



RELAIS

23

REMUNERATION REPORT 2023

Remuneration Report 2023

This Remuneration Report of Relais Group Plc 2023 describes how Relais Group has applied its Remuneration Policy in the fiscal year 2023. The report describes the remuneration of Relais Group's Board of Directors and CEO from 1 January to 31 December 2023. The report complies with Securities Market Association's Corporate Governance Code that entered into force on January 1, 2020 and applicable legislation.

The Remuneration Report complies with the Remuneration Policy published on 14 March 2023. The Remuneration Policy was reviewed by the Annual General Meeting held on 5 April 2023, which was the first following the company's main list transition on 1 December 2022.

The Remuneration Policy is presented to the Annual General Meeting every four years. The Board of Directors reviews the Remuneration Policy regularly to ensure its compliance with Relais Group Plc's strategic targets and long-term targets before its next presentation at the 2027 Annual General Meeting, unless the Board of Directors deems it necessary to make substantial changes to the Remuneration Policy before 2027 and presents it at an earlier general meeting for advisory decision-making. In accordance with the Remuneration Policy, Relais Group Plc's Board supervises the implementation of the Remuneration Policy and ensures that the remuneration of the company's governing bodies takes place within the framework of the Remuneration Policy presented to the general meeting. Relais Group Plc's Annual General Meeting decides annually on the remuneration of the Board members based on the proposal prepared by the company's largest shareholders.

The Remuneration Report will be reviewed at the Annual General Meeting of Relais Group Plc in 2024. The purpose of the Remuneration Report is to describe how the Remuneration Policy has been applied in 2023 regarding the payment of remuneration and to align remuneration with the successful achievement of the long-term strategy. The Remuneration Policy and Remuneration Report are available on Relais Group Plc's website at www.relais.fi.

Remuneration principles

The remuneration principles defined in the company's Remuneration Policy guide the company's incentive structure and performance metrics. The remuneration principles are designed to align the interests of directors, officers, employees and shareholders while supporting the incentive paid for the company's performance. The target of the company's incentive programs is to promote the implementation of its strategy and create long-term, sustainable performance while increasing shareholder value. The Board regularly monitors the implementation of the company's incentive programs to ensure that the selected measures promote the company's business strategy and long-term financial success.

Every part of the remuneration is balanced to promote the company's continuous positive development in both the short and long term. The Policy is consistent with the company's strategic plan, especially as far as the short- and long-term reward targets chosen to encourage the management and the weighting of these targets are concerned.

Remuneration in 2023

The remuneration information presented in this report for the year 2023 concerns the Group CEO. Remuneration information about the Board of Directors is not presented because, according to the resolutions by the general meetings, no remuneration for Board membership has been paid to the members of the Board in any of the periods covered by this report. Board members are also not paid benefits in kind, and they are not covered by short- or long-term performance incentive programs.

Development of Relais Group's financial performance and remuneration

Relas Group's net sales were EUR 284.3 (260.7) million, an increase of 9%. Net sales of the Commercial Vehicle Repair and Maintenance business increased by 7% and the net sales of the Technical Wholesale and Products business increased by 10%. In 2023, the Group's EBITA was EUR 28.6 (23.0) million and the comparable EBITA EUR 28.9 (25.8) million.

The improvement in EBITA was attributable to the profitability improvement in the Commercial Vehicle Repair and Maintenance business as well as corporate acquisitions made in 2022 and 2023. Heavy competition in the spare parts market and weak consumer demand impacted negatively on the profitability of the Technical Wholesale and Products business in Finland and the Baltics. Especially the online business in Finland was negatively impacted.

The significant weakening of the Swedish krona in 2023 had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA would have been approximately EUR 1.5 (0.7) million higher than reported.

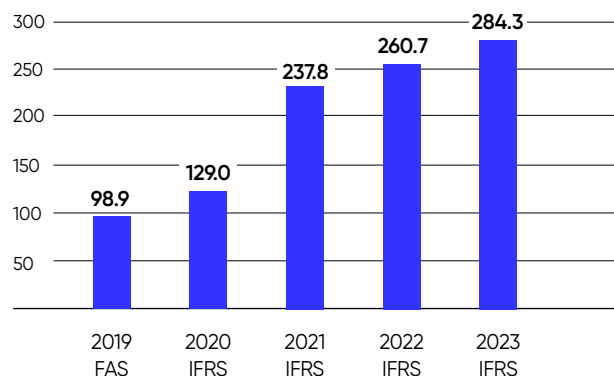
Relais Group acquired a total of four companies during last year, with a total annual net sales of approximately EUR 25 million.

In accordance with Relais Group's Remuneration Policy, the CEO's remuneration is based on a fixed annual salary and a performance-based bonus. In addition to this, the CEO is involved in a long-term incentive programs, where the payment of possible rewards are based on the creation of long-term shareholder value.

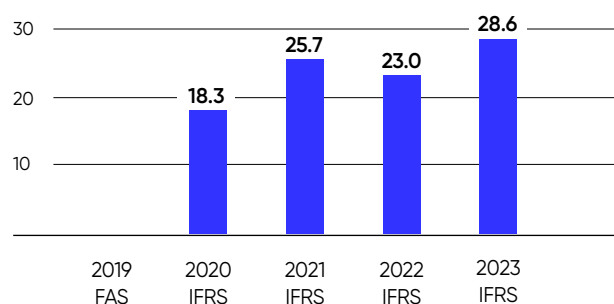
Since the goals of the short- and long-term incentives are related to the development of Relais Group's business, the company's financial performance is reflected in the development of the CEO's actual remuneration, especially short- and long-term incentives. The charts below present

the company's financial performance and the CEO's actual remuneration. The CEO's short-term and long-term incentives are presented according to the payment year and are always based on the performance of the previous year or on longer time period.

Group Net sales, MEUR



Group EBITA, MEUR



CEO remuneration and average personnel remuneration, in thousand EUR

	2019	2020	2021	2022	2023
CEO	218	224	276	305	248
Group personnel average	44	44	44	42	43

The changes in total remuneration have mainly resulted from changes in realized STIP bonuses and minor revisions to the CEO's fixed annual salary.

The implementation of the group's acquisition strategy has approximately quintupled the number of employees in the group during the review period and changed the group's personnel structure, as the acquired companies represent different type of businesses. Due to the changes in the personnel structure, the change in the average remuneration of the personnel average is not fully comparable between the years.

During 2023, Relais Group Plc's Board of Directors did not decide to postpone, fully or partially not pay the variable fees or collect them back.

Remuneration and shareholding of the Board of Directors

Relais Group Plc's Annual General Meetings on 30 March 2021, 13 April 2022 and 5 April 2023 decided that Board members will not be paid any remuneration for the membership of the Board or potential committees. The Board members are also not employed or assigned by the company and therefore have not received any financial compensation from the company in 2021–2023, except for travel expenses reimbursed in accordance with the principles adopted by the aforementioned general meetings.

The members of the Board owned Relais Group Plc shares directly, and through companies directly or indirectly in their control on 31 December 2023 as follows:

	pcs	% of shares and votes
Jesper Otterbeck	3,024,450	16.68%
Anders Borg	60,000	0.33%
Olli-Pekka Kallasvuori	84,300	0.46%
Katri Nygård	106,050	0.58%
Lars Wilsby	30,000	0.17%
Total	3,304,800	18.23%

On 31 December 2023, the members of the Board owned Relais Group Plc's option rights as follows:

Katri Nygård 383,450 option rights

Remuneration and shareholding of the Group CEO

Arni Ekholm has served as Group CEO throughout the 2023 financial year.

Total remuneration of the Group CEO in 2023

In 2023, CEO Arni Ekholm was paid the following salary and fees:

EUR	Fixed annual salary	Performance-based bonuses*)	Total
CEO Arni Ekholm	247,600.87	0.00	247,600.87

*) Bonus from 2022 paid in 2023.

The Board of Directors prepares and approves the principles of different remuneration systems and salary components, and decides on the CEO's salary, bonuses and key terms of employment within the framework of the Remuneration Policy of the governing bodies presented to the general meeting.

In accordance with Relais' Remuneration Policy, the CEO's remuneration is based on a fixed annual salary and variable salary components. Variable salary components, i.e. short-term and long-term incentive programs, are part of the CEO's remuneration. The targets of the short-term incentive plan are based on the annual development of the company's business. The outcome of the long-term incentive plans are based on the development of the company's share price.

The share of the fixed annual salary paid to the CEO in 2023 was 100% of the total amount of remuneration.

The CEO has life insurance initiated by the company, which cost the company EUR 6,426.12 (6,601.56) in the fiscal year 2023. The CEO had a company car and mobile phone benefit and lunch benefit.

Short-term performance-based bonus

In the 2023 performance bonus program, the maximum amount of the cash bonus that may be paid to the CEO based on the short-term incentive plan was 50% of the fixed annual salary. The outcome paid for the incentive system is based on the targets related to the development of the group's earnings per share, net working capital efficiency and qualitative business development.

The weight of the group's numerical development in the targets of the incentive system was 80% and the weight of other targets was 20%. In 2023, the success rate in achieving the targets of the CEO's short-term incentive plan was 40% of the maximum reward, so the monetary reward accumulated was 20% of the 2023 fixed annual salary. The amount to be paid in cash is EUR 47,000 will be paid in 2024.

Long-term incentive plans

The CEO is involved in two long-term incentive plans addressed to the management of the Company and applicable in 2021–2026. The aim of the incentive plans is to align the interests of Relais Group's management with the interests of the Company's shareholders and thus promote the increase of shareholder value in the long term, as well as reward and engage the Company's management.

The CEO is involved in the share-based long-term incentive plan decided by the company's Board on 25 February 2021.

The rewards payable under the plan will be paid in cash based on the value of a specific number of incentive units included in the plan. In the end of 2023, the maximum

aggregate number of incentive units to be settled in cash based on the Plan was 172,000 units, of which the CEO holds 45,966 incentive units. The original maximum aggregate number of incentive units was 258,000, of which the CEO held 58,000 units. The incentive units were allocated to the participants free of charge. The value of each incentive unit is linked to Relais Group's share price development during the plan period. The earned reward represents a gross earning, from which the applicable payroll tax is withheld.

The incentive units allocated to the participants are divided into three separate tranches. The potential rewards payable under these tranches will be paid during the first half of the years 2023, 2024 and 2025 respectively. No rewards were paid in 2023 for the first tranche of the program.

The threshold price of each incentive unit in each of the three tranches is the trade volume weighted average price of Relais Group's share on the First North Growth Market Finland marketplace of Nasdaq Helsinki Ltd during the last twenty-five trading days preceding March 16, 2021 i.e. 16.36 euros. The end price of each incentive unit is the trade volume weighted average price of Relais Group's share on the main list of Nasdaq Helsinki Ltd during the twenty-five trading days following the publication date of Relais Group's annual results for the year immediately preceding the year of payment, i.e., for the years 2022, 2023 and 2024 respectively. The threshold price of the incentive unit is deducted with the dividends paid between the start and end price determination periods.

The amount of the reward payable based on the Plan is limited by a maximum cap linked to the company's share price development.

The CEO is also involved in Relais Group's two new option programs for key personnel decided by the board on August 10, 2023. The option rights were granted and their recipients accepted them on September 5, 2023.

The Board of Directors decided on the new stock option plan based on the authorisation given by the Annual General Meeting of Shareholders on 5 April 2023. The target group of the stock option plan consists of 12 key employees.

The maximum total number of stock options to be issued is 120,000 and they entitle their owners to subscribe for up to an equivalent number of new shares in total in the company or existing shares held by the company. The stock options are issued gratuitously. Of the stock options, 58,000 are marked with the symbol 2023A, and are issued to the Group's Finnish key employees. Of the stock options, 62,000 are marked with the symbol 2023B, and they are issued to the Group's Swedish key employees. At the end of the review period 100,000 stock options had been issued. The CEO's share of option rights is 20,000 options.

The shares subscribed for with the stock options to be issued will account for a total maximum of 0.66 per cent of all the company's shares and votes after possible share subscriptions if new shares are issued in the subscription. As a result of the share subscriptions made with the stock options, the number of shares in the company may increase by a total maximum of 120,000 shares if new shares are issued in the subscription.

The share subscription price for stock options 2023A and 2023B is 15.28 euros per share, which equals the trade volume weighted average quotation of the share on Nasdaq Helsinki Ltd from 19 May 2023 to 30 June 2023, added with a premium of 15 per cent. The share subscription price will increase if the value of the share at the share subscription has increased more than 300 per cent compared to the volume weighted average quotation of the share on Nasdaq Helsinki Ltd from 19 May 2023 to 30 June 2023.

The share subscription price will be credited to the company's reserve for invested unrestricted equity. The annually paid dividends and repayment of equity per share

will be deducted from the subscription price.

The share subscription period for stock options 2023A and 2023B is from 1 April 2026 to 30 June 2026.

The theoretical market value of one stock option 2023A and 2023B was at the granting moment approximately 2.07 euros. The theoretical market value of the stock options 2023A and 2023B was at the granting moment approximately EUR 248,351 in total. The theoretical market value of a stock option has been calculated by using the binomial model taking into account the subscription price of the stock option and the following input factors: share price EUR 12.90, risk-free interest rate 2.94%, validity of stock options approximately 2.89 years, volatility approximately 28.92% and the share subscription price mechanism limiting the value increase of option.

CEO's shareholding on 31 December 2023

On 31 December 2023, CEO Arni Ekholm owned 67,450 Relais Group Plc shares.

Benefits to be paid upon termination

If the company gives notice to the CEO, he will have the right to receive compensation corresponding to six months' total pay.

Other financial benefits

No other financial benefits in addition to those described above were paid to the CEO in 2023.

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