved on the remuneration of the Board of Directors in 2025 as follows:

- Chairman of the Board EUR 70,000
- Vice Chairman of the Board EUR 47,000
- members EUR 35,000

However, if a member of the Board of Directors of Luotea plc, who is not the Chair or Vice Chair of the Board, serves as Chair of the Audit Committee or the Personnel and Sustainability Committee, their annual fee shall be EUR 47,000.

The fees are paid so that 40 per cent of the annual fee is paid in shares of Luotea plc held by the company or, if this is not possible, acquired from the market, and 60 per cent is paid in cash.

In addition, meeting fees are paid as follows: EUR 1,000 to the Chair of the Board, EUR 700 to the Vice Chair of the Board, and EUR 500 to each member per meeting. Meeting fees are also paid to the chairs and members of the committees established by the Board: EUR 700 per meeting for the committee chair and EUR 500 per meeting for each member.

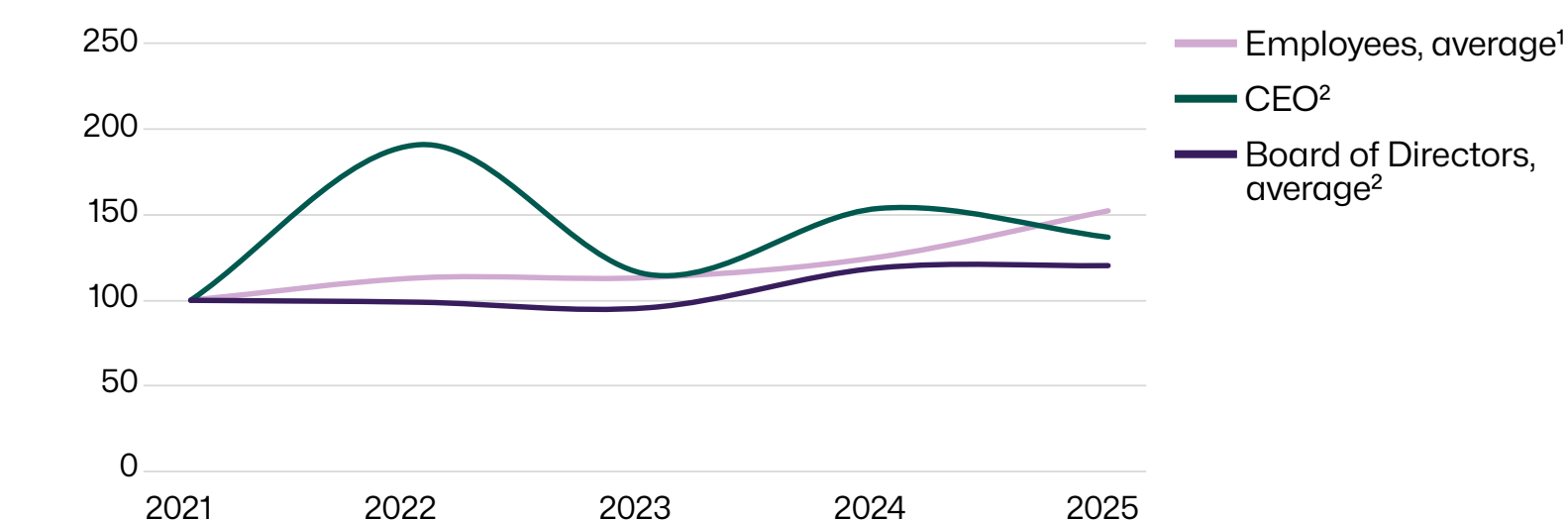
None of the members of the Board of Directors has an employment or service relationship with the company or any company belonging to the same Group, nor do they act as advisors to the company. They therefore do not receive salary, pension benefits, other financial benefits associated with employment or service relationships, or any other compensation or fees from the company unrelated to their Board duties.

The members of the Board do not participate in the company's share-based incentive schemes and do not have pension agreements with the company. To deliver the 40 per cent share-settled portion of the annual Board fees, a total of 14,392 of the company's own shares were transferred to Board members on 5 May 2025 at a price of EUR 9.42 per share, allocated as follows: 2,972 shares to the Chair, 1,995 shares each to the Vice Chair and the Chair of the Audit Committee, and 1,486 shares to each other member.

## Fees paid to the members of the Board of Directors in 2025

EUR	Annual fee	Meeting fees	Total
Jukka Leinonen, Chairman	70,000	27,500	97,500
Sakari Lassila, Vice Chairman	47,000	21,400	68,400
Teemu Kangas-Kärki, member	47,000	17,300	64,300
Laura Lares, member	0	3,000	3,000
Juuso Maijala member	35,000	12,500	47,500
Anna-Maria Ronkainen, member	35,000	12,500	47,500
Pasi Tolppanen, member	35,000	12,500	47,500
Anna-Maria Tuominen-Reini, member	35,000	13,500	48,500
Tuija Kalpala, member	35,000	13,000	48,000
Timo Karppinen, member	0	0	0
Soile Kankaanpää, member	0	0	0
Johan Mild (from 31.12.2025), Chairman	0	0	0

## Development of business and remuneration, indexed, 2020 = 100



<sup>1</sup> Employee salaries relative to the total number of personnel, converted to a full-time equivalent basis

<sup>2</sup> Total remuneration scheme

## Remuneration of the President and CEO for the financial year 2024

The Board of Directors decides on the remuneration and financial benefits of the President and CEO. Before the Board makes its decision, the matter is prepared by the Personnel and Sustainability Committee of the Board. Eero Hautaniemi served as the company's President and CEO from 1 January 2019 until 30 December 2025, and Antti Niitynpää has served as President and CEO as of 31 December 2025. The company has not had a deputy CEO.

### Key remuneration principles

The President and CEO's remuneration structure consists of a fixed monthly salary including fringe benefits, as well as an annually determined short-term incentive. In addition, the President and CEO participates in the long-term share-based incentive scheme. The short-term incentive and the long-term share-based incentive scheme together form the variable component of the President and CEO's remuneration.

### Short-term incentive scheme (until 30 December 2025 Eero Hautaniemi)

The maximum amount of the President and CEO's short-term incentive corresponds to seven months' salary. The targets for the short-term incentive are set annually, and their achievement is assessed each year. Any incentive payments are generally paid in February of the year following the calendar-year performance period. Payment requires that the President and CEO's service relationship is valid at the time of payment.

For the 2025 performance period, the CEO's short-term incentive was based on the Group's financial performance and strategic objectives defined by the Board as follows: Group operating profit with a weighting of 70 per cent, improvement of working capital with a weighting of 20 per cent, and employee Net Promoter Score (eNPS) with a weighting of 10 per cent. For the 2025 performance period, the achievement of these criteria resulted in the incentive being realised at 37.97 per cent of the maximum amount, with the criteria achieved as follows: Group operating profit 33.97%, improvement of net working capital 0%, and eNPS 4%. The incentive payable to the CEO for the 2025 performance period amounts to EUR 103,658, which, due to the demerger carried out on 31 December 2025, will be paid by Lassila & Tikanoja plc during the 2026 financial year.

Antti Niitynpää, who was appointed President and CEO on 31 December 2025, participated in the Group's management incentive scheme during the 2025 financial year and did not receive a separate CEO-specific incentive payment for the 2025 financial year.

### Long-term incentive scheme

The long-term incentive for the President and CEO is the share-based incentive scheme. The Board of Directors decides on the share-based incentive programme as part of the company's incentive and commitment scheme. The performance period of the programme is, as a rule, three calendar years. The Board determines the performance criteria for each performance period based on a proposal by the Personnel and Sustainability Committee. The final number of shares to be awarded based on the achievement of the performance criteria is decided by the Board at the beginning of the year following the performance period.

The reward is paid in February of the calendar year following the performance period. The reward is paid partly in shares and partly in cash. The cash portion is intended to cover the taxes and tax-related payments arising from the share award.

The payment of the reward requires that the President and CEO's service relationship is valid at the time of payment. Shares earned under a one-year incentive programme must be held for at least two years after the reward payment (the commitment period). After this period, the President and CEO must continue to hold shares with a value corresponding to at least half of their gross annual salary until the termination of their service relationship. Should the President and CEO resign voluntarily during the commitment period, they are obliged to return the shares received without compensation.

Below are descriptions of the share-based incentive schemes with performance periods covering the financial year 2024 and the three three-year performance periods 2023–2025, 2024–2026 and 2025–2027:

- Share-based incentive programme with a performance period covering the financial year 2024. The reward was based on the Group's return on capital employed (ROCE) with a weighting of 80%, and the reduction of the carbon footprint with a weighting of 20%. The performance criteria for the 2024 performance period were achieved so that the reward was realised at 23.51% of the maximum amount. For the 2024 performance period, the President and CEO received a long-term incentive payment of EUR 60,827.68 during the 2025 financial year (corresponding to 7,382 L&T shares delivered and including the cash portion), calculated using the average share price on 25 February 2025.
- Share-based incentive programme with a performance period covering the financial years 2023–2025. The reward is based on the Group's average return on capital employed (ROCE) for the years 2023–2025 with a weighting of 50%, the relative total shareholder return (TSR) of Luotea plc's share compared to the Nasdaq Helsinki general index with a weighting of 30%, and the reduction of the carbon footprint with a weighting of 20%. The performance criteria for the 2023–2025 performance period were achieved so that the reward was realised at 20% of the maximum amount.
- Share-based incentive programme with a performance period covering the financial years 2024–2026. The reward is based on the Group's average return on capital employed (ROCE) for the years 2024–2026 with a weighting of 50%, the relative total shareholder return (TSR) of Luotea plc's share compared to the Nasdaq Helsinki general index with a weighting of 30%, and the reduction of the carbon footprint with a weighting of 20%. The reward under this programme will be paid after the three-year performance period in 2027.
- Share-based incentive programme with a performance period covering the financial years 2025–2027. The reward is based on the Group's average return on capital employed (ROCE) for the years 2025–2027 with a weighting of 30%, the relative total shareholder return (TSR) of Luotea plc's share compared to the Nasdaq Helsinki general index with a weighting of 30%, the reduction of the carbon footprint with a weighting of 20%, and revenue growth for the years 2025–2027 with a weighting of 20%. The reward under this programme will be paid after the three-year performance period in 2028.

## Other key terms and conditions

A written President and CEO agreement has been concluded with the President and CEO (as of 31 December 2025, Antti Niitynpää). According to the agreement, the notice period is six months if the company terminates the contract and six months if the President and CEO resigns. If the company terminates the agreement, the President and CEO is entitled to a severance payment corresponding to four (4) months' cash salary. The President and CEO does not receive separate remuneration for serving on the boards of subsidiaries nor any other compensation from companies within the Luotea Group other than the parent company. The President and CEO's pension is determined in accordance with the Finnish Employees' Pensions Act.

## Remuneration paid to the President and CEO

The President and CEO (Hautaniemi) received both short-term and long-term incentive payments for the 2025 financial year. For the 2025 financial year, incentive payments totalling EUR 103,658 are payable to Eero Hautaniemi, and this reward will be paid by Lassila & Tikanoja plc after the demerger. For President and CEO Niitynpää, incentive payments totalling EUR 38,385 are payable for the 2025 financial year. No supplementary pension payments were made. The following table presents the remuneration paid to the President and CEO during the 2025 financial year:

EUR	2025 Eero Hautaniemi	Share	2025 Antti Niitynpää <sup>3</sup>	Share
Annual salary (including salary and fringe benefits)	472,432	75%	247,120	83%
Incentive bonus	92,565	15% <sup>1</sup>	34,998	12%
Share-based bonus	66,325	11%	16,056	5%
Fringe benefits (included in the annual salary)	21,960		12,180	
<b>Total</b>	<b>631,322</b>		<b>298,174</b>	

<sup>1</sup> The maximum short-term incentive in 2025 for the President and CEO was 58 % of the annual salary.

<sup>2</sup> Eero Hautaniemi served as the company's President and CEO until <sup>30</sup> December.

<sup>3</sup>Antti Niitynpää has served as the company's President and CEO as of 31 December.

The remuneration information below covers the full financial year 2025.