

A photograph of a man and a woman in an office setting. The man, in the foreground, is wearing a white shirt and has a beard, looking intently at a laptop screen. The woman, in the background, is wearing a pink shirt and is smiling as she looks at the same screen. The scene is lit with soft, warm light, suggesting an indoor office environment.

SITOWISE

Sitowise Group Plc's Remuneration report 2024

SITOWISE GROUP PLC

1 Introduction

The remuneration report of Sitowise Group Plc defines the conditions for the remuneration of Sitowise's Board of Directors and Managing Director. The policy has been published in a stock exchange release on 30.3.2023 and it is available on Sitowise's website at <https://www.sitowise.com/investors/governance/remuneration>.

The remuneration policy was presented and approved at Sitowise Group Plc's Annual General Meeting on April 25, 2023.

This remuneration report has been prepared according to the remuneration reporting section instructions of the Finnish Corporate Governance Code 2025. The actual remuneration paid in 2024 and announced herein fully complies with the remuneration structures and principles set out in the Remuneration Policy. There are no deviations from the remuneration policy.

The objective of remuneration at Sitowise is to promote the implementation of the company's growth strategy and the achievement of its long-term financial targets, competitiveness, and the favorable development of shareholder value. Sitowise is guided by an ambitious target to be the most responsible partner in developing a prosperous living environment and remuneration is used as one tool

to guide us toward the goal. Remuneration is one of the company's key incentives and a tool to engage key employees to the company. Additionally, remuneration plays an important role in ensuring the company's competitiveness in terms of recruitment.

The Annual General Meeting decides on the remuneration of the Board of Directors. The Board decides on the terms and conditions of the employment of the CEO, specified in writing. The remuneration principles of the key management are set by the Board. The Board approves annually the Group's short-term incentive program. In March 2021 in connection with the IPO, the Board decided upon a long-term incentive program (option program) and changes were made to this during 2022 and during 2023. The Board decided to establish a new performance-based, long-term incentive plan (Performance Share Plan 2023–2025). The new plan was targeted for the Group Management Team members in the first phase. The Board also decided on a restricted share plan (Restricted Share Plan 2023–2025), which was intended as a supplementary share-based long-term incentive plan for separately nominated key persons of Sitowise and its group companies in special situations. In 2023, the Board decided on changes to the PSP 2023–2025 plan.

In 2024, the Board approved a second performance-based long-term incentive plan (Performance Share Plan 2024–2026) intended for the CEO of Sitowise, other management team members, as well as the company's other management and experts. Approximately 40 individuals are eligible to participate in this plan. The Board also decided on a new restricted share plan (Restricted Share Plan 2024–2026), which serves as a complementary share-based long-term incentive system for selected key Sitowise personnel in special situations, such as recruitment or company acquisitions.

The table below presents the development of the remuneration of the Board of Directors and the CEO compared to the development of the average remuneration of the group's employees and to the Group's financial development for the previous four financial years.

Prior to the stock exchange listing in March 2021, the two representatives of the main owner, Intera Partners Oy, on the Board, did not receive any remuneration, and there were no committees on the Board.

Development of remuneration 2019–2024 (thousand Euros)

EUR thousand	2024	2023	2022	2021	2020	2019
Board – total remuneration	280	300	292	228	76	56
CEO – total remuneration ¹⁾	458	488	412	483	329	457
Average Sitowise employee remuneration ²⁾	56	55	53	52	51	48

EUR million	2024	2023	2022	2021	2020	2019
Net sales of the Group	192.9	210.9	204.4	179.3	160.1	143.0
Adjusted EBITA of the Group	9.6	17.0	20.4	21.1	20.6	15.5
% of Net sales	5.0%	8.1%	10.0%	11.8%	12.9%	10.8%

¹⁾ Values are on payment basis and exclude social and pension costs. The values for 2022 and 2019 includes the remuneration of two CEOs for each term.

²⁾ Group's total personnel expenses without social and pension costs divided by the average number of FTE (full time equivalent).

2 Remuneration of the Board of Directors and the CEO

2.1 Remuneration of the Board

According to the Finnish Companies Act, the Annual General Meeting of Shareholders decides on the fees payable to the members of the Company's Board of Directors.

On 4 April 2024, the shareholders of the Company resolved in the Annual General Meeting that, the remuneration of the Chairman of the Board is EUR 4,750 per month and the remuneration of other members of the Board is EUR 2,250 per month. In addition, it was decided that a meeting fee of EUR 1,000 per meeting will be paid to the Chairman of the Board and the Chairs of the Audit, Personnel and Acquisition Committees, and that a meeting fee of EUR 400 per meeting will be paid to the other members of the Board and committees. The fees are equivalent to those paid during the previous term. In addition, it was decided that the travel expenses of the members of the Board of Directors would be reimbursed in accordance with Sitowise's travel policy.

The Annual General Meeting also resolved that members of the Shareholders' Nomination Board are not paid any fee for the term beginning September 2024. In accordance with the resolution of the Annual General Meeting, for the previous term the meeting fee EUR 1,000 per meeting was paid to the Chairman of the Nomination Board and a meeting fee of EUR 400 per meeting for other members of the Nomination Board, including the chairman of the Board of Directors serving as an expert member.

Remuneration of the Board of Directors in 2024

EUR	Annual pay ¹⁾	Audit Committee	Personnel Committee	Nomination Board ²⁾	Acquisition Committee	Total
Eero Heliövaara, chairman	66,000		6,000	400	800	73,200
Taina Kyllönen, until 4.4.2024	5,300	400				5,700
Mirel Leino-Haltia	30,600	7,000				37,600
Elina Piispanen	30,600		2,400			33,000
Petri Rignell, until 4.4.2024	5,300				0	5,300
Tomi Terho	30,600				2,000	32,600
Niklas Sörensen	30,600		2,000		800	33,400
Mats Åström	30,600	2,400			800	33,800
Anni Ronkainen, from 4.4.2024	22,650	2,400				25,050
Board remuneration in total	252,250	12,200	10,400	400	4,400	279,650

¹⁾ Annual pay includes both monthly remuneration and meeting attendance allowance.

²⁾ The chairman of the board acts as an expert member of the Nomination Board. The general meeting decided on 4 April 2024 that no fees will be paid to the members of the Nomination Board for the term starting in September 2024.

2.2 Remuneration of the CEO

The Board of Directors decides on the remuneration of the CEO and the terms and conditions of the employment of the CEO. The CEO's remuneration consists of a fixed monthly salary, the usual fringe benefits and the short-term and long-term incentive programs in force at the time. The CEO is covered by the Finnish statutory employment pension scheme. No supplementary pension insurance has been taken for the CEO.

The CEO's retirement age is the minimum personal retirement age in accordance with the law. The period of notice of the CEO is six months for both parties. Besides salary for the period of notice, the CEO is not entitled to a separate severance payment upon resigning. If the company terminates the CEO's employment due to a reason other than the CEO's severe misconduct, crime, or similar reason, the CEO is, in addition to salary for the six-month period of notice, entitled to compensation amounting to a maximum of six months' salary, provided that the CEO has not entered into an employment or service relationship with a third party during the said period.

According to the Company's share ownership rules, the CEO is expected to accumulate and, after achieving this, hold an amount of the Company's shares equal to his fixed gross annual salary. He is expected to use 50 percent of the net reward received under short and long term plans to accumulate his share ownership until his share ownership meets the level recommended above. Accumulation of share ownership takes place either by maintaining the ownership to the rewards received in the form of shares or by acquiring shares with a cash reward received under the plan.

During the financial period 2024, Heikki Haasmaa has served as the CEO of Sitowise.

SHORT TERM INCENTIVE PLAN

The maximum amount of the CEO's short-term incentive plan (STI) is 100% of the annual salary both in 2023 and 2024.

The STI is based on predetermined performance criteria. In 2023, Haasmaa had four main targets (with their respective weightings and outcome percentages):

- 50% Profitability and financial targets (mainly Sitowise Group's result in adjusted EBITA): outcome 0%
- 10% Organic growth: outcome 2%
- 30% Strategy implementation: outcome 23%
- 10% Development of operations: outcome 8%

The Board decided that for 2023, the CEO's bonus was 33% which translates to 4 months' salary. The bonus of EUR 108 460 for 2023 was paid to the CEO in April 2024.

In 2024, Haasmaa had four main targets (with their respective weightings):

- 60% Financial targets (40% EBITA% and 20% turning the negative trend)
- 20% Strengthening the Nordics
- 30% Strategy implementation

The Board decided that for 2024 the CEO will not get bonus payment.

LONG TERM INCENTIVE PLAN

The CEO is part of three long-term incentive plans: Stock Option plan 2021, Performance Share Plan 2023–2025 and Performance Share Plan 2024–2026.

The purpose of the plans is to align the interests of the management and key personnel with the interests of the shareholders and thereby increase the shareholder value in the long term, and to commit the management and key personnel to achieving Sitowise's strategic goals. Additionally, the purpose is to commit Sitowise's key resources to the company by offering competitive long-term incentive plans.

Stock Option Plan 2021

In March 2021, the Board decided upon a long-term incentive program (option program). To balance with changes made to the PSP 2023–2025 plan (described below), the CEO waived 30% of the Matching options and all of the Performance options allocated to him under the Stock Option Plan 2021. The number of options for Heikki Haasmaa at the end of 2024 was as follows:

Amount of options	Match 2021A	Match 2021B	Performance 2021A	Performance 2021B	Total
Heikki Haasmaa					
amount	21,000	21,000	0	0	42,000
theoretical value ^{*)}	16,170	16,351	0	0	32,521

^{*)} The fair value of the options has been determined at the time of their granting and has been updated based on changes made to the option terms and conditions decided by the Board of Directors. The valuation of options has been carried out using a binomial model that takes into account the release criteria attached to performance options and the probability of their realization.

The stock options were issued free of charge. Each stock option entitles the holder to subscribe for one share of Sitowise Group Plc (SITOWS) at a price determined in accordance with the option terms and for the period specified in the option terms.

For stock options 2021A the share subscription price is EUR 6.00. The Board of Directors has resolved 13 March 2024 to amend the share subscription price for the stock options 2021B to EUR 4.00. The per-share dividends and capital repayments to be paid annually will be deducted from the share subscription price.

The share subscription period for stock options 2021A has started 1 April 2024 and it will continue until 31 March 2025. For stock options 2021B the subscription period is 1 April 2025 – 31 March 2026. The Board of Directors has divided the stock options 2021A and 2021B into Matching and Performance options. To balance with the changes made to the long term plans, Heikki Haasmaa has waived 30% of the Matching options and all of the Performance options allocated to him under the Stock Option Plan 2021. The amendments are made to preserve the purpose of the stock option plan which is to engage option holders in the growth of the company's share value. In this manner, a long-term relationship can be established between the company and the option holders that benefits the company both financially and operationally.

The options will be forfeited and transferred back to the Company for no consideration if the option holder resigns or the employment relationship or service contract is terminated before the commencement of the subscription period of the Shares to be subscribed with the options. Under certain conditions, the Board of Directors may decide that the option holder may, however, keep a part of their options.

Performance Share Plan 2023–2025

In March 2023, the Board of Directors of Sitowise resolved to establish a performance-based, long-term incentive plan (Performance Share Plan 2023–2025). PSP 2023–2025 comprises a three-year performance period followed by a possible reward payment. The performance targets applied to PSP 2023–2025 are the relative total shareholder return (TSR) and cumulative reported EBITA 2023–2025.

The Board of Directors of Sitowise decided on 13 March 2024, to amend the terms of the PSP 2023–2025 program. The weighting of the targets has been 30% and 70%. Since the establishment of the program, the market environment has weakened, leading the Board to adjust the program's profitability target. Instead of cumulative reported EBITA for 2023–2025, the profitability target will now be the adjusted EBITA margin (%) for 2025. Additionally, a minimum net sales level was added to the program, which must be exceeded before any rewards can be paid. The program's relative TSR target remained unchanged, as did the requirement of a certain TSR level for any rewards to be granted under the program.

The possible rewards under PSP 2023–2025 will be paid after the end of the performance period and the completion of the financial statements in the spring of 2026, provided that the performance targets set by the Board of Directors are achieved. As a main rule no reward is paid to an individual participant whose employment or service relationship ends or has ended before the delivery of the reward.

The possible reward is paid, according to the Board's choice, either in Sitowise's shares, in cash, or in a combination of these. Cash portion of the reward is intended to cover the taxes and related statutory payments arising from the paid reward.

The number of shares in target and maximum for the CEO are the following:

Amount of shares		Target	Max
Heikki Haasmaa	amount	34,000	68,000

If the performance targets set for PSP 2023–2025 are achieved in full, the amount of rewards to be paid to CEO based on the plan corresponds to a maximum of 68,000 of the company's shares and the value is approximately EUR 10,700, estimated based on the average share price on the last trading day 2024 (EUR 3.05). The total amount of rewards means their gross amount before the withholding of the applicable payroll tax. The realized value of the plan may differ from this estimate depending on the share price development and the degree in which the performance targets set for the plan are achieved.

Performance Share Plan 2024–2026

On 13 March 2024, the Board of Directors of Sitowise decided to establish a new long-term, performance-based share incentive plan for the years 2024–2026 (Performance Share Plan 2024–2026). Participants in the plan have the opportunity to earn Sitowise shares as a long-term incentive reward, provided they meet the performance targets set by the Board for the program.

The PSP 2024–2026 program commences at the beginning of 2024 and includes a three-year retention period. Any rewards under the plan will be distributed to participants at the end of the performance period in a form selected by the Board: as Sitowise shares, cash, or a combination of both. Once the shares are granted as a reward, participants are free to transfer them. Any rewards earned under the plan will be paid out to participants in spring 2027.

The performance targets applicable to the PSP 2024–2026 are profitability (adjusted EBITA margin, %), relative profitability (adjusted EBITA margin, % compared to selected peer companies), and revenue from sustainability services. The weights of these targets are 70%, 20%, and 10%, respectively. Additionally, for rewards to be paid out, the plan requires the achievement of a specified relative total shareholder return (TSR) and revenue target.

The CEO's target and maximum share amounts in the plan are as follows:

Amount of shares		Target	Max
Heikki Haasmaa	amount	60,500	121,000

If the performance targets set for the PSP 2024–2026 program are fully achieved, the total rewards payable to the CEO under this program will correspond to a maximum of 121,000 company shares. The estimated total value of the program, based on the average share price on the last trading day of 2024 (EUR 3.05), is approximately EUR 184,525. The total reward amount refers to its gross amount before deduction of applicable withholding tax. The actual value of the program may differ from this estimate depending on the development of the share price and the degree to which the performance targets are achieved.

The remuneration paid to the CEO in 2024

EUR	Salary	Benefits	Bonus	Total
Heikki Haasmaa	334,950	14,490	108,460 ^{*)}	457,900

^{*)} In year 2024 paid EUR 81,360 and EUR 27,100 invested in personnel fund.

In 2024, there was no payment due for long-term performance-based bonuses.

SITOWISE GROUP PLC

Linnoitustie 6 D, FI-02600 Espoo, Finland

Phone +358 20 747 6000

www.sitowise.com