

INNOFACTOR

Remuneration Report

1. Introduction

Innofactor Plc (hereinafter “Innofactor” or “the Company”) is a Finnish public limited company that, in its decision-making and administration, complies with the Finnish Limited Liability Companies Act, other regulations concerning public companies, and the Company’s Articles of Association. This remuneration report describes the remuneration of the Company’s Board of Directors and the CEO for the financial year 2024.

This remuneration report has been drafted in accordance with the Finnish Limited Liability Companies Act, Securities Markets Act, Decree of the Ministry of Finance on the Remuneration Policy and remuneration report on a share issuer, and the

Finnish Corporate Governance Code published by the Securities Markets Association.

This remuneration report has been prepared by Innofactor’s Remuneration Committee and approved by the Company’s Board of Directors for presentation to Innofactor’s Annual General Meeting in 2025. The decision of the Annual General Meeting on the matter is advisory.

The Remuneration Policy of Innofactor’s bodies was presented to Innofactor’s Annual General Meeting on March 27, 2024, where it supported the approval of the policy. The Remuneration Policy defines the principles for the remuneration of the Board of Directors and the CEO of Innofactor Plc. The current Remuneration Policy is valid for four years, until the Annual General Meeting in 2028. Innofactor’s Remuneration Policy

is available on the Company’s website (<https://www.innofactor.com/invest-in-us/corporate-governance/>).

During the 2024 financial year, the remuneration of the CEO and the Board of Directors was in accordance with the Remuneration Policy approved by the Annual General Meeting. The CEO’s remuneration has been tied to the achievement of the Company’s strategic objectives contributing to the Company’s long-term financial success.

There have been no deviations from the Remuneration Policy during 2024. No refunds have been made to enable the Remuneration Policy to be reimbursed.

This report is issued separately from the Company’s Annual Report.

Remuneration and financial development of the Company for the previous five financial years

	2024	2023	2022	2021	2020
Net sales (EUR thousand)	77,576	80,263	71,130	66,364	66,164
Operating margin (EBITDA) (EUR thousand)	6,338	9,101	7,808	10,076	7,164
Remuneration of the Board of Directors *	146,719	150,000	120,000	120,000	140,000
Salary and remuneration of the CEO **	363,024	345,165	314,000	351,000	320,069
Average salary of an employee ***	84,773	87,416	84,569	83,500	79,469

*The reporting period for the Board of Directors’ remuneration is from one year’s Annual General Meeting to the next year’s Annual General Meeting. Other figures have been reported for the financial year.

**The CEO’s salary and remuneration do not include the remuneration paid for Board work. For 2024 the number includes the performance bonus that was transferred to the personnel fund.

***The average salary of an employee is calculated by dividing the employee expenses (excluding the CEO’s salary) by the average number of employees (excluding the CEO) during the year.

2. Remuneration of the Board of Directors

According to the Remuneration Policy, the members of the Board of Directors are paid an annual fee and a possible meeting fee. The Annual General Meeting decides on the remuneration of the members of the Board of Directors. The Chairman of the Board, a possible Deputy Chairman and members of any committees may be paid an increased fee or meeting fees. Remuneration paid to the members of the Board of Directors may be paid in cash or in part or in full in the form of the Company's shares.

In 2024, the Annual General Meeting decided on March 27, 2024 that the remuneration of the Chairman of the Board of Directors is EUR 60,000 per year and the remuneration of the other members of the Board of Directors is EUR 30,000 per year. Half (50%) of the fee will be paid in cash and half (50%) in Innofactor Plc shares. The shares shall be handed over to the members of the Board of Directors during April primarily from shares in the Company's possession or, secondarily the shares shall be acquired from public trading directly on behalf of the members of the Board of Directors within two weeks of publishing the interim report of Innofactor Plc for January 1 – March 31, 2024. In case shares will not be acquired due to a reason arising from the Company or the Board member, the entire fee will be paid in cash. Innofactor Plc requires that the members of the Board of Directors retain the shares received as a reward for the duration of their Board membership.

Additionally, the Extraordinary General Meeting decided on October 11, 2024 that fees of the Chairman and the members of the Board of Directors shall remain unchanged in accordance with the resolution of the Annual General Meeting of Innofactor held on March 27, 2024. However, for the members of the Board of Directors elected at the Extraordinary General Meeting, the fees shall be paid fully in cash in proportion to the length of their term of office, and in respect of the continuing

members of the Board of Directors taking into account the fees already paid to them. It was additionally decided that the Chairman of the Board of Directors will be paid EUR 5,000 per month and the members of the Board of Directors EUR 2,500 per month for the duration of their term of office, with any share remuneration already paid to the members of the Board of Directors who remain in office reducing the monthly cash remuneration by 50%. No separate fees for meetings shall be paid.

Further, the Extraordinary General Meeting decided that fees already paid to then current members of the Board of Directors as resolved by the Annual General Meeting of Innofactor held on 27 March 2024, will be paid in full and no claim will be made for repayment in proportion to the length of their term of any fees already paid. For the then current members of the Board of Directors who are not re-elected and whose term of office expires at the end of the Extraordinary General Meeting, it was decided that the monthly cash remuneration based on the decision of the Annual General Meeting be paid until the date of the Extraordinary General Meeting.

Remuneration paid to members of the Board of Directors in 2024 (euros)

Members of the Board of Directors	Annual fee in cash	Annual in shares	Total remuneration
Sami Ensio	15,000	15,000	30,000
Anna Lindén (Chairman)	23,437.50	30,000	53,437.50
Risto Linturi	30,000	0	30,000
Heikki Nikku	11,718.75	15,000	26,718.75
Antti Kummur (Chairman as of 11 October 2024)	0	0	0
Timo Larjomaa	6,562.50	0	6,562.50

No other financial benefits have been paid to the members of the Board of Directors. In his position as the Company's CEO, Sami Ensio has been paid the salaries and remuneration reported in Section 3.

3. Remuneration of the CEO

The Company's Board of Directors decides on the remuneration of the CEO within the framework of the Remuneration Policy. The Company's Remuneration Committee prepares proposals for the Board of Directors concerning the decisions on the CEO's remuneration. The CEO's remuneration consists of a fixed share and variable shares. The fixed part is the CEO's annual salary and fringe benefits. Variable components of the CEO's remuneration can be, for example, short-term and long-term incentives. In addition, the CEO's remuneration may consist of other benefits, such as insurance, severance pay and voluntary retirement benefits.

The CEO's total remuneration depends on the Company's performance in relation to the targets set for the Company. Innofactor's goal for the CEO's remuneration is that the variable proportions of the CEO's remuneration are approximately 0–50% of the CEO's possible maximum total remuneration, which does not include any possible Board remuneration or any benefit from the share issue to management and employees.

Innofactor's CEO's remuneration in 2024 was 329,175 euros in total. The fixed salary's proportion was 90 % and the variable component's 10 %. The remuneration paid to the CEO in 2024 is depicted below.

Components of the CEO's remuneration

CEO	Paid in 2024	Performance bonus for 2024 (paid in 2025)
363 024	329,175	
Performance bonuses	33,849**	0
Relative share of fixed and variable components %	90/10	
Total salary*	363,024	

* Does not include the remuneration paid for Board work

** CEO performance bonus payable in 2024 was transferred to the personnel fund.

No other remuneration or benefits have been paid to the CEO.

The incentive-based remuneration of the CEO is based on the Company's financial, profit or other performance, the performance criteria of which are decided annually by the Company's Board of Directors. The incentive-based remuneration for the years 2024 and 2025 has been set to a maximum of 100 % of the annual base salary. For 2024, the Board of Directors set the growth of the Company's net sales (weight 100 %), which will additionally be multiplied by a profitability multiplier, as the indicators on which the CEO's performance bonus was based. In addition, the performance bonus is affected by the Company's employment and customer satisfaction. The Board of Directors has also decided that the performance bonus for 2023 can be increased by 20 % if the Board of Directors decides on a personnel share issue in connection with the payment

of the performance bonus and a person eligible for the bonus uses the bonus payment to participate in the share issue or transfers their bonus to the personnel fund. The Board of Directors decided to pay the CEO's performance bonus for 2024 in accordance with a predetermined formula.

Also for 2025, the Board of Directors has set the growth of the Company's net sales (weight 100 %), which will additionally be multiplied by a profitability multiplier, as the indicator on which the CEO's performance bonus will be based. The performance bonus will additionally be impacted by the Company's employee and customer satisfaction.