



2021

**Remuneration
Report**

Introduction

This remuneration report presents information on the remuneration of Enersense International Plc (“Enersense” or “The Company”) Board of Directors and President and CEO (“CEO”) for the period between 1 January 2021 and 31 December 2021. The first remuneration policy will be presented to the Company’s Annual General Meeting on 4 April 2022. The Remuneration Policy will be applied until the Annual General Meeting in 2026, unless the Board of Directors decides to present it to the Annual General Meeting earlier.

Enersense remuneration principles have been designed to attract, retain, and motivate employees, as well as provide remuneration elements aligned with the interests of the shareholders, to drive long-term financial success and value creation of the Company. The purpose of Enersense’s remuneration is to promote the Company’s competitiveness and the achievement of its goals and strategy. Incentive schemes are also aimed at rewarding good performance and supporting commitment to sustainable development. The remuneration of the CEO follows the same principles as for the other employees.

“This is the first Remuneration Report for governing bodies applied within Enersense that complies with the Finnish Securities Market Association’s Corporate Governance Code 2020. During 2021, we have begun to develop systematic and long-term rewarding practices within the Company to provide attractive and motivating remuneration. We will continue this work in line with the Remuneration policy, which will be presented to the Annual General Meeting,” says Herkko Plit, Chair of the Remuneration Committee at Enersense.

Five Year Development of Remuneration and Company Performance 2017–2021^{*)}

Remuneration & Financial Performance	2017	2018	2019	2020	2021
Members of the Board of Directors, total	70,400	60,000	68,000	92,000	183,307
President and CEO EUR	132,059	144,311	163,267	300,429	322,453
Enersense employee average salary EUR ^{**)}	35,486	35,785	35,826	41,355	41,038
Net sales MEUR	47,036	47,355	58,057	147,460	239,110
Adjusted EBITDA MEUR ^{***)}	1,944	-1,297	52	11,510	19,231

^{*)} Changes in the Group structure are described in Note 24 to the IFRS financial statements.

^{**)} Average employee remuneration comprises personnel costs without other compulsory personnel costs divided by the average number of personnel FTE during the year

^{***)} The figures for 2017 and 2018 are in accordance with FAS and are not adjusted. The Group was transferred to IFRS reporting on 1 January 2019.

Remuneration of the Board of Directors

At Enersense's Annual General Meeting on 19 March 2021, it was decided that the following monthly fees be paid to the members of the Board of Directors:

- Chair of the Board: EUR 3,000
- Other members of the Board: EUR 2,000

In addition, the Annual General Meeting decided that the following meeting fees be paid to the members of the Audit Committee and the Remuneration Committee:

- Chair of the Committee: EUR 700 per meeting
- Other members of the Committee: EUR 500 per meeting

The Board of Directors' fees are paid in cash. In addition, travel expenses are reimbursed in accordance with the company's current policy.

Remuneration paid to the members of the Board of Directors 2021

EUR	Monthly fees	Meeting fees	Other benefits /fees ^{*)}	Total remuneration
Jaakko Eskola, Chair as of 16.4.2021	25,500	1,000	1,954	28,454
Sirpa-Helena Sormunen, Vice Chair as of 19.3.2021 and Vice Chair as of 31 August 2021	18,839	2,500	3,907	25,246
Helander Sari	22,710	2,800	273	25,783
Jokinen Päivi	22,710	500	977	24,187
Kankaala Markku until 30.8.2021	16,919	3,000	–	19,919
Plit Herkko ^{**)}	22,710	3,500	391	26,601
Rötsä Kalervo until 19.3.2021	4,500	–	–	4,500
Suokas Petri	22,710	2,000	3,907	28,617

^{*)} A discount on the subscription price in a share issue to employees.

^{**)} Enersense International Plc also had a management consultancy agreement with a company controlled by Herkko Plit during the financial year. The agreement expired on 28 February 2021. The value of the transactions related to the agreement during the financial year was EUR 10,000.

Remuneration Committee: Jaakko Eskola as of 31 August 2021, Markku Kankaala until 30 August 2021.

Audit Committee: Päivi Jokinen as of 31 August 2021, Markku Kankaala until 30 August 2021

Remuneration of the CEO

The Board of Directors determines the remuneration of the CEO. The Board considers Enersense's strategy and long-term targets when setting the criteria and targets for remuneration. The criteria selections aim to steer the CEO towards the implementation of the strategy and the achievement of sustainable financial results.

In 2021, the total remuneration of the CEO of EUR 322,453 consisted of a fixed base salary of EUR 264,600 including holiday pay, fringe benefits of EUR 20,899, a benefit in connection with a share issue to employees of EUR 1,954 and a short-term incentive of EUR 35,000 paid for the period 8–12/2020. The relative proportion of the paid remuneration in 2021 for the fixed pay and fringe benefits was 89% and variable pay 11%.

The CEO's short-term incentive for 2021, with the maximum opportunity of 30% of the annual salary, was based on the Group's EBITDA. The target set for the short-term incentive was not achieved, hence no short term incentive will be paid from 2021.

In 2021, the Company had no long-term incentive plans and the CEO was not entitled to share-based plans or option programs. The pension benefits of the CEO are determined in accordance with the Finnish legislation in force at the time. In 2021, the CEO did not have a supplementary pension.

Total remuneration of the CEO during 2021

Remuneration element	Description	2021
Fixed salary	Monthly salary and a vacation allowance	264,600
Fringe benefits	Car benefit and a mobile phone	20,899
Short-term incentives	Based on financial performance (paid during the financial year)	35,000
	Other financial benefits – one-off payments and transactional bonuses ^{*)}	1,954
Long-term incentives	No valid program	—
Total		322,453

**) Discount on the subscription price in a share issue to employees. The CEO subscribed for 6 105 shares of the company in the employee share issue.*



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