



BOREO

REMUNERATION REPORT OF
GOVERNING BODIES
2023



REMUNERATION REPORT OF GOVERNING BODIES 2023

INTRODUCTION

This remuneration report contains information on the remuneration of the Board of Directors and the CEO of Boreo Plc for the period January 1 to December 31, 2023. The report is based on the recommendations of the Finnish Securities Market Association's 2020 Corporate Governance Code and the requirements of the Securities Market Act and the Limited Liability Companies Act.

Boreo Plc's remuneration is based on the remuneration policy approved at the Annual General Meeting on April 19, 2022. According to the remuneration policy, the key factors considered when determining remuneration are the company's financial performance, the skills and performance of people involved, the complexity of their duties and external remuneration references in the relevant markets.

The remuneration of the CEO also addresses this specific role's impact on forming and implementing the company's business strategy, as well as in achieving the short- and long-term financial results.

The remuneration of Boreo Plc's governing bodies in 2023 was implemented in line with the principles described in the remuneration policy. The remuneration of the Board of Directors is based on generally accepted remuneration plans for members of the Board so that the Board is able to support the development of the Company's current and future business in the best possible way.

The target setting in Boreo Plc's remuneration models is constructed so that the company's key financial figures and their positive development are at the core. This aims to ensure that excellent performance also leads to a positive outcome for the company's business objectives and that the company's profitability develops positively in the short- and long-term.

Boreo did not deviate from the remuneration policy of governing bodies during 2023. No recovery of remuneration took place in 2023 and no information has come to the attention of Boreo after the end of the financial period that would lead to the recovery of remuneration.

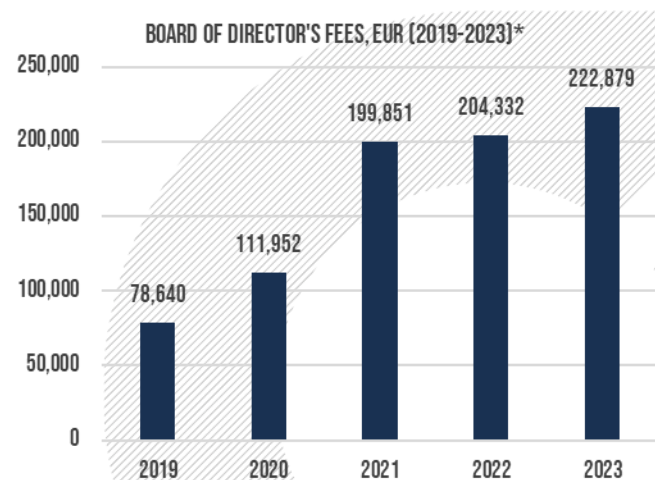
COMPARISON OF 5-YEAR DEVELOPMENT OF BOARD OF DIRECTORS, CEO AND EMPLOYEE REMUNERATION

Development of Board of Directors' fees

The composition and size of the Board of Directors have varied significantly in 2019–2023. During this period, the average size of the Board of Directors was six persons, but fees were paid annually to 5–8 persons due to changes in the composition of the Board of Directors. In 2023, the Board of Directors comprised six persons and one change took place.

When analysing the development over time, it is relevant to note the extraordinary Board work in 2021 related to the contemplated merger with Sievi Capital Oyj. The company established an independent committee to be temporarily responsible for Board work during the preparation of the merger. During the operating time of the independent committee, a fee for the Chairman of the Board was introduced on a fixed-term basis, and meeting fees were paid to the members of the committee.

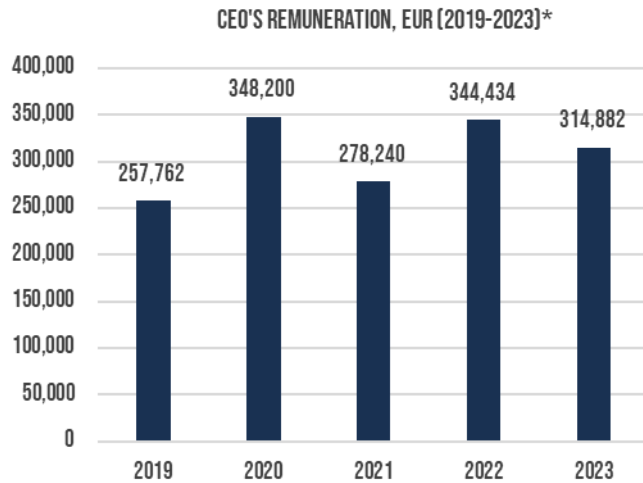
In accordance with the decision of the Annual General Meeting held on April 19, 2022, the Chairman of the Board started to receive Board fees and meeting fees in year 2022. Prior to this no fees were paid to the Chairman. The monthly fees and meeting fees are unchanged since 2021.



*Includes non-recurring special fees related to the independent committee in 2021 (EUR 44,000). The Chairman has received Board and meeting fees from April 19, 2022 onwards (EUR 53,500 in 2023).

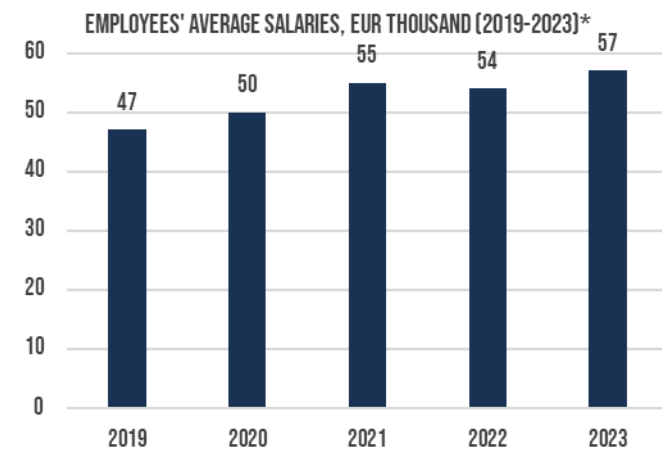
Development of the CEO's remuneration

According to Boreo Plc's remuneration policy, the remuneration of the CEO is significantly influenced by the performance-based, variable component. Thus, the development of the company's key financial figures is reflected in the remuneration of the CEO.



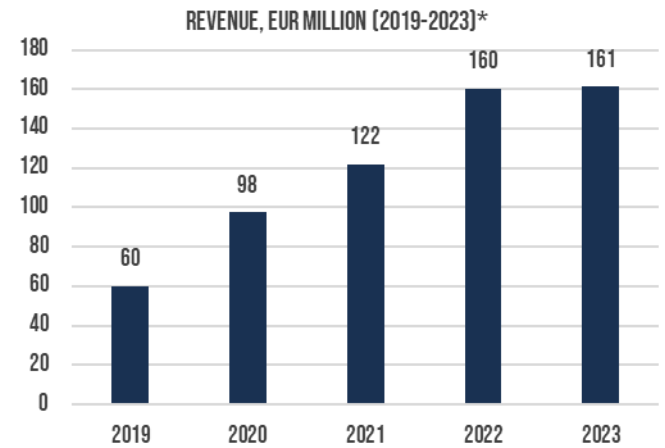
*Change of CEO took place in 2020.

Development of employees' average salaries

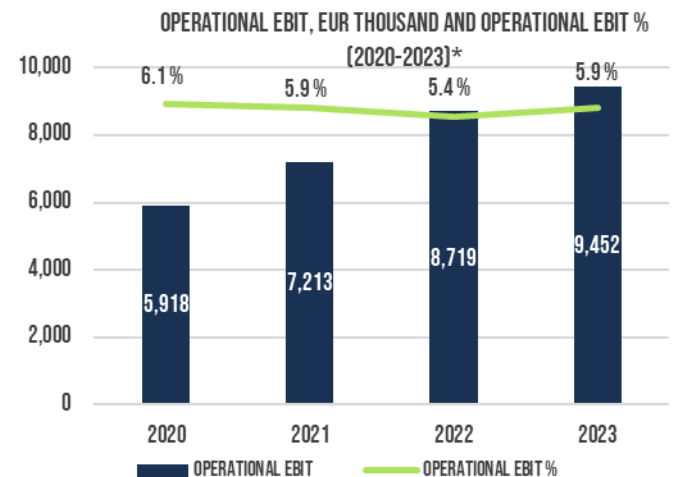


*Remuneration of employees consists of the average total salaries of employees, including basic salaries, fringe benefits and paid variable incentives. There were considerable structural changes in the Group in 2019–2023 due to acquisitions. This weakens the comparability of figures when analysing employee remuneration development. The Russian operations sold in August 2022 have been fully eliminated from the figures. In addition, the formula for calculating employees' average salaries was changed in 2022 to give a more accurate picture of average salaries in case of acquisitions, and the average salaries for 2019–2021 were adjusted correspondingly.

The company's financial development



*In 2021–2023, revenue describes the company's continuing operations and thus does not include Russian operations that were sold in August 2022 and classified as discontinued operations since the 2022 financial statements.



*In 2021–2023, operational EBIT describes the company's continuing operations and thus does not include Russian operations that were sold in August 2022 and classified as discontinued operations since the 2022 financial statements.

REMUNERATION OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD JAN. 1 - DEC. 31, 2023

In accordance with the decision of the Annual General Meeting of April 19, 2023, the fees were not raised and therefore the remuneration of the members of the Board is EUR 2,000 per month and the remuneration of the Chairman of the Board is EUR 4,000 per month. 60% of the Board fee is paid in cash and 40% in company shares. However, the Board fee paid to the Chairman of the



Member of the Board	Monthly fee	Shares*	Meeting fees	Asset transfer tax	Total
Hallqvist Simon	48,000	0	5,500	0	53,500
Grönholm Camilla	20,400	9,589	7,000	178	37,168
Grönroos Jouni	26,400	9,589	6,500	178	42,668
Holmlund Ralf	14,400	9,589	6,500	178	30,668
Neilimo-Kontio Noora	10,080	9,589	4,000	178	23,848
von Wendt Michaela	14,400	9,589	5,500	178	29,668
Mykkänen Juhani	4,360	0	1,000	0	5,360
Total	138,040	47,947	36,000	892	222,879

*The value of share-based fees has not been amortized for the financial period.

**Neilimo-Kontio's Board membership started on April 19, 2023

***Mykkänen's Board membership ended on April 19, 2023

Board, Simon Hallqvist, is paid in full in cash because it is not in the company's interest to increase the holding of Simon Hallqvist (actual main owner through Preato Capital AB) with Board fees.

The fee for the Chairman of the Audit Committee is EUR 1,000 per month. The fee of the Chairman of the Remuneration and Nomination Committee is EUR 500 per month. Each member of the Board of Directors and the Committees is paid EUR 500 in meeting fees per Board and Committee meeting.

Each member of the Board (excluding the Chairman) received 245 own shares held by Boreo Plc on May 17, 2023 as part of their remuneration in accordance with the decision of the Annual General Meeting. The value of the shares was EUR 39,14 per share. The value of shares has not been amortized for the financial period. The company also paid the asset transfer tax related to the transfer of the Board members' shares, which has been recognized as a benefit received in the taxation of the Board members.

Other financial benefits

In addition to the above fees, no other financial benefits were paid to the members of the Board. No separate remuneration was paid to Committee members in addition to the fees mentioned above.

REMUNERATION OF THE CEO FOR THE FINANCIAL PERIOD JAN. 1 - DEC. 31, 2023

The remuneration of the CEO consists of a fixed basic salary and fringe benefits, as well as a short-term incentive plan and a possible long-term incentive plan based on a separate decision of the Board of Directors. The table on the next page shows the remuneration of Boreo Plc's CEO of for the financial period 2023.

Fixed basic salary and fringe benefits

The fixed basic salary of the CEO is reviewed annually. The CEO is entitled to the benefit package in force at any time. In 2023, the CEO's taxable fringe benefits included a mobile phone benefit.

Short-term incentive plan

The CEO has a short-term incentive plan, the terms of which are reviewed annually. Under the short-term incentive plan, some targets are linked to financial indicators and some to qualitative and/or personal indicators. Incentives can be paid up to the equivalent of 6 months' basic salary. The 2022 short-term incentives were paid in 2023. As part of a cost optimisation program agreed in Q4/23 it has been agreed that no short-term incentives will be paid to the CEO and the Group Management Team for 2023 nor 2024.

Supplementary pension contributions

Boreo Plc's CEO has not had any pension terms or supplementary pension contributions that deviate from the statutory pension scheme during 2023.



Remuneration of the CEO (EUR)	Basic salary	Other financial benefits and compensations*	Short-term incentive plan**	Long-term incentive plan***	Total
Kari Nerg	261,512	13,440	39,930	0	314,882

*Other financial benefits and compensations including, e.g., holiday compensation, holiday bonus and fringe benefits

**Payout refers to performance in 2022. As part of a cost optimisation program agreed in Q4/23 it has been agreed that no short-term incentives will be paid to the CEO for 2023 nor 2024.

***The annual amortized value of the long-term incentive plan benefit granted in June 2022 is EUR 28,245 and the incentive is paid in July 2025 if the conditions are met.

Long-term incentive plan

Boreo Plc's Board of Directors resolved on June 10, 2022 on a Matching Share Plan directed to the company's key employees in which the participants are entitled to receive matching shares gratuitously after a three-year (3) matching period. The amortized value of the benefit granted to the CEO under the long-term incentive plan may not exceed 25% of the annual basic salary.

Boreo Plc's CEO Kari Nerg subscribed for 6,768 shares in the personnel issue carried out on June 14–26, 2022. The value of the shares acquired by the CEO was EUR 254,206. Thus, in July 2025, he may, according to the matching share plan terms (3:1), be paid remuneration in the form of a maximum value of 2,256 company shares, including the cash component for the payment of taxes. In 2023, no long-term incentive was paid to the CEO.

Other financial benefits and compensations

No signing fees, commitment fees or severance pays were paid in 2023. The CEO's contract includes a severance pay in the event that Boreo Plc terminates the employment. In addition to 6 months' redundancy pay, the CEO is entitled to severance pay corresponding to 6 months' basic salary.

Shareholdings

At the end of 2023, the CEO owned 42,138 shares in Boreo Plc (of which 35,370 through AK Capital Oy, a corporation in his control).