



# Remuneration Report 2025

# 1. Introduction

This remuneration report describes the implementation of Lehto Group Oyj's ("Lehto" or "Company") remuneration policy in 2025 and explains the remuneration and other financial benefits paid to the Board of Directors and the CEO in the financial year 2025. The Company does not have a Deputy CEO or a Supervisory Board.

The remuneration of Lehto's governing bodies is based on the Company's remuneration policy, which was approved by an advisory resolution at the Company's Annual General Meeting on 19 June 2024. The remuneration report has been prepared in accordance with the requirements of the Limited Liability Companies Act and the Securities Markets Act, as well as the recommendations of the Corporate Governance Code 2025 published by the Finnish Securities Market Association. The remuneration report will be presented to the Company's Annual General Meeting in April 2026.

The Company's remuneration report is published annually together with Lehto's financial statements, report of the Board of Directors and corporate governance statement, and it is available on Lehto's website for 10 years from its publication.

The Company has fully complied with the remuneration policy confirmed by the Annual General Meeting in the remuneration of the Board of Directors and the CEO. The Company's shares paid as remuneration for the Board of Directors have, in accordance with the remuneration policy, a transfer restriction, based on which a Board member must not sell his/her holdings before six (6) months have passed since the end of their Board membership.

The Company has not deviated from the remuneration policy and has not recovered any remuneration paid.

The development of the remuneration of the Board of Directors and the CEO compared to the development of the average remuneration of the Company's employees and the Company's financial development for the previous five (5) financial years is described in the following table.

	2025	2024	2023	2022	2021
<b>Chairman of the Board of Directors</b>					
Annual remuneration decided by AGM, € <sup>1)</sup>	18 000	18 000	69 000	69 000	69 000
Share bonus decided by the AGM, pcs	80 000	80 000	-	-	-
Meeting fee, €/meeting	-	-	1 500	1 500	1 500
<b>Member of the Board of Directors</b>					
Total annual remuneration decided by AGM, € <sup>1)</sup>	12 000	12 000	34 500	34 500	34 500
Share bonus decided by the AGM, pcs.	80 000	80 000			
Meeting fee, €/meeting	-	-	750	750	750
Committee meeting fee, chairman, €/meeting	600	600	600	600	600
Committee meeting fee, member, €/meeting	400	400	400	400	400
Total Board remuneration, average, €/person <sup>2)</sup>	15 909	13 629	61 103	55 092	47 044
Annual remuneration paid to the BoD, total, € <sup>3)</sup>	38 500	41 700	170 337	225 975	212 165
Meeting fees paid to the Board of Directors, total, €	-	6 000	58 800	67 850	70 100
Number of board meetings (of which email meetings)	13 (0)	27 (2)	30 (4)	26 (4)	18 (0)
<b>Managing director</b>					
Cash salary and taxable fringe benefits, €	111 233	363 520 <sup>4)</sup>	398 080	398 080	262 546
Performance bonus, €	-	-	-	-	-
Share bonus, €	-	-	-	190 100	-
<b>Personnel</b>					
Total salaries and wages of personnel, 1000€	926	1 881	24 019	48 773	56 083
Number of people during the year, average (incl. laid-off persons) <sup>5)</sup>	55	101	483	860	1 043
Average personnel remuneration, €/year <sup>5)</sup>	16 836	18 624	49 729	56 713	53 771
<b>Financial information</b>					
Net Sales, 1000€	1 353	1 086 <sup>6)</sup>	171 821	344 791	404 089
Operating result, 1000€	-2 618	-5 660 <sup>6)</sup>	-70 988	-42 192	-28 251
Result for the financial year, 1000€	-1 406	-2 934	-79 049	-26 652	-32 614
Average number of shares, undiluted, pcs.	162 189 933	88 078 609	87 257 649	87 276 343	87 142 297
Earnings per share, undiluted, €/share	-0,03	-0,03	-0,88	-0,31	-0,37
Share price 31 Dec	0,03 <sup>7)</sup>	0,03 <sup>7)</sup>	0,02	0,17	0,86
Dividend, eur/share	-	-	-	-	-

<sup>1)</sup> The reward for 2021–2023 includes a portion paid in cash and shares.

<sup>2)</sup> Total remuneration paid to the Board of Directors divided by the average number of Board members during the year.

<sup>3)</sup> The total annual bonus for 2024–2025 includes the portion paid in cash.

<sup>4)</sup> CEO Juuso Hietanen until April 30, 2024 and current CEO Hannu Lehto from May 1, 2024.

<sup>5)</sup> The majority of the Group's personnel have been laid off during 2024–2025, which is why the average remuneration figures do not reflect the usual level of remuneration.

<sup>6)</sup> Ongoing operations.

<sup>7)</sup> Trading in the share has been suspended since February 6, 2024. The share price shown is the closing price on February 5, 2024.

## 2. Board of Directors' remuneration in the financial year 2025

Lehto's Annual General Meeting decides on the remuneration to be paid for Board and committee work and the basis for determining it, in accordance with the remuneration policy. At Lehto's 2025 Annual General Meeting on 22 May 2025, it was decided to pay the Board's remuneration in exactly the same way as at the previous Annual General Meeting in 2024

- the Chairman of the Board of Directors is paid an annual fee of EUR 18,000 and 80,000 shares of the Company; and
- 12,000 euros and 80,000 shares of the Company for the members of the Board of Directors.

The Annual General Meeting decided that no meeting fees will be paid to the members of the Board of Directors, but that the meeting fees for the Board committees will be EUR 600 per meeting for the committee chair and EUR 400 for each committee member. The Annual General Meeting also decided that the travel expenses of the members of the Board of Directors and committees will be paid in accordance with the Company's travel regulations.

The shares paid as a reward are subject to a transfer restriction, based on which a board member must not sell their holdings before six (6) months have passed since the end of their board membership.

At its organizational meeting on 22 May 2025, the Board of Directors decided that due to the small size of the Company and the small number of members of the Board of Directors, it will not establish an audit committee or any other committee, so no committee meeting fees have been paid to the members of the Board of Directors in the financial year 2025. Furthermore, no Vice Chairman was elected to the Company's Board of Directors.

The remuneration paid to the members of the company's Board of Directors in the financial year 2025 is presented in the following table.

Remuneration paid to Board of Directors in 2025					
Name	Board remuneration, paid in shares, pcs <sup>3)</sup>	Board remuneration, paid in cash, eur	Board and committee meeting fees, eur	Total fees, eur	Other financial benefits, eur
Jani Nokkanen <sup>1)</sup>	67 808	6 000	-	6 000	-
Timo Okkonen	67 808	19 500	-	19 500	-
Tarja Teppo	67 808	13 000	-	13 000	-
Hannu Lehto <sup>2)</sup>	-	-	-	-	-
<b>Total board fees</b>	<b>203 424</b>	<b>38 500</b>	<b>0</b>	<b>38 500</b>	<b>0</b>

<sup>1)</sup> Jani Nokkanen was a member of the Board until May 22, 2025.

<sup>2)</sup> Hannu Lehto is employed by the company, which is why he is not paid a separate board fee

<sup>3)</sup> Share-based remuneration for the Board period 2024–2025. The share-based remuneration for the period 2025–2026 was not yet paid during 2025.

No other remuneration has been paid to the members of the Board of Directors and the travel expenses of the members of the Board of Directors have been reimbursed in accordance with the Company's travel policy.

The share-based remuneration paid to the members of the Board of Directors in the financial year 2025 is related to the remuneration decided by the 2024 Annual General Meeting. A total of 203,424 treasury shares held by the Company were transferred to the members of the Board of Directors. The members of the Board of Directors voluntarily proposed to the Company that the remuneration to be paid to them in shares would be smaller (67,808 shares/member) than the number of shares decided by the 2024 Annual General Meeting (80,000 shares/member). The basis for the proposal was that the shares held by the Company would not have been sufficient to pay the share-based remuneration and the transfer of new shares through a share issue would have been disproportionately expensive.

The Board of Directors' remuneration paid in cash has been paid in monthly installments during 2025, but the Company has not yet transferred or acquired the remuneration paid in shares to the Board of Directors in accordance with the decision of the 2025 Annual General Meeting. The Company estimates that the shares can be acquired from public trading in the second half of 2026, when the Company's intended trading of the shares on the First North Growth Market marketplace begins.

The members of the Board of Directors, with the exception of CEO Hannu Lehto, are not in an employment or service relationship with the Company and have not had any other financial benefits or share-based compensation systems, taking into account that part of the Board of Directors' annual remuneration has been paid in the Company's shares.

# CEO's remuneration for the financial year 2025

## ***Fixed monthly salary***

The Board of Directors defines and approves the key terms of the CEO's employment relationship, including the CEO's remuneration, in accordance with the remuneration policy approved by the Annual General Meeting. The CEO of the company is Hannu Lehto. According to the CEO agreement, the remuneration consists of a fixed monthly remuneration of EUR 9,000. In the financial year 2025, the CEO was paid a total of EUR 111,232.80 in salary and benefits. The total amount included a fixed monthly salary, holiday pay and fringe benefits such as telephone and lunch benefits.

The terms of the CEO's employment relationship have been drawn up in the form of a written executive contract. The contract is valid until further notice and can be terminated by both parties with a six (6) month notice period, during which the CEO is entitled to a monthly salary and fringe benefits. If the Company terminates the CEO's executive contract without cause attributable to him, the CEO is entitled to receive compensation equivalent to six (6) months' salary.

The CEO is entitled to a pension in accordance with the Employment Contracts Act and other legislation governing pensions and does not have a supplementary pension. The pension system is defined contribution. The CEO is not obliged to own or acquire shares in the Company.

## ***Short-term and long-term incentive schemes***

Any performance bonuses and other incentives are determined annually in accordance with the principles determined by the Board of Directors regarding such incentives, which are announced in advance. According to the CEO agreement, Hannu Lehto is entitled to a performance bonus, the basis for which is decided annually by the Company's Board of Directors in accordance with the remuneration policy. The CEO is also entitled to a bonus, the basis for which is decided annually by the Company's Board of Directors. No performance bonus or other incentives were decided for 2025.

In 2025, the CEO has not received any performance-based bonuses, financial benefits based on short- or long-term incentive plans, or additional pension contributions. The relative shares of the CEO's fixed and variable remuneration components of the salary or bonus have been 100% fixed and 0% variable salary components.