

REMUNERATION REPORT 2024

This remuneration report is prepared in accordance with the Finnish Corporate Governance Code 2025 effective as of 1 January 2025 (available at www.cgfinland.fi) and within the limits of Exel Composites' Remuneration Policy presented to the Annual General Meeting on 26 March 2024. The Remuneration Policy is available on the company's website at www.exelcomposites.com.

Introduction

Exel Composites' remuneration principles are developed to promote the company's strategy, the competitiveness and long-term financial success of the company and to contribute to the development of the company's shareholder value. The company's remuneration schemes aim to increase the long-term commitment of Exel leadership and the whole personnel to promote the interests of the company and its shareholders as well as to motivate and reward key individuals in the achievement of strategic targets. At Exel Composites, the remuneration of employees is based on the company's strategic targets. Remuneration is an entity that comprises of several different components. In addition to monetary salary paid to all, the employee may be part of a short-term incentive plan or of different incentive or performance rewards.

The Board of Directors monitors and evaluates the Group's remuneration schemes, including the materialization of the remuneration policy and the competitiveness of the remuneration schemes and how the materialized remuneration supports the achievement of the company's strategic targets and long-term financial success. To ensure a competitive and appropriate remuneration, the remuneration components are compared to the practices of comparable companies.

Remuneration Policy and the Remuneration report 2023 presented to the Annual General Meeting 2024 were adopted through advisory voting. The remuneration of the company's Board of Directors as well as President and CEO has followed Exel Composites' Remuneration Policy during the financial year 2024. No deviations to the Remuneration Policy were made in the report. The company did not exercise its rights to recover or

cancel paid or unpaid incentives in 2024. The Remuneration Report 2024 will be presented to Exel Composites' Annual General Meeting 2025 for an advisory vote.

Development of Group remuneration

EUR thousand	2024	2023	2022	2021	2020
Remuneration of the Board of Directors	216	238	247	180	173
Remuneration of the President and CEO 1)	341	286	328	471	438
Remuneration of the company's employees on average 2)	56	51	53	49	46
Revenue	99,614	96,815	136,988	134,365	108,595
Adjusted operating profit	1,704	-2,446	8,029	6,029	9,708
Total shareholder return, % 3)	-89.0	-50.4	-30.7	12.2	19.1

- 1) Paul Sohlberg, President and CEO since 20 March 2023.
Jouni Heinonen, Interim President and CEO 1 October 2022-19 March 2023.
Riku Kytömäki, President and CEO until 30 September 2022.
- 2) Personnel expenses divided by the number of employees on average.
- 3) 1 January - 31 December, dividends re-invested

Remuneration of the Board of Directors in 2024

The AGM held in 2024 confirmed the following compensation for Board members for the year 2024:

- **Chairman:** Annual remuneration of EUR 45,000 (previous year: EUR 45,000) and additionally EUR 1,500 (1,500) for attendance at each Board and committee meeting and for each similar all-day Board assignment.
- **Board member:** Annual remuneration of EUR 21,000 (21,000) and additionally EUR 1,000 (1,000) for attendance at each Board and committee meeting and for each similar all-day Board assignment.
- For each committee meeting, the meeting fee for the committee chairman is EUR 1,500 (1,500).

Travel expenses and other out-of-pocket expenses arising from the Board work will be compensated in accordance with the Company’s established practice and travel rules.

According to a decision of the AGM held in 2024, 60% of the yearly remuneration was paid in cash and 40% in Exel Composites Plc shares, which were acquired directly for and on behalf of the members of the Board of Directors from the stock exchange market in amounts corresponding to EUR 18,000 for the Chairman and EUR 8,400 for each of the other members. Should the term, for any reason, of any member of the Board of Directors terminate before the next Annual General Meeting, the member of the Board of Directors shall return to the Company the remuneration or equivalent amount in cash for the period corresponding to the term of office following the termination of membership.

Exel Composites has no such incentive program by which the Company rewards the Board members with shares or option rights. The Board members are neither entitled to a short-term performance-based bonus.

EUR thousand	Board and Committee meetings (attendance/total)		Annual fixed fees 2024	Meeting fees for Board and Committee meetings		Other fees 2024	Total fees 2024	Total fees 2023
	2024	2024		2024	2024			
Jouni Heinonen 1) Chairman (since 10 May 2023, member since 25 March 2022)	15	/ 15	45	23	3	71	69	
Petri Helsky Member (since 17 March 2016)	13	/ 13	21	15	5	41	47	
Helena Nordman-Knutson Member (since 4 April 2017)	12	/ 12	21	13	4	38	38	
Jouko Peussa Member (since 17 March 2016)	11	/ 13	21	11	2	34	37	
Kirsi Sormunen Member (since 20 March 2020)	12	/ 12	21	12	0	33	38	
Reima Kerttula Chairman (until 10 May 2023)	0	/ 0	0	0	0	0	9	
Total			129	73	14	216	238	

1) Board meeting fee was not paid to Jouni Heinonen throughout the time he held the Interim President and CEO position (1 October 2022 to 19 March 2023).

Remuneration of the President and CEO in 2024 (2023)

EUR thousand	Paul Sohlberg President and CEO (since 20 March 2023)		Jouni Heinonen Interim President and CEO (1 October 2022-19 March 2023)
	2024	2023	2023
Fixed annual base salary	251	198	38
Fringe benefits	14	10	0
Short-term incentives	Based on 2024 performance (estimate, to be paid in 2025)	Based on 2023 performance (paid in 2024)	Based on 2023 performance (paid in 2024)
total	76	40	0
% of annual base salary	30	20	0
% of maximum level	48	32	0
Long-term incentives	Based on 2022-2024 performance (estimate, to paid in 2025)	Based on 2021-2023 performance (paid in 2024)	Based on 2021-2023 performance (paid in 2024)
total	0	0	0
% of annual base salary	0	0	0
% of maximum level	0	0	0
Total	341	248	38

Proportional share of fixed and variable remuneration components for the President and CEO was 78% and 22% in 2024. The President and CEO is not entitled to a supplementary pension. No signing bonuses or severance packages were included in other benefits. The remuneration of Exel Leadership Team and share ownerships of the President and CEO and Exel Leadership Team members are presented on Exel Composites' website at www.exelcomposites.com.

Variable remuneration of the President and CEO

Earning opportunity and performance measures for short-term incentives

	Weight, %	Achievement, % of maximum level
Based on 2024 performance (estimate, to be paid in 2025)		
Revenue, EUR million	20	33
Adjusted operating profit, EUR million	20	23
Net debt to adjusted EBITDA	30	48
Strategic projects	30	74
Based on 2023 performance (paid in 2024)		
Adjusted operating profit, EUR million	80	30
Gross margin, EUR million	20	61

Maximum earning opportunity is 60% of annual base salary for the President and CEO.

Earning opportunity and performance measures for long-term incentives

	Weight, %	Achievement, % of maximum level
Based on 2022-2024 performance (estimate, to be paid in 2025)		
Adjusted operating profit, EUR million	75	0
Total shareholder return, %	25	0
Based on 2021-2023 performance (paid in 2024)		
Adjusted operating profit, EUR million	75	0
Total shareholder return, %	25	0

Maximum earning opportunity is 200% of annual base salary.

Short-term and long-term incentive programs

Exel Composites' short-term incentive program covers all employees. President and CEO, Exel Leadership Team and office employees alike are entitled to a short-term incentive in addition to their fixed salary. The performance measures of the short-term incentive are tied to the achievement of annually established goals emphasizing growth and profitability as well as possible individual targets. Production employees are also eligible for short-term incentive compensation. Their short-term incentives are mainly based on factory profitability and production related performance measures.

The Group has long-term incentive programs for President and CEO, Exel Leadership Team and selected key employees of the company. The aim of the programs is to align the interests of the management with those of the company's shareholders and, thus, to promote shareholder value creation, to commit the management to achieving the company's strategic targets and to retain the company's key individuals. The Board of Directors decides on the program and the performance measures annually. According to the rules of the existing programs, the gross value of the LTI Earning of an individual participant at the time of the delivery date will not exceed 200% of the participants' annual base salary. The total length of the earning and vesting periods is at least 3 years.

On 31 December 2024 the Group had four share-based long-term incentive programs, and one program had the planned pay out date during 2024:

The 2021 plan is part of a share-based long-term incentive program for the earning period 2021-2023 and is targeted at approximately 20 executives. The President and CEO and the Group Management Team are included in the target group of the 2021 incentive program. 75% of the potential share-based performance reward is based on cumulative adjusted operating profit (EBIT) and 25% on total shareholder return of the company's share (TSR). The maximum number of shares to be paid under this individual plan was 100,000 shares, of which President and CEO's share was 25,600 shares. The fair value at measurement date was EUR 7.78 per share. The potential share reward was payable in 2024, but there was no payout.

The 2022 plan is part of a share-based long-term incentive program for the earning period 2022-2024 and is targeted at approximately 20 executives. The President and CEO and the Group Management Team are included in the target group of the 2022 incentive program. 75% of the potential share-based performance reward is based on cumulative adjusted operating profit (EBIT) and 25% on total shareholder return of the company's share (TSR). The maximum number of shares to be paid under this individual plan is 100,000 shares, of which President and CEO's share is 25,600 shares.

The fair value at measurement date was EUR 6.68 per share. The potential share reward will be payable in 2025, but payout is expected to be zero.

The 2023 plan is part of a share-based long-term incentive program for the earning period 2023-2025 and is targeted at approximately 20 executives. The President and CEO and the Group Management Team are included in the target group of the 2023 incentive program. The performance target to the plan is the relative total shareholder return (TSR) of the Exel Composites' share where the TSR of Exel's share will be compared to the TSR of all shares listed on Nasdaq Helsinki. The potential share reward is payable in the spring 2026. The maximum number of shares to be paid under this individual plan is 140,000 shares. The fair value at measurement date was EUR 3.95 per share.

The 2024 plan: The Board of Directors of Exel Composites Plc decided on the continuation of the share-based long-term incentive program for the leadership of Exel Composites. The 2024 performance-based plan is part of the share-based long-term incentive program published on 4 May 2017. The performance target applied to the plan commencing at the beginning of 2024 is the relative total shareholder return (TSR) of the Exel Composites' share where the TSR of Exel's share will be compared to the OMX Helsinki Gross Index (OMXHGI). The potential share rewards payable will be paid in the spring 2027, provided that the performance targets are achieved, and the continuous employment condition is met. The potential rewards will be paid in listed shares of Exel Composites and in cash corresponding to value of taxes. The plan is targeted at maximum of 20 persons belonging to the company's leadership. If the performance targets set for the 2024 plan are fully achieved, the aggregate value of the 2024 plan is approximately EUR 0.8 million, which corresponded to 360,000 shares based on the average share price of 23 April 2024. After the rights issue of Exel Composites in June 2024, the Board of Directors decided to adjust the maximum number of shares to 2,650,000 maintaining the program value due to the effect of the rights issue on the prevailing number of shares and share price.

In each program the fair value of a share at the measurement date is the closing price of the share on the date the Board decided on the program, adjusted with the estimated dividends to be paid during the program. The profit and loss of 2024 includes EUR 68.3 thousand of costs related to these incentive programs. The profit and loss impact is based on modelled fair value estimate as required by IFRS2, which was EUR 1.10 per share for the 2023 plan and EUR 0.08 per share for the 2024 plan.

The administration of the share-based incentive plan and the acquisition of shares are conducted through an arrangement made with Evli Awards Management Oy (EAM) as per the decision of the Board of Directors on 12 June 2017 and according to the stipulations of the Companies Act for financing the purchase of own shares (the Finnish Companies Act, Chapter

13, Section 10, Subsection 2) relating to incentive plans. As a part of this arrangement EAM founded EAM EXL1V Holding Oy (Holding company) which acquires the shares with Exel's funding and according to the agreement. These shares will be delivered to the employees according to Exel's share plan terms and conditions. The Holding company is owned by the EAM in legal terms, but according to the agreement, Exel has control over the company and acts as the principal, whereas EAM is an agent through the Holding company. This control arising from contractual terms means, that the Holding company is consolidated into the Group's IFRS financial statements as a structured entity.

Board has decided that any bonus payouts can be only paid to a receiver who is employed by Exel, has not submitted a resignation, and has not been made redundant on personal grounds at the time of the payment of the bonus.

The total length of the earning and vesting periods of LTI 2021, 2022 and 2023 programs, including a one-year lock-up period, is 4 years, and the total length of the earning and vesting period of LTI 2024 program is 3 years.