

Neova Group Remuneration Report 2025

Neova Group's principles for the remuneration of the company's governing bodies, i.e., the Supervisory Board, the Board of Directors, the CEO and Deputy CEO, are defined in the remuneration policy for governing bodies (the "Remuneration Policy"). This report presents the remuneration of the Supervisory Board, the Board of Directors, CEO and Deputy CEO of the company. In addition, this report presents remuneration terms for other management. This report has been prepared based on the Finnish Corporate Governance Code 2025 (the Code") issued by the Securities Markets Association and the Prime Minister's office's guidelines for state owned companies.

Overview of five-year developments (2022-2026)

The most significant change in the Neova Group's operating environment over the past five years has been the sharp decline in energy peat sales, mainly due to the increase in the price of emission rights and the decrease in the number of customers using peat. Russia's attack on Ukraine in 2022 caused a shortage of solid fuels in Finland, which temporarily halted the decline in demand for energy peat and caused the prices of solid fuels to rise. But after that the decline has continued, even though Neova has a significant role in Finland's security of supply for local fuels.

To compensate for the decrease in energy peat sales, the Group has expanded its operations in the international growing media market and increased its investments in research and development to develop new high-value products from peat and other natural materials. The company has invested more than EUR 200 million in sectors other than energy peat since 2020. The new innovations include biostimulants, activated carbon, animal feed and soil improvers.

During the recent years, Group has improved its efficiency through reorganisation and various efficiency improvement programmes. In 2022, Neova and Lassila & Tikanoja merged their energy wood business into Laania Oy. Neova owns 45 per cent of Laania.

During the past five years, the role of horticulture has increased in Group's portfolio. The role of Kekkilä-BVB has increased and today, its share of Group's net sales is over 60 percent.

Kekkilä-BVB launched a significant efficiency improvement programme at the beginning of 2023. During the program, the growing media production network was optimized, the organisation was lowered, and the number of personnel was also significantly reduced. The aim of the programme was to reduce annual costs by EUR 30 million.

Neova Terra's net sales have decreased significantly during the recent years, mainly because of the decline in sales of energy peat. Despite the decrease in net sales, Neova Terra's relative profitability has remained at a good level throughout the period.

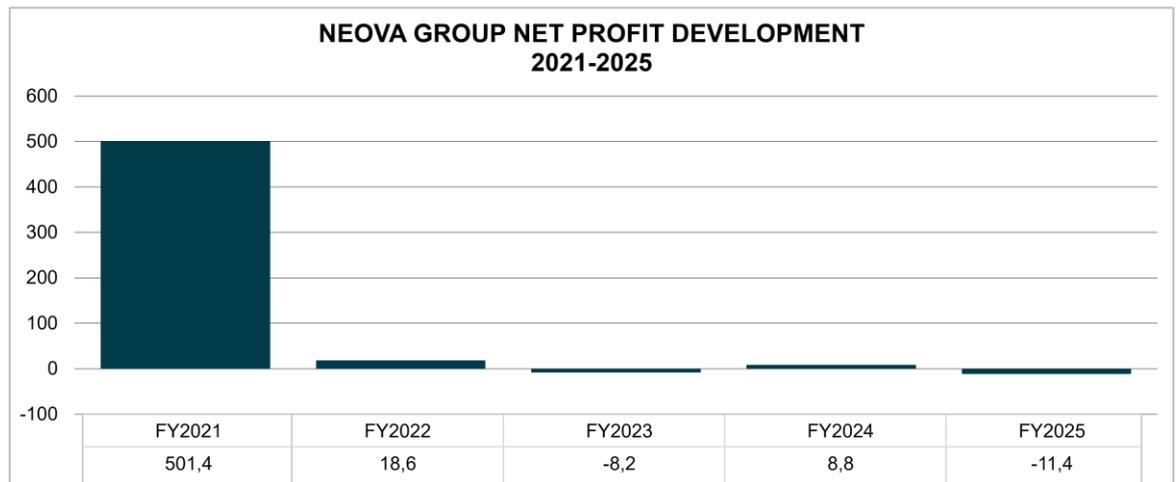
2025

Year 2025 was twofold for Neova Group. Kekkilä-BVB returned to growth path, while Neova Terra's net sales decreased mainly due to the mild winter which impacted the demand for fuels.

Kekkilä-BVB's business areas performed well, although business area Global suffered from the uncertainties around global trade, such as tariffs.

Neova Terra mitigated the decline in fuel demand by increasing deliveries of horticultural peat. The peat harvesting season was a moderate success, considering the challenging weather conditions in the Baltics during the summer months.

There were no significant reorganizational needs in 2025 and the Group's personnel amount remained close to 2024 levels.



* FY2021 includes the gained profit 507 M€ from selling of Nevel

The Annual General Meeting decided in the meeting held on 26.3.2025 to increase the remuneration of the Chair of the Board of Directors and Chair of Audit Committee. Other remuneration and meeting fees of the members of the Board of Directors continued on the previous year's level.

Main reason for the variance in annual remuneration level is based on the number of Board of Directors' meetings or committee meetings during each year.

CEO's remuneration consists of fixed annual salary including fringe benefits, short term, and long-term incentive programs (STI and LTI).

The development of remuneration of Neova Group personnel over the past five years has been counted as average headcounts and salaries of all operating countries. Salary market development is annually benchmarked in all countries. The overall development of basic salaries mainly follows the development of country level market salaries and is compliant with Neova Group Compensation Policy and existing collective bargaining agreements, which are applied within Neova Group. Part of the variance in development over the years comes from changes in the company structure and variable pay, such as short-term and long-term incentives.

Fiscal year	FY2025	FY2024	FY2023	FY2022	FY2021
Board of Directors, 1,000 €	247,26	234,00	276,22	247,45	246,25
Group CEO, 1,000 €	354	337,35	707,71	523,38	519,69
Group CEO	Pekka Tennilä	Pekka Tennilä	Vesa Tempakka – 3.12.2023 Pekka Tennilä 4.12.2023-	Vesa Tempakka	Vesa Tempakka
Deputy CEO, 1,000 €	310,08	256,44			
Deputy CEO	Markus Tykkyläinen	Markus Tykkyläinen			
Employees (average*), 1,000 €	61,5	61,4	59,3	57,9	57,3

*) Average remuneration of employees is calculated by dividing annual total remuneration with amount of personnel that financial year

Decision-making procedure concerning remuneration

Neova Oy's Annual General Meeting appoints the members of the Supervisory Board and resolves their compensation annually. The Annual General meeting also appoints the members of the Board of Directors and resolves their compensation annually based on the recommendation of the Shareholders' Nomination Board.

Based on the proposal of the Personnel Committee of the Board of Directors, the Board of Directors decides on the CEO's and Deputy CEO's base salary and other benefits, which shall be in line with the company's remuneration policy.

Neova's Board of Directors also decides on the basic salary and other benefits of the Group Management Team as well as their short-term and long-term incentive schemes based on a proposal issued by the Board's Personnel Committee.

Neova's Board of Directors approves the Remuneration Policy that defines key remuneration principles for the Supervisory Board, Board of Directors, the CEO and Deputy CEO, among other things. The Remuneration Policy is subject to advisory vote by the Annual General Meeting.

Key remuneration principles and fees paid to the members of the Supervisory Board and Board of Directors

The Supervisory Board, Members and fees paid in 2025

The fees paid to the members of the Supervisory Board are paid entirely in cash. The term of the members ends at the conclusion of the next Annual General Meeting. The members of Neova's Supervisory Board are not included in incentive schemes, and they are not in an employment relationship with Neova.

The Chair of the Supervisory Board is paid a meeting fee of EUR 800, the Vice Chair EUR 600, and the other members EUR 500 per meeting. No changes to the fees have been made during 2025.

Total Fees paid to the member, Supervisory Board 2024-2025

	FY2025 (1.1.–31.12.)		FY2024 (1.1.–31.12.)	
	Total amount of fees (€)	Meeting (attendance/total)	Total amount of fees (€)	Meeting (attendance/total)
Kangas Antti, <i>Chair of the Supervisory Board</i>	2,400	3/3	3,200	4/4
Härkönen Mika, <i>Vice Chair of the Supervisory Board</i>	600	1/2		
Miilumäki Heikki, <i>Vice Chair of the Supervisory Board</i>	600	1/1	2,400	4/4
Hietala Harri	1,500	3/3	2,000	4/4
Jukkola Janne	1,500	3/3	1,000	2/4
Kivisaari Pasi	1,000	2/2		
Koskela Jari	1,500	3/3	2,000	4/4
Kubin Eero	500	1/1	2,000	4/4
Kurvinen Esko	500	1/1	2,000	4/4
Laine Janne	1,500	3/3	2,000	4/4
Munkki Marianne	1,000	2/2		
Rantanen Piritta	1,500	3/3	2,000	4/4
Viljanen Eerikki	1,500	3/3	2,000	4/4
Total	15,600		20,600	

The Board of Directors, Members and fees paid in 2025

The fees paid to the members of the Board of Directors are paid entirely in cash. The term of the members ends at the conclusion of the next Annual General Meeting. The members of Neova's Board of Directors are not included in any incentive schemes, and they are not in an employment relationship with Neova.

The Chair of the Board of Directors' fee increased from EUR 2,750 to EUR 3,000 as of 26.3.2025 per month. Fees of the Audit Committee Chair EUR 1,900, and the other members EUR 1,750 were per month.

A meeting fee of EUR 600 was paid for both Board and Board committee meetings. Members of the board of directors of the subsidiaries employed by Neova are not paid separately for their membership. In addition, board members who live elsewhere than in Finland are paid an additional meeting fee of 600 euros for attendance meetings held in Finland.

Total fees paid to the members of the Board of Directors, EUR

	FY2025 (1.1.–31.12.)				FY2024 (1.1.–31.12.)			
	Total amount of fees (€)	Board of Directors' meetings (attendance /total)	Committee Meetings (Audit Committee, Personnel Committee) (attendance /total)	The Board's Strategy Committee meetings (attendance /total)	Total amount of fees (€)	Board of Directors' meetings (attendance /total)	Committee Meetings (Audit Committee, Personnel Committee) (attendance /total)	The Board's Strategy Committee meetings (attendance /total)
Routila Panu, <i>Chair of the Board of Directors</i>	55,098	12/12	9/9	12/12	50,400	16/16	5/5	8/8
Damlin Stefan	36,000	11/12	2/2	12/12	38,400	16/16	6/9	7/8
Joensuu Karoliina (03/2025-)	23,283	9/9	3/4					
Michelsson Kristina (06/2025-) <i>Chair of the Audit Committee</i>	18,375	6/6	3/3					
Punkari Jari-Pekka	41,879	12/12	1/1 & 9/9	12/12	39,000	16/16	3/9 & 3/5	8/8
Puntila Kirsi (10/2018–03/2025)	8,250	2/3	3/3		32,400	15/16	4/5	
Timonen Riikka (03/2025-)	24,483	9/9	5/6					
Virkkunen Eeva-Liisa (3/2022-03/2025), <i>Vice Chair of the Board Directors</i>	8,700	3/3	2/2		37,373	16/16	9/9	
Hordijk Dick	31,200	11/12	5/6		26,813	10/16	6/9	
Hyyryläinen Tuomas					9,615	4/4	2/2	1/1
Total	247,268				234,000			

Key remuneration principles of CEO, Deputy CEO and other management

In accordance with the Remuneration Policy approved by the Board of Directors dealt with at the Annual General Meeting, the fixed salary of the CEO, Deputy CEO and the members of other management is defined as a total monthly salary that includes fringe benefits. They are also included in short-term and long-term incentive programs.

A fixed monthly salary refers to an individual's total monthly salary determined based on the level of competence required for the position as well as the individual's experience and performance.

The Group CEO, Deputy CEO and other management may be eligible for a car benefit, mobile phone benefit and medical insurance as part of their total remuneration.

Neova's Board of Directors decides annually or within any other timeline as may be the case for any given program on the performance indicators and targets for the short-term and long-term incentive schemes of the CEO, Deputy CEO, other management and any other individual or unit as may be relevant. They are aimed at supporting the achievement of the company's strategic targets, including sustainability.

The incentive bonuses are paid in cash in accordance with the payment schedule of the incentive program in question. The bonuses paid under the various incentive schemes cannot under any circumstances exceed 80% of the fixed annual salary. Based on a proposal by the CEO, the Board of Directors decides on the achievement of the targets set relative to the performance indicators and the amount of remuneration.

Short-term variable pay

The CEO's, Deputy CEO's and other management's short-term variable pay is based on the possibility of earning an annual incentive bonus. The amount of incentive pay depends on the achievement of the financial and operational targets set at the beginning of the fiscal year. Neova Group's senior management is divided into two incentive pay groups that determine the maximum incentive pay percentage for each individual. The incentive pay group is determined based on the role and its impact on the Group's business.

Majority of the incentive pay is based on financial targets and the remainder on operational targets and sustainability. The payment of incentive bonuses is also subject to the achievement of a certain minimum level in terms of the financial performance of the company.

The maximum incentive pay corresponds to 40% of the annual salary for the CEO, and 30% of the annual salary of the Deputy CEO and members of other management.

Long-term variable pay

The CEO's, Deputy CEO's and other management's long-term incentive scheme currently in force is a multiple-year plan 2019-2026, which consists of several two-year earnings periods (2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024, 2024-2025 and 2025-2026). The incentive scheme provides the participants with the opportunity to earn a monetary bonus for achieving earning criteria set separately for each earning period by the Board of Directors. Targets consist of financial and other strategic targets, which include sustainability targets. The Board sets a minimum, target, and maximum level for each earning criteria.

The maximum incentive pay corresponds to 40% of the annual salary for the CEO of Neova Group and 30% of the annual salary for the Deputy CEO and members of other management.

Pension plans

The Group CEO, Deputy CEO and the other management are covered by a pension scheme pursuant to the Employees' Pensions Act in Finland.

Terms and compensation for termination of employment

The contractual period of notice of the Group's CEO is six months. If the contract is terminated by the company, the CEO shall have the right to lump sum compensation for termination, corresponding to the CEO's total salary for six months.

If the CEO resigns, the period of notice is six months. Irrespective of the provisions, the CEO's contract shall be terminated without separate notice at the end of the month at which the CEO reaches the lower limit for old-age pension stipulated by the Employees' Pensions Act. The lower limit of the old-age pension is determined in accordance with the Pensions Act in force at any given time.

The period of notice for the Deputy CEO and other members of the Group Management Team is three months. If their contract is terminated by the company, the Deputy CEO and other members of the Group Management Team shall have the right to lump sum compensation for termination, corresponding to their total salary for three months.

Options and other share-based incentive schemes

The company does not have option plans or other share-based incentive schemes.

Compensation for the CEO and Deputy CEO in 2025

Board of Directors decided to increase the fixed monthly salary of CEO, Pekka Tennilä, as of 1.5.2025 to EUR 30,500 including fringe benefits from the earlier EUR 27,500. Pekka Tennilä was paid EUR 48,906 from the Short-term Incentive plan from the earnings period FY2024. There was no payout from the Long-term Incentive plan period 2023-2024.

Fixed monthly salary of Deputy CEO, Markus Tykkyläinen, was increased as of 1.5.2025 to EUR 26,010 from the earlier EUR 25,500 including fringe benefits. Deputy CEO was paid Short-term Incentives EUR 58,599 based on FY2024 outcome and Long-term Incentives from earnings period 2023-2024 EUR 1,594.

CEO salary and payments 2024–2025 – Pekka Tennilä**CEO salary and payments 2024-2025**

	FY2025 (1.1.-31.12.)	FY2024 (1.1.-31.12.)
Monetary salary	339,180	324,458
Fringe benefits	14,820	12,892
Total fixed salary	354,000	337,350
One-off bonus	-	-
Short-term incentive (STI)	48,906	-
Long-term incentive (LTI)	-	-
Total	402,906	337,350

Deputy CEO salary and payments 2025 – Markus Tykkyläinen**Deputy CEO salary and payments 2025**

	FY2025 (1.1.-31.12.)	FY2024 (1.3.-31.12.)
Monetary salary	294,712	245,232
Fringe benefits	15,368	11,209
Total fixed salary	310,080	256,441
One-off bonus	-	-
Short-term incentive (STI)	58,599	.
Long-term incentive (LTI)	1,594	.
Total	370,273	256,441