

Enento Group Plc

Remuneration Report 2022

This Remuneration Report sets out how Enento Group Plc (“Enento”, “Company”) has implemented its Remuneration Policy in 2022. This report includes information concerning remuneration of the Board of Directors (“Board”) and the CEO of Enento between 1 January 2022 and 31 December 2022.

The Report has been reviewed and approved by Enento’s Board of Directors. The shareholders will make an advisory decision on the approval of the Remuneration Report at the Company’s Annual General Meeting 2023.

Overview of Remuneration in 2022

Remuneration of the Enento governing bodies is based on the Remuneration Policy that was presented for an advisory decision at the Annual General Meeting held on 12 June 2020. The policy will be applied until it is reviewed next time in the Annual General Meeting: The next review will occur in Annual General Meeting 2024, unless the Board decides to bring the Remuneration Policy for an advisory decision at an earlier General Meeting.

The decision-making process on remuneration, as defined in the Remuneration Policy, has been followed in the remuneration decision-making in 2022. No temporary deviations from Remuneration Policy were applied in 2022. Furthermore, the Board did not observe any circumstances or activities that would have resulted in a need to apply clawback to the CEO’s variable remuneration in 2022. In its decision-making, the Board has also considered the results of the advisory votes for the Remuneration Report 2021: 81,11% of votes cast were supportive.

In line with the Remuneration Policy, remuneration in 2022 has supported our long-term Nordic growth and shareholder value creation. A significant portion of the CEO’s total remuneration opportunity has been performance-based to focus on achieving the targets set by the Board, at the same time balancing to avoid excessive risk-taking. To encourage share ownership in Enento, shareholding guidelines for the CEO have been in place to further align long-term shareholder interests with the CEO’s and other top executives’ interests.

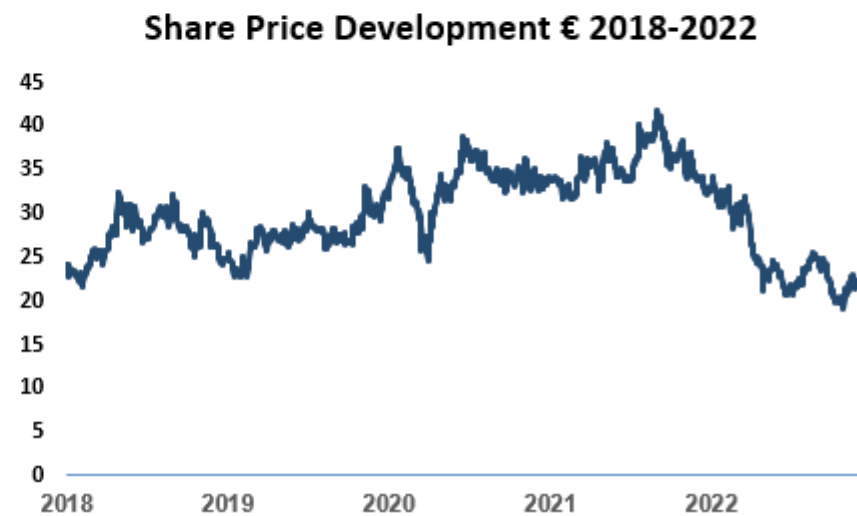
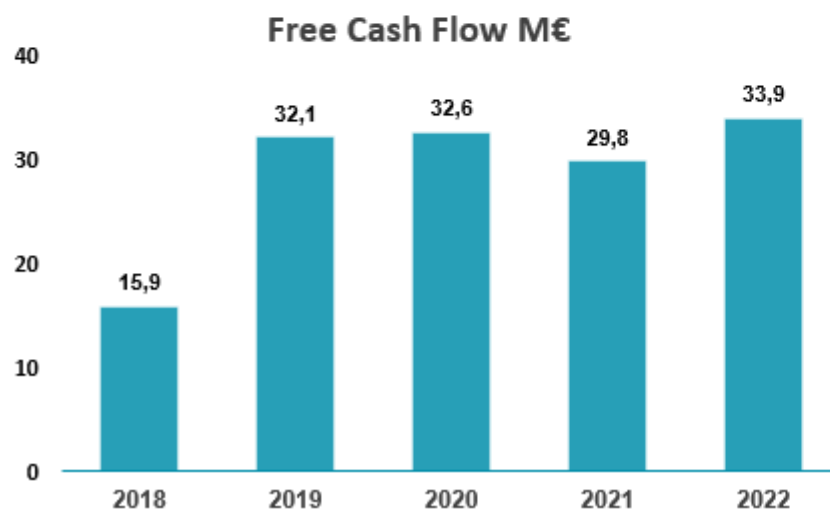
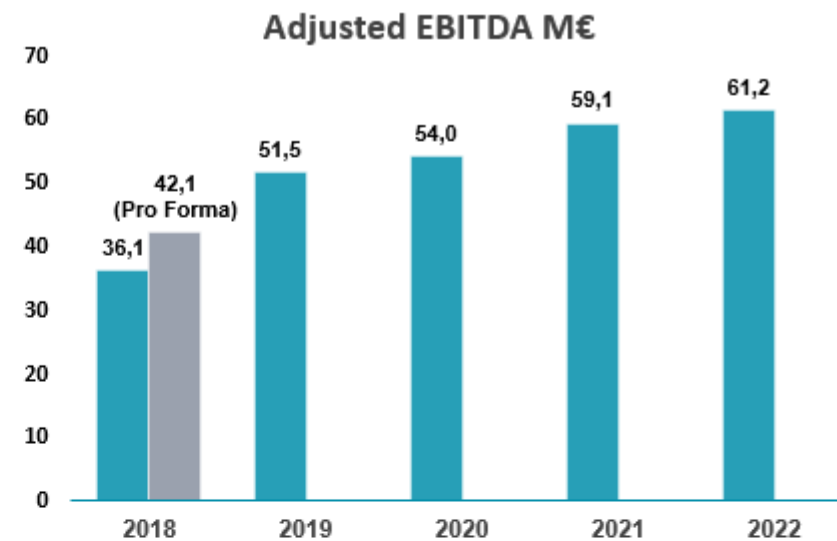
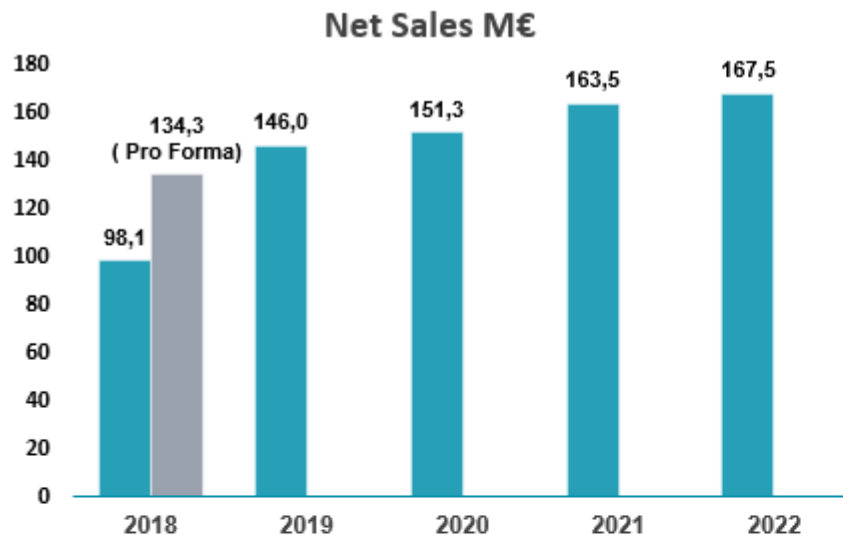
Enento Group Plc’s Board of Directors appointed Jeanette Jäger as CEO from 1 January 2022.

In 2022, we had a short-term incentive plan (STI) 2022 and one long-term incentive plan (Performance Share Plan 2022-2024) in place for the CEO. The outcome of the STI 2022 criteria was close to the set target level, which reflects the fulfilment of our growth expectations in the middle of continued exceptional circumstances. The rewards for the STI 2022 will be paid in March 2023. Potential reward of Performance Share Plan 2022-2024 will be paid in early 2025. Application of performance criteria is described in more detail in section “Remuneration of the CEO”.

Paid remuneration to the CEO in total in 2022, including fixed salary and additional pension contribution was 461 000€. In addition, former CEO was paid 99 000 € performance-based incentives based on 2021 performance.

Development of Financial Performance and Remuneration

5-year Development of Financial Performance



¹ In addition, 4.8€ per share have been distributed as equity repayment during 2018-2022

5-year Development of Remuneration

DEVELOPMENT OF PAID CEO REMUNERATION

	2018	2019	2020	2021	2022
BASE SALARY	242 000	259 000	264 000	267 000	342 000
SHORT-TERM INCENTIVE (STI)	188 000	104 000	165 000	68 000	99 000*
LONG-TERM INCENTIVE (LTI)	489 000	718 000	134 000	331 000	-
ADDITIONAL PENSION	9 000	9 000	9 000	9 000	119 000
TOTAL REMUNERATION	928 000	1 089 000	572 000	675 000	559 000
DEVELOPMENT:					
BASE SALARY	3 %	7 %	2 %	1 %	28 %
TOTAL REMUNERATION	114 %	17 %	-48 %	18 %	-17 %

DEVELOPMENT OF BOARD REMUNERATION

	2018	2019	2020	2021	2022
CHAIRPERSON ANNUAL FEE	40 000	50 000	51 000	52 000	53 000
DEVELOPMENT	0 %	25 %	2 %	2 %	2 %
BOARD MEMBER ANNUAL FEE	25 000	35 000	36 000	36 750	37 500
DEVELOPMENT	0 %	40 %	3 %	2 %	2 %

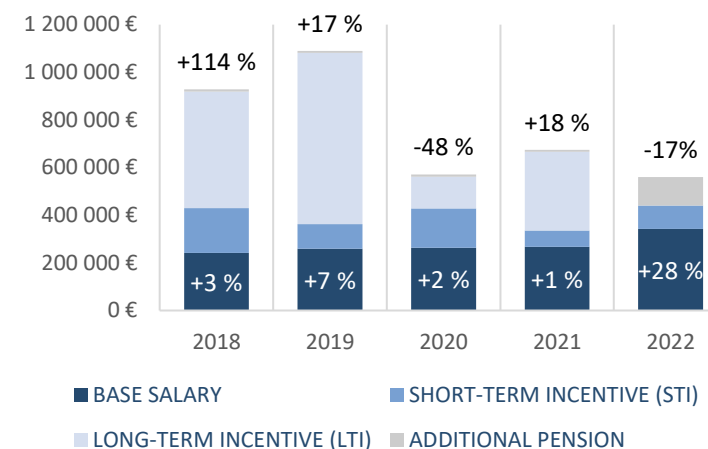
DEVELOPMENT OF AVERAGE EMPLOYEE SALARY

	2018	2019	2020	2021	2022
DEVELOPMENT OF AVERAGE SALARY PER EMPLOYEE**	-8.8 %	+7.4 %	-1.3 %	7.5 %	-1.4 %

*NOTE: The incentives have been reported on a payment basis and paid on the basis of the result for the previous financial year. In 2022, the CEO incentive was paid to the former CEO based on 2021 performance.

**NOTE: Employee salary development is calculated as all salaries, wages and incentives in euros, excluding Long-Term Incentive and Board fees, and social security expenses.

DEVELOPMENT OF PAID CEO REMUNERATION



The Graph presents remuneration paid to the CEO in the corresponding financial year as well as short-term incentive paid to the former CEO. For example in 2022:

- Base Salaries 1-12/2022.
- Short-Term Incentive earned in 2021 and paid in 2022.
- Additional Pension payment in 2022.

Remuneration of the Board of Directors in 2022

Enento Board Remuneration paid in 2022:

Director	Fixed Fees	Meeting Fees	Total
Patrick Lapveteläinen (Chairman)	52 000 €	6 500 €	58 500 €
Petri Carpén	36 750 €	10 000 €	46 750 €
Martin Johansson	36 750 €	8 800 €	45 550 €
Tiina Kuusisto	36 750 €	6 000 €	42 750 €
Erik Forsberg	36 750 €	9 300 €	46 050 €
Minna Parhiala	36 750 €	6 500 €	43 250 €

Shareholders resolved on the Board Remuneration in the Annual General Meeting of 2022 as follows:

Annual Fees

- EUR 53,000 to Chairman and
- EUR 37,500 to members.

Attendance Fees

- EUR 500 per Board meeting;
- EUR 500 per Committee meeting for Committee Chairperson
- EUR 400 per Committee meeting for Committee member

Remuneration of the CEO

Application of Performance Criteria in 2022

In 2022, the CEO was offered two new performance-based incentive plans: short-term incentive (STI) 2022 and a share-based long-term incentive plan, Performance Share Plan (PSP) 2022-2024. In line with the Remuneration Policy, the reward opportunity was balanced to focus on both long-term value creation and efficient achievement of short-term goals. The STI and LTI performance criteria for 2022 and maximum earning opportunities were set by the Board in December 2021 and early 2022.

For STI 2022, Net sales (weight 30%) and Adjusted EBITDA (weight 40%) development were selected as performance criteria together with a discretionary component (weight 30%) based on Board's assessment of CEO's performance on strategic and/or organizational objectives, and the maximum earning opportunity for the CEO was set at 100% of annual fixed salary.

STI / Performance criteria	Adjusted EBITDA	Net sales	Personal targets	Total
CEO	40 %	30 %	30 %	100 %

The earning criteria for the performance period of PSP 2022-2024 were the three-year development of the Enento Group's Adjusted EBITDA (weight 50 %), and the Group's two-year Total Shareholder Return (TSR) (weight 50 %).

LTI / Performance criteria (PSP 2022-2024)	Adjusted EBITDA	TSR	Total
CEO	50 %	50 %	100 %

Outcome for the CEO

The total outcome from the STI was 34% of the maximum and it will be paid in 2023.

The CEO joined the Company 1 January 2022 and thus did not participate in PSP 2020-2022 or PSP 2021-2023. The potential reward for PSP 2022-2024 will be paid in 2025.

Share-Based Incentives

Enento’s long-term remuneration consists of Performance Share Plans (“PSP”), which offer the Group’s management an opportunity to receive Enento shares as long-term incentives for achieving performance targets set by the Board. The purpose of the PSPs is to encourage the executives and the selected key employees to work on a long-term basis to achieve strategic goals, increase shareholder value and to retain the selected persons in the company.

The Board decides annually on commencement, conditions and performance criteria of new plans. The maximum reward potential for a Performance Share Plan is expressed as a number of shares and defined annually by the Board at the beginning of each plan period. The total vesting time for each plan is minimum 3 years, and the share delivery is conditional upon continued employment until the moment of transferring the shares, or a good leaver ground. The possible reward is paid as a combination of shares and cash. The cash component is intended to cover the taxes and tax-related costs related to the reward.

Shares received by the CEO under the PSP are subject to shareholding requirement that is determined by the Board. Until the required shareholding level is achieved, the CEO is required to hold, and not to sell, all the shares received as a reward.

Summary of Granted, Earned and Paid Share-Based Incentives to the CEO in Connection to the Reporting Period

Plan	Granted	Performance Conditions	Maximum Reward Shares (gross, incl. cash portion)	Achieved Reward, % of maximum	Gross Shares Earned	Net Shares Paid	Delivery Time
PSP 2022-2024	13 th May 2022	Total Shareholder Return 2022-2024 (weight 50 %), Adjusted EBITDA 2022-2024 (weight 50 %)	12 000	0	0	0	Spring 2025

Remuneration of the CEO in 2022

The below tables show paid remuneration to the CEO in 2022, as well as earned remuneration based on the year 2022, which is to be paid in 2023. Of the remuneration paid in 2022, 100% was fixed and 0% was variable.

Base Salary + benefits 2022	Additional Pension Payment 2022	Paid variable remuneration in 2022 (earned in 2021)			Earned variable remuneration in 2022 (to be paid in 2023)		
		Paid Short-Term Incentive 2022	Paid Long-Term Incentive in 2022	Total Paid Variable Remuneration in 2022	Earned Short- Term Incentive in 2022	Earned Long- Term Incentive in 2022	Total Earned Variable Remuneration in 2022
342 000 €	119 000 €	0 €	0 €	0 €	115 508 €	0 €	115 508 €