

# REMUNERATION REPORT 2025

VALMET AUTOMOTIVE OYJ



VALMET AUTOMOTIVE



# INTRODUCTION

*This remuneration report describes the remuneration of the Board of Directors, the Chief Executive Officer (CEO), and the Management Board of Valmet Automotive Oyj for the 2025 financial year. The company’s remuneration practices comply with the Finnish Government’s ownership policy resolution.*

*The remuneration report has been prepared, where applicable, in accordance with the Finnish Corporate Governance Code for Listed Companies (2025) and the EU Shareholders’ Rights Directive.*

*In September 2025, Valmet Automotive Oyj became a non-listed, state-owned company with a 79% government ownership stake. Previously, the company did not have a separate remuneration policy consolidating the remuneration schemes of senior management. In connection with the change in ownership, the Board of Directors prepared a remuneration policy. The key principles of this policy are described in this report.*

## REMUNERATION PRINCIPLES AT VALMET AUTOMOTIVE

The principles of remuneration at Valmet Automotive are set out in the remuneration policy for the company’s governing bodies. The remuneration of the Board of Directors, the Chief Executive Officer, and the Management Board for the 2025 financial year follows the previous remuneration arrangements, which are aligned with this remuneration policy.

The objective of the company’s remuneration policy is to retain and motivate employees of the company to work in line with the company’s strategic objectives, thereby creating long-term shareholder value. The principles guiding remuneration are described in the table below.

REMUNERATION PRINCIPLES AT VALMET AUTOMOTIVE
<p style="text-align: center;"><b>Alignment with company values</b></p> <p style="text-align: center;">Compensation is reasonable and fair, and supports the commitment, motivation, and retention of the personnel</p>
<p style="text-align: center;"><b>Competitiveness</b></p> <p style="text-align: center;">Compensation is benchmarked against relevant market data to ensure competitiveness</p>
<p style="text-align: center;"><b>Performance orientation</b></p> <p style="text-align: center;">Compensation is linked to the achievement of the company’s strategy, business objectives, and sustainability* targets.</p>
<p style="text-align: center;"><b>Transparency</b></p> <p style="text-align: center;">The principles, structure, and outcomes of compensation are communicated openly and clearly to stakeholders</p>

*\*The linkage between executive remuneration and sustainability objectives as well as quantitative sustainability metrics will not be applied for the 2026 financial year, as the sustainability strategy is being updated to align with the new business model.*

The remuneration of the CEO and the company’s Management Board consists of a fixed total salary and incentive programs. The CEO and the Management Board participate in both short-term and long-term incentive programs. The performance metrics applied in these incentive programs are based on financial, strategic, and operational criteria.

The total annual amount of variable remuneration payable to the CEO and the members of the Management Board in accordance with their performance targets may not exceed 40 percent of the recipient’s fixed annual base salary. In the case of exceptional performance, the total maximum amount of variable remuneration payable may not exceed 80 percent of the fixed annual base salary in any given year.



# REMUNERATION IN 2021-2025

## DEVELOPMENT OF REMUNERATION IN 2021-2025

The table on the right illustrates the development of the remuneration of the company's Board of Directors, the CEO, the Management Board and employees, as well as the company's financial performance during the years 2021-2025, to the extent that the information is comparable. The remuneration of the CEO and the Management Board consists of a fixed base salary and fringe benefits, as well as a variable remuneration component determined on the basis of business performance targets.

The most significant changes in remuneration levels over the past five years relate to the salaries and incentives of the CEO and the Management Board. Olaf Bongwald served as the company's CEO until November 2023, after which Pasi Rannus was appointed CEO effective November 14, 2023. In connection with this transition, the CEO's remuneration structure was reassessed to better reflect the company's situation. Under the leadership of CEO Rannus, the Group functions and Group Executive structure was streamlined and adjusted to support the gradual increased independence of the business areas.

Annual Development of Remuneration	2021	2022	2023	2024	2025
Board of Directors' remuneration*	265 500 €	362 300 €	349 600 €	295 250 €	303 200 €
CEO's salary and incentives **	1 015 099 €	1 271 078 €	1 222 934 €	448 306 €	300 743 €
Management Board salaries and incentives	4 009 901 €	2 909 922 €	1 784 066 €	905 694 €	1 054 255 €
Employees' salaries and incentives (average)***	42 621 €	43 346 €	51 337 €	49 352 €	50 700 €
Revenue (M€)	570 M€	604 M€	531 M€	511 M€	326 M€
Comparable operating profit (M€)	36 M€	31 M€	27 M€	-18 M€	16 M€

\*As part of Valmet Automotive's strategy, the company increased the independence of its business lines by transferring the EV Systems business line (IONCOR) to operate as an independent company in October 2024. As a result, IONCOR was assigned its own Board of Directors, partly composed of members of the Board of Directors of Valmet Automotive Oyj. However, the Annual General Meeting determined that members serving on IONCOR's Board of Directors are remunerated solely for board duties performed for IONCOR, with such remuneration paid by that company.

\*\* Olaf Bongwald served as the company's CEO during the period 2021-November 2023. Pasi Rannus was appointed CEO effective November 14, 2023.

\*\*\* Salaries and incentives paid in accordance with the company's financial statements (excluding pension contributions and other social security costs), calculated as an average per full-time equivalent.



# REMUNERATION PAID TO THE BOARD OF DIRECTORS IN 2024

## REMUNERATION OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the governance and organization of the company and for ensuring that the company's operations are appropriately organized. The remuneration of the Board of Directors is determined annually by the Annual General Meeting. The remuneration of Board members consists of a fixed monthly fee and meeting fees for participation in meetings of the Board of Directors and its committees. Members of the Board of Directors are not covered by the company's other remuneration arrangements and do not participate in share-based or equity-based incentive schemes, supplementary pension arrangements, or other financial benefits.

Board fees determined by the Annual General Meeting	Jan 1 – Aug 28, 2025	Sep 29 – Dec 31, 2025
Chair of the Board of Directors	6000 € / month	5000 € / month
Member of the Board of Directors	3200 € / month	2500 € / month

In addition, meeting fees were paid to members of the Board of Directors until August 29, 2025, for participation in meetings of both the Board of Directors and the Audit Committee, in the amount of €1,000 per meeting. An increased meeting fee of €1,500 was paid to the Chair of the Audit Committee for each Audit Committee meeting attended. Where a meeting of the Board of Directors or a committee lasted less than 90 minutes, the meeting fee paid amounted to half of the standard meeting fee.

The Annual General Meeting held on August 29, 2025, approved the meeting fees of the Board of Directors as follows: a meeting fee of €600 shall be paid to each member for each meeting of the Board of Directors and its committees attended by the member. If a member of the Board of Directors who is not the Chair of the Board serves as the chair of a committee, a meeting fee of €1,000 shall be paid per meeting. If, however, a meeting is held outside the board member's country of residence and the member attends the meeting in person at the meeting location, the meeting fee shall be €1,200.

## REMUNERATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS IN 2025

Members of the Board of Directors	Role	Annual fee	Board meeting fees	Committee meeting fees	Total
Kari Heinistö	Chair	68 000 €	8 400 €	5 100 €	81 500 €
Timo Kokkila	Member	35 600 €	8 400 €	3 600 €	47 600 €
Jarkko Sairanen* (until Aug 25, 2025)	Member	48 000 €	6 000 €	3 000 €	57 000 €
Philip-Christian Eller (until Aug 25, 2025)	Member	25 600 €	5 000 €	0 €	30 600 €
Sven Ennerst**	Member	35 600 €	9 000 €	0 €	44 600 €
Sinikka Mustakari (from Sep 25, 2025)	Member	10 000 €	2 400 €	600 €	13 000 €
Jari Vähäpesola (from Sep 25, 2025)	Member	10 000 €	3 000 €	0 €	13 000 €
Pekka Kuusniemi*** (from Oct 25, 2025)	Member	6 250 €	1 200 €	0 €	7 450 €
Riitta Palomäki*** (from Oct 25, 2025)	Member	6 250 €	1 200 €	1 000 €	8 450 €
<b>Total Remuneration of the Board of Directors</b>					<b>303 200 €</b>

\*\* Board members Jarkko Sairanen and Sven Ennerst have also served on the Board of Directors of the subsidiary IONCOR. In accordance with the decision of the Annual General Meeting, board fees have been paid to them solely for board duties performed for IONCOR. Their board fees have been paid by IONCOR as of October 2024; however, the fees have also been presented in the table above for clarity. Excluding the fees paid to Ennerst and Sairanen, the total board fees paid by Valmet Automotive Oyj amounted to €217,600.

\*\* Sven Ennerst participated in the Board of Directors of the subsidiary IONCOR until August 2025 and returned to the Board of Directors of Valmet Automotive Oyj as of September 2025. His board fees for the period January–August 2025 were paid by IONCOR.

\*\*\*Pekka Kuusniemi and Riitta Palomäki were appointed as members of the Board of Directors in mid-October. As a result, the October portion of the annual fee was paid at half of the normal amount.



# REMUNERATION PAID TO THE CEO IN 2025

## REMUNERATION OF THE CEO IN 2025

The remuneration of the CEO is decided by the Board of Directors. Total remuneration consists of a fixed salary including fringe benefits and variable remuneration components, comprising an annual Short-Term Incentive (STI) program and a three-year Long-Term Incentive (LTI) program. The maximum levels of variable remuneration in relation to fixed salary are determined in accordance with the Finnish Government's ownership policy resolution.

When setting the performance targets for the STI and LTI programs, the Board of Directors takes into account the company's strategy and long-term development objectives. The purpose of the incentive programs is to guide the CEO's actions toward the implementation of the strategy and the sustainable long-term growth of the company's value. The performance metrics are based on financial, strategic, and operational criteria and are aligned with the remuneration principles applied to other members of management and the organization.

During the period from January 1 to December 31, 2025, Pasi Rannus served as CEO. The achievement of the performance metrics under the STI and LTI programs for the 2024 performance year remained below the established target levels. As a result, the total amount of variable remuneration paid to the CEO for the 2025 financial year amounted to 0.0% of his total remuneration for 2025.

The CEO did not participate in any share-based or equity-based incentive schemes or supplementary pension arrangements provided by the company. The CEO converted a portion of his cash remuneration into a car benefit in accordance with the company's defined car policy.

CEO Pasi Rannus	Amount
Fixed salary (including fringe benefits)	300 743 €
Short-Term Incentive (STI) program / performance period 2024	0 €
Long-Term Incentive (LTI) program / performance period 2022–2024	0 €
<b>Total remuneration</b>	<b>300 743 €</b>
Split between fixed and variable remuneration	100% / 0%

## VARIABLE REMUNERATION EARNED BY 2025 BUT NOT YET PAID

Below is a description of the incentives earned by the CEO under the remuneration programmes up to the end of 2025, which will be paid in 2026.

The CEO's Short-Term Incentive (STI) program included financial performance metrics for both the contract manufacturing business and the roof and kinematics systems business. In the 2025 financial year, the financial performance of the contract manufacturing business was close to the target level, while the financial performance of the roof and kinematics systems business exceeded the target level by a significant margin. The combined achievement of the performance targets amounted to 47% of the CEO's annual earnings. The performance-based bonus will be paid at a time determined by the Board of Directors in spring 2026.

The objective of the Long-Term Incentive (LTI) program for the 2023–2025 performance period was revenue from new orders in the contract manufacturing business. The target level set for the program was not achieved and, consequently, no remuneration will be paid under this LTI program in 2026.



# REMUNERATION PAID TO THE MANAGEMENT BOARD 2025

## MANAGEMENT BOARD REMUNERATION 2025

The remuneration of the Management Board in 2025 consisted of a fixed base salary, including fringe benefits, as well as variable remuneration components (STI and LTI). The Board of Directors decides annually on the remuneration of the Management Board and on the performance measures and criteria of the incentive programs. In 2025, no variable remuneration was paid, as the performance outcomes of the 2024 STI and LTI programs remained below the set target levels.

Management Board	Palkkio
Fixed salary (including fringe benefits and holiday pay)	1 054 255 €
Short-Term Incentive (STI) program / performance period 2024	0 €
Long-Term Incentive (LTI) program / performance period 2022–2024	0 €
<b>Total remuneration</b>	<b>1 054 255 €</b>
Split between fixed and variable remuneration	100% / 0%

For financial year 2025, the reported Management Board remuneration includes remuneration paid to the members of the Group Management Team for the period from January to September 2025, as well as remuneration paid to the members of the VA and RKS Management Boards for the period from October to December 2025 (excluding the remuneration of the CEO).

In addition to CEO Pasi Rannus, the Group Management Board comprised Juha Torniainen (CFO), Juhani Pitkänen (SVP, Legal), Eija Telén (VP, Group Finance) and Remigiusz Grzeskowiak (SVP, RKS business).

As of October 2025, the Group no longer had a separate Group Management Team. Instead, the business units (VA and RKS) each have their own Management Boards. The VA Management Board comprises, in addition to CEO Pasi Rannus, Juha Torniainen (CFO), Juhani Pitkänen (SVP, Legal), Katja Laaksonen (VP, Strategy & Marketing), Antero Karhu (VP, Operations) and the Vice Presidents responsible for the commercialization of each business area: Antti Havola, Sami Lindén and Matti Räsänen.

Correspondingly, the RKS business unit has its own Management Board, chaired by CEO Pasi Rannus. Other members of the RKS Management Board Juha Torniainen (CFO), Juhani Pitkänen (SVP, Legal), Remigiusz Grzeskowiak (SVP, RKS business), Janik Jacek (Director, Finance) and Michael Nießen (VP, Project Management & Development).

## VARIABLE REMUNERATION EARNED BY 2025 BUT NOT YET PAID

Below is a description of the incentives earned by the members of the Management Board under the remuneration programs up to the end of 2025, which will be paid in 2026.

In 2025, the performance measure for the short-term incentive (STI) program for VA Management Board members was the financial result of the Vehicle Contract Manufacturing business, while the performance measure for the STI program for RKS Management Board members was the financial result of the roof and kinematics systems business. During the financial year 2025, the financial result of the vehicle manufacturing business was close to the target level, resulting in an average STI payout of approximately 20% of annual salary for the members of the VA Management Board. The financial result of the Roof and Kinematics Systems business was clearly above the target level, resulting in an average STI payout of approximately 41% of annual base salary for the members of the RKS Management Board. The performance-based bonuses earned under the STI program will be paid at a time determined by the Board of Directors in the spring of 2026.

The performance criteria for the long-term incentive (LTI) program for VA Management Board members for the period 2023–2025 were based on revenue from new vehicle manufacturing orders, while the performance measure for RKS Management Board members was operating cash flow. As the target levels were not achieved for either Management Board, no remuneration will be paid under these LTI programs in 2026.



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