

# REMUNERATION REPORT 2023

Orthex Corporation's ("Orthex" or "the company") remuneration report for the financial year 2023 has been prepared in accordance with the Finnish Corporate Governance Code 2020 issued by the Securities Market Association and other applicable regulations. The Corporate Governance Code is available on the association's website ([www.cgfinland.fi](http://www.cgfinland.fi)). The remuneration report is published simultaneously with the corporate governance statement, the Board of Directors' report, the financial statements, and the sustainability report on the corporate website at [www.investors.orthexgroup.com](http://www.investors.orthexgroup.com). The company's Board of Directors has prepared and approved this remuneration report and it will be presented to the Annual General Meeting to be held on 9 April 2024 for the shareholders' advisory approval.

This remuneration report describes how Orthex has applied the amended remuneration policy approved at the company's Annual General Meeting on 18 April 2023. The remuneration policy was amended so that the remuneration policy defines clear maximum payments for short- and long-term incentives payable to the CEO and that the company's potential long-

term incentive scheme can be other than share based. The remuneration report describes the remuneration and other financial benefits paid to the members of the Board of Directors and the CEO during the financial year 2023. In addition, the remuneration report compares the development of the remuneration of the Board of Directors and the CEO with the development of the employees' average remuneration and the company's financial development over the past five years.

## Introduction

The goal of Orthex's remuneration schemes is to promote the company's competitiveness and support the implementation of the company's strategy. The remuneration schemes also aim to engage key personnel in long-term work to achieve personal and shared goals and increase shareholder value.

Effective and competitive remuneration is an essential tool for hiring capable management in the company, which in turn contributes to the company's financial success and implementation of good governance. Remuneration supports the implementation of the company's strategy and long-term profitability and promotes the company's competitiveness.



## Summary of remuneration in 2023

In 2023, the actual remuneration of the members of the Board of Directors and the CEO followed the remuneration policy. Orthex did not deviate from the remuneration policy in the remuneration of the members of the Board of Directors and the CEO and did not exercise its right to recover the remuneration during 2023.

During the financial year 2023, the members of the Board of Directors were paid fixed monthly fees. The amount of the fees paid depended on the member's role in the Board: Chair of the Board – member of the Board. As decided at the 2023 AGM, the monthly fees remained the same. The fees paid are disclosed under section "Remuneration of the Board of Directors".

The total remuneration paid to the CEO during the financial year 2023 consisted of fixed base salary with fringe benefits and variable short-term incentive paid for the performance in 2022. The set performance targets for the company's short-term incentive plan 2022 were mostly not achieved. The CEO's total remuneration in the financial year 2023 amounted to EUR 437,427, of which variable remuneration accounted for 2.7 per cent. Orthex has no long-term share-based or other incentive schemes in place, which partly explains the share of variable remuneration of the CEO's total remuneration. The salaries and incentives paid to the CEO are disclosed under section "Remuneration of the CEO".

## Development of the Group's financial performance and remuneration

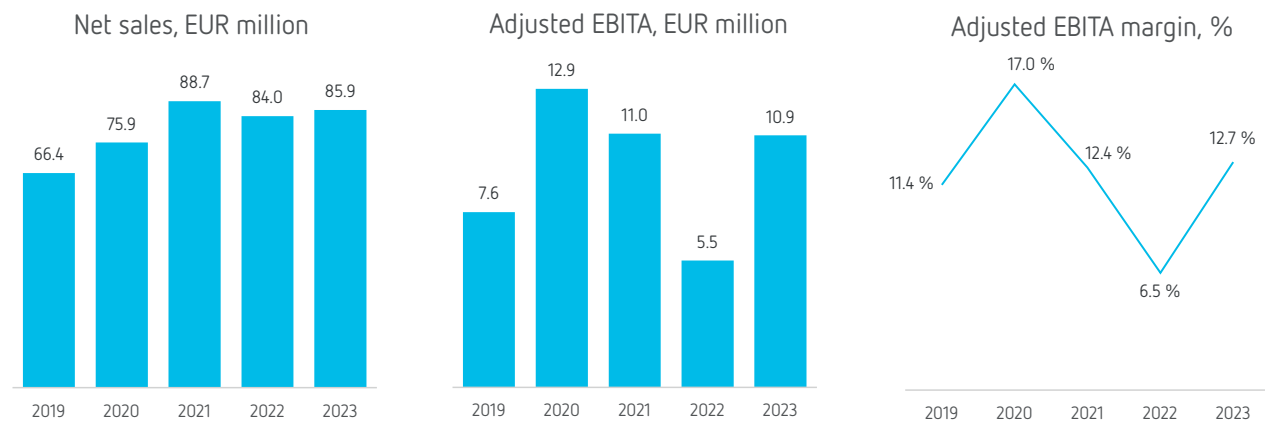
The following table shows the development of the total remuneration of the Board of Directors and the CEO compared to the development of Orthex employees' average remuneration and the company's financial development over the past five years.

### Development of total remuneration and financial development over the past five years

EUR thousand	2023	2022	2021	2020	2019
Net sales	85,945	84,048	88,694	75,865	66,427
Adjusted EBITA	10,918	5,490	10,996	12,933	7,593
Board of Directors <sup>1)</sup>	144	144	126	71	58
CEO <sup>1)</sup>	437	527	478	367	302
Employees' average remuneration <sup>2)</sup>	59	55	58	55	53

<sup>1)</sup> The remuneration of the Board of Directors and the CEO was adjusted in connection with the company's IPO in March 2021.

<sup>2)</sup> Employees' average remuneration is total employee remuneration divided by the average number of personnel during the year.



## Remuneration of the Board of Directors

The Annual General Meeting decides on the remuneration to be paid to the members of the Board of Directors. The proposal for the remuneration of the members of the Board of Directors for the 2023 Annual General Meeting was prepared by the company's Shareholders' Nomination Board.

In accordance with the decision of the Annual General Meeting in 2023, the remuneration of the Board of Directors remained the same and the Chair of the Board of Directors was paid a monthly fee of EUR 4,000 and other members of the Board of Directors a monthly fee of EUR 2,000.

Board fees were paid monthly in cash. No meeting fees were paid for Board meetings. The remuneration of the members of the Board of Directors does not involve pension contributions and the members of the Board of Directors are not covered by Orthex's incentive schemes.

Reasonable travel and other expenses related to the Board work were reimbursed in accordance with the company's travel rules.

The remuneration paid to the members of the Board of Directors in 2023 is shown in the table on the right. The members of the Board of Directors did not receive any other financial benefits.

### Remuneration of the Board of Directors 2023

EUR	Remuneration
Sanna Suvanto-Harsaae (Ch.)	48,000
Markus Hellström	24,000
Satu Huber <sup>1)</sup>	8,000
Jyrki Mäki-Kala	24,000
Jens-Peter Poulsen	24,000
Anette Rosengren <sup>2)</sup>	16,000
<b>Total</b>	<b>144,000</b>

<sup>1)</sup> Member of the Board until 18 April 2023.

<sup>2)</sup> Member of the Board from 18 April 2023.



## Remuneration of the CEO

The Board of Directors decides on the remuneration of the CEO. The CEO of Orthex is **Alexander Rosenlew** since 2010. The CEO's remuneration consists of a fixed base salary with fringe benefits and a variable short-term incentive. In 2023, Orthex did not have any long-term share-based or other incentive schemes. The purpose of rewarding the CEO is to guide the implementation of the company's strategic goals and thereby promote the company's long-term financial success, competitiveness, and favourable development of shareholder value. The CEO's significant shareholding (11.7%) in the company strengthens the alignment of the CEO's interests with those of shareholders.

Under Orthex's variable short-term incentive scheme, the CEO may be granted annual performance-based incentives in addition to his fixed annual salary. The aim of the incentive scheme is to encourage the CEO to commit to the company and motivate him to achieve the best possible result. In addition, the incentive scheme is intended to encourage the CEO to work in a way that supports Orthex's strategy, growth, and competitiveness.

Incentives under annually commencing short-term incentive plans are discretionary and tied to Orthex's results of operations and the achievement of relevant performance metrics and/or individual performance targets. The terms and objectives of the incentive plan, including performance metrics and weights, are determined, and approved annually in advance by the company's Board of Directors. In 2023, the metrics and weights of the CEO's incentive plan were as follows: profitability 50%, turnover 35%, sustainability 15%. During the financial year 2023, the maximum amount of the CEO's incentive corresponded to 7 months' gross base salary.

The CEO is entitled to a statutory pension. The CEO's pension and retirement age are determined on the basis of the Employees' Pensions Act. The CEO does not have any supplementary pension insurance paid by the company.

The salaries, incentives and fringe benefits paid to the CEO in 2023 are shown in the table below. The CEO's monthly salary was adjusted in December 2023. The incentive paid in 2023 is based on the 2022 short-term incentive plan. The CEO's earned short-term incentive for 2022 was 5% of the annual maximum short-term incentive. The set performance targets for the company's short-term incentive plan 2022 were mostly not achieved.

### Remuneration of the CEO paid in 2023

EUR	2023
Fixed based salary and mobile phone benefit	425,527
Incentives	11,900
Other financial benefits	-
<b>Total</b>	<b>437,427</b>
Share of fixed pay of total remuneration	97.3%
Share of variable pay of total remuneration	2.7%

The CEO participated in the company's short-term incentive plan 2023. The CEO's earned short-term incentive for 2023 was 50% of the annual maximum short-term incentive. The performance-based incentive for the year 2023 will be paid in April 2024.

### Remuneration of the CEO not yet paid but due based on the year 2023

Short-term incentive scheme	EUR
Remuneration due based on the achievement of STI performance targets in 2023	125,748