

# Remuneration report 2024



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## Introduction

Orion Corporation's remuneration report describes the remuneration of the Board of Directors and the President and CEO of Orion in 2024. The report has been prepared by Orion's Personnel and Remuneration Committee in accordance with the governance code for Finnish listed companies (Corporate Governance Code 2020) to communicate the processes and practices Orion uses to ensure fair and consistent remuneration to secure the Company's long-term financial success.

The remuneration for the Board of Directors and the President and CEO is implemented in accordance with Orion's Remuneration Policy, which was approved for the ongoing four-year cycle by Orion's shareholders at the Annual General Meeting in March 2024.

This report shows that the remuneration practices set by the Personnel and Remuneration Committee continue to be effective in driving Orion's business performance and supporting strategy execution while contributing to the development of shareholder value.

## Orion's approach to remuneration

Orion aims to ensure that its remuneration is performance-based, consistent and fair while being competitive and cost-effective. Orion is committed to developing a strong pay for performance culture in all parts and at all levels of the organisation, combined with different non-monetary rewarding practices that aim to engage and retain a skilled and motivated workforce. This lays the foundation for performance-driven teams and a more successful and profitable company in the long-term.

The President and CEO's remuneration is aligned with and supported by our pay for performance culture. A significant part of the President and CEO's package is based on variable pay in the form of short-term and long-term incentives to maintain a strong connection between the Company's financial performance and the CEO's remuneration. To further support and align shareholder interest with management interest, the President and CEO is also expected to build and maintain a minimum shareholding in the Company.

In accordance with Orion's remuneration policy, the Annual General Meeting resolves on the remuneration of the Board members. The recommendation on the remuneration presented in the notice to the Annual General Meeting is prepared by the company's Nomination Committee. Orion's long-standing practice of paying a portion of the Board members' annual fees in the company's B shares, as well as shareholding requirement for the Board members, both contribute to the alignment of interest with shareholders and promote decisions in favour of the company's long-term financial success. Orion's remuneration principles also apply to the remuneration of the members of the Board of Directors.

## Remuneration in 2024

A significant portion of the President and CEO's remuneration is based on variable incentives based on the achievement of objectives set by the Board of Directors for the earning periods of the short-term and share-based incentive plans. The length of these earning periods is one year for the short-term incentive plan and three years for the share-based incentive plans in force in 2024. For the short-term incentive, the Board of Directors assesses and confirms the achievement of the objectives annually. For the long-term incentive, achievement is assessed at the end of each three-year earning period. Consequently, a significant portion of the President and CEO's remuneration is determined based on the performance during the years preceding the payout.

The President and CEO's short-term and share-based incentives are mainly based on Orion's financial performance indicators. In 2024, the short-term incentive plan criteria were related to Orion's profitability and net sales development, as well as personal objectives set by the Board of Directors. The personal objectives of the President and CEO were linked to strategy and R&D pipeline development, leadership and competence development as well as the successful implementation of the Company's new ERP system. Environmental, social, and governance (ESG) linked targets in executive compensation support the implementation of the strategy. Consequently, the personal objectives of the President and CEO included a sustainability index. This sustainability index comprised three ESG themes and their corresponding indicators, aiming to balance sustainability perspectives in remuneration. These themes encompassed ensuring a reliable global supply of products, addressing climate change, and promoting occupational safety.

The rewards for the active long-term incentive programs commenced in 2019 and 2022, are based on the achievement of targets related to profitability and net sales development. All variable remuneration components paid to the President and CEO are based on predefined performance criteria.

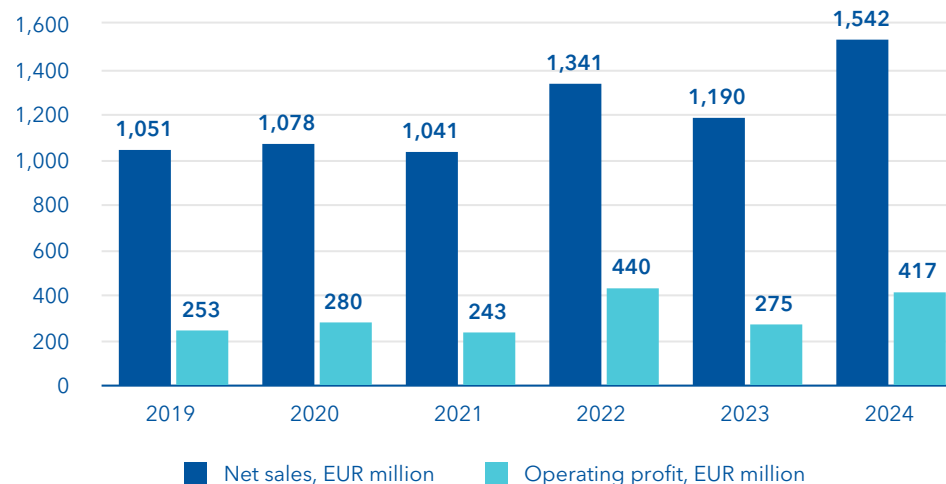
## Remuneration linked to Orion's long-term performance

Orion's business performance has been strong, with positive development across all business divisions, though large sales and development milestones received from Orion's development and sales partners cause fluctuation between the years. The Company is particularly pleased with its ability to grow the underlying business and profits. Operating profit and net sales continued to grow in 2024, aligning with the Company's long-term financial objectives. With the continued success of key products such as Nubeqa® and the Easyhaler® product portfolio, Orion is well-positioned to pursue further growth.

The President and CEO's remuneration reflects this performance, as both short- and long-term incentives are directly tied to Orion's financial results. In 2024, the President and CEO's remuneration increased, driven by strong variable pay outcomes in line with the Company's performance. The ratio between the compensation paid to the President and CEO and the average Company employee increased over the past year. Additionally, the CEO transition in 2022 has also influenced remuneration developments. As the Company navigates growth and industry dynamics, the remuneration structure ensures alignment between management incentives and long-term business success.

The table below presents the paid compensation for the last six years for the members of the Board of Directors, the President and CEO, and the average Orion employee. The fluctuation in the compensation of the President and CEO is driven by annual changes in short- and long-term incentive achievement linked to financial performance, the CEO transition implemented in 2022, and the supplementary pension plan established in 2024 to be market-aligned. The development of Orion's average employee compensation is based on all personnel expenses including indirect employee costs divided by the average number of personnel during the year.

Orion Group's financial performance, key figures



### Paid compensation (in EUR)

|  | 2019      | 2020      | 2021      | 2022      | 2023      | 2024*      |
|--|-----------|-----------|-----------|-----------|-----------|------------|
| Chair of the Board of Directors  | 109,200   | 111,000   | 123,000   | 111,600   | 123,400   | 121,600.00 |
| Vice Chair of the Board of Directors, Chair of Audit Committee, and Chair of R&D Committee** | 105,600   | 117,600   | 144,200   | 140,300   | 153,500   | 156,931.00 |
| Other members of the Board (average)   | 48,020    | 53,360    | 61,700    | 61,700    | 62,360    | 63,980.00  |
| President and CEO  | 1,138,143 | 1,634,434 | 1,800,401 | 1,291,548 | 1,978,786 | 2,254,826  |
| Average Orion employee   | 63,240    | 66,102    | 68,483    | 68,928    | 72,274    | 76,589     |

\*In this Remuneration Report the transfer tax paid by the Company on behalf of the Board members is included in to the compensation paid in 2024.

\*\*The number of persons assigned to the positions of Vice Chair of Board of Directors and Chair of Committees may vary from year to year. The same person may hold more than one position.

## Remuneration for the Board of Directors

The remuneration for the Board of Directors is for work conducted within the Board and its committees. The remuneration of the Board of Directors is decided for one term of office at a time by the General Meeting, based on the proposal of the Nomination Committee. Given the nature of the Board's duties and responsibilities, the members of the Board do not participate in the Company's variable pay schemes. Board members receive a fixed remuneration (annual fee) which can be paid in cash or shares or a combination of cash and shares. Board members are required to retain ownership of the shares received as fees for a period of two years from the date of payment. However, if a member's term on the Board ends before the two years end, the transfer restriction will expire at the end of their term. Additionally, in accordance with the Annual General Meeting's decision, Orion pays the transfer tax related to the portion of the annual fee paid in shares. Furthermore, a fee per meeting is paid to Board members for each meeting they attend.

The Nomination Committee reviews benchmark data for board remuneration to determine the right market compensation levels for the Chair of the Board, the Vice Chair of the Board and for the Board members.

## The Board of Directors' remuneration for the previous financial year

As per the decision of the Annual General Meeting 2024, the annual fees for the Board of Directors were paid 60% in cash and 40% in Orion Corporation B shares.

According to the Nomination Committee's proposal at the Annual General Meeting 2024, no changes to the remuneration of the Board of Directors were made in 2024.

The average annual and meeting fees are calculated by dividing the total fees by the number of Board members. The average remuneration value varies based on the number of members elected to the Board of Directors for each term, as well as the composition of the Board committees and the frequency of their meetings.

For the year 2024, the annual fees of the members of the Board were:

- EUR 100,000 for the Chair of the Board of Directors
- EUR 61,000 for the Vice Chair of the Board of Directors, the Chair of the Audit Committee and the Chair of the R&D Committee
- EUR 50,000 for each member of the Board of Directors

Meeting fees for each attended Board and Committee meeting were:

- EUR 1,200 for the Chair
- EUR 900 for the Vice Chair
- EUR 600 for each member of the Board of Directors

## Annual and meeting fees paid in the year 2024 to the members of the Board for the financial year 2024

The total annual fee consists of a portion paid in shares, a portion paid in cash and the transfer tax paid on behalf of the Board member.

|  | Total annual fee,<br>EUR | Portion of<br>the annual fee<br>paid in B shares, pcs | Portion of<br>the annual fee<br>paid in shares, EUR | Portion of<br>the annual fee<br>paid in cash*, EUR | Meeting fees, EUR | Total, EUR     | Committee memberships  |
|--|--------------------------|---|---|--|-------------------|----------------|--|
| <b>Members of the board on 31 Dec 2024</b> |                          |   |   |  |                   |                |  |
| Veli-Matti Mattila, Chair**                | 100,600                  | 1,112   | 39,985  | 60,615   | 21,000            | 121,600.00     | Personnel and Remuneration<br>(Chair), Nomination              |
| Hilpi Rautelin, Vice Chair                 | 61,366                   | 678   | 24,379  | 36,986   | 22,200            | 83,566.00      | R&D (Chair), Personnel and<br>Remuneration, Nomination (Chair) |
| Kari Jussi Aho                             | 50,300                   | 556   | 19,992  | 30,307   | 13,200            | 63,500.00      | Personnel and Remuneration, R&D                                |
| Maziar Mike Doustdar                       | 50,300                   | 556   | 19,992  | 30,307   | 13,200            | 63,500.00      | Personnel and Remuneration                                     |
| Ari Lehtoranta                             | 61,366                   | 678   | 24,379  | 36,986   | 12,000            | 73,366.00      | Audit (Chair)  |
| Eija Ronkainen                             | 50,300                   | 556   | 19,992  | 30,307   | 12,000            | 62,300.00      | Audit, R&D   |
| Henrik Stenqvist                           | 50,300                   | 556   | 19,992  | 30,307   | 12,600            | 62,900.00      | Audit  |
| Karen Lykke Sørensen                       | 50,300                   | 556   | 19,992  | 30,307   | 17,400            | 67,700.00      | Audit, R&D   |
| <b>Total Board Fees</b>                    | <b>474,831</b>           | <b>5,248</b>  | <b>188,706</b>                                      | <b>286,125</b>                                     | <b>123,600</b>    | <b>598,431</b> |  |

\*Includes transfer tax paid by the company on behalf of the Board members.

\*\*Chair as of 20 March 2024.

# Remuneration of the President and CEO

## President and CEO total compensation in 2024 (in EUR)

| President and CEO                   | Fixed remuneration                                 | Variable remuneration             |   |  |   | Supplementary pension | Total     |
|-------------------------------------|--|-----------------------------------|---|--|---|-----------------------|-----------|
|                                     | Fixed annual salary<br>(including fringe benefits) | Performance-based<br>annual bonus | Share-based incentive<br>plan: cash portion<br>(inc. also transfer tax) | Share-based incentive<br>plan: share portion | Share-based incentive<br>plan: portion paid in<br>B shares, pcs |                       |           |
| <b>Liisa Hurme</b>                  |  |                                   |   |  |   |                       |           |
| Portion of total<br>compensation, % | 666,840  | 439,120                           | 504,810   | 497,350                                      | 13,563  | 146,705               | 2,254,826 |
|                                     | 30%  | 64%                               |   |  |   | 6%                    | 100%      |

All values are in EUR unless otherwise stated.

Orion conducts a remuneration analysis to benchmark the remuneration levels of its peer-group of large cap companies in Finland to determine the correct remuneration level for the President and CEO. Salary market movement and company performance as well as individual performance are considered when determining any salary changes, which are always approved by the Board of Directors. The President and CEO's remuneration and other terms of service are in accordance with Orion's Remuneration Policy approved by the Annual General Meeting in 2024.

In 2024, the President and CEO's annual fixed compensation was EUR 666,840. The fixed salary includes a company car and a phone allowance as fringe benefits. Variable pay, that is short- and long-term incentives, constitutes a significant part of the President and CEO's total remuneration. In the year 2024, the paid short- and long-term incentives corresponded to approximately 64% of total compensation, and the fixed annual salary to 30%.

The supplementary pension paid to the President and CEO corresponded to approximately 6% of total remuneration. Short-term incentives paid out in 2024 are based on the performance period corresponding to the calendar year 2023. Share-based incentives paid out in 2024 are based on the long-term incentive plan 2019, earning period 2021-2023. The President and CEO received no other financial benefits in 2024.

## Short-term incentive outcomes

### Short-term incentive for 2023, paid in 2024

The maximum earning opportunity for the short-term incentive for the President and CEO for the year 2023 corresponded to 12 monthly salaries. The financial objectives with a weight of 60% were related to Orion's profitability and cash flow. The outcome of the financial objectives was 49.72% for the Orion's profitability and 0% for cash flow of the min/max range 0-100%. The personal objectives at a weight of 40% set for the President and CEO were related to strategy development, leadership and competence development as well as ESG development. The President and CEO's personal objectives were partially achieved (87/100). The accrued short-term incentive for 2023 was paid out in March 2024. The table below summarises the short-term incentive criteria, weights, outcomes and payout for 2023.

| Performance period | Performance criteria | Weight % | Performance outcome % | Earning opportunity | Reward payout                       | Payment year |
|--------------------|----------------------|----------|-----------------------|---------------------|-------------------------------------|--------------|
| 2023               | Operating profit     | 45%      | 49.72%                | 12 months' salary   | 6.88 months' salary,<br>EUR 439,120 | 2024         |
|                    | Cash flow            | 15%      | 0%                    |                     |                                     |              |
|                    | Personal objectives  | 40%      | 87%                   |                     |                                     |              |

### Short-term incentive for 2024, payable in 2025

The maximum earning opportunity for the short-term incentive for the President and CEO for the year 2024 corresponded to 12 monthly salaries. The financial objectives with a weight of 50% were related to Orion's profitability and net sales (excluding Nubeqa® milestones, tablet sales and royalties). The outcome for the financial objectives were 100% for the Orion's profitability and 59.43% for net sales of the min/max range 0-100%. The personal objectives with a weight of 50% set for the President and CEO were related to strategy development, leadership and competence development as well as ESG development. The President and CEO's individual objective achievement reached 64.98% in 2024. The accrued short-term incentive for 2024 will be paid in March 2025. The table below summarises the short-term incentive criteria, weights, outcomes and payout for 2024.

| Performance period | Performance criteria   | Weight % | Performance outcome % | Earning opportunity | Reward payout                       | Payment year |
|--------------------|--|----------|-----------------------|---------------------|-------------------------------------|--------------|
| 2024               | Operating profit   | 30%      | 100%                  | 12 months' salary   | 8.92 months' salary, 472,314<br>EUR | 2025         |
|                    | Net Sales (excluding Nubeqa® milestones, tablet sales and royalties) | 20%      | 59.43%                |                     |                                     |              |
|                    | Personal objectives  | 50%      | 64.98%                |                     |                                     |              |



## Share-based incentives

### Share-based incentives paid in 2024

The rewards paid to the President and CEO under the LTI plan in the financial year 2024 were determined according to the incentive plan initiated in 2019. The earning period for this plan, which was paid out in 2024, covered the calendar years 2021-2023. The President and CEO participated in this LTI plan initially as Senior Vice President, Global Operations, and subsequently, from November 2022, as President and CEO. The reported remuneration includes share based incentives paid based on the previous role and the role of President and CEO's.

| Share-based incentive plan | Earning period | Performance criteria | Weights % | Performance outcome % | Earning opportunity*  | Reward payout   | Payment year |
|----------------------------|----------------|----------------------|-----------|-----------------------|---|---|--------------|
| LTI 2019                   | 2021-2023      | Operating profit     | 70%       | 100%                  | 15,000 Orion Corporation B shares and a cash payment corresponding to the value of the shares | 13,563 Orion Corporation B shares and a cash payment corresponding to the value of the shares | 2024         |
|                            |                | Net sales            | 30%       | 70%                   |   |   |              |

\*Earning opportunity includes number of shares allocated at the beginning of the earning period and additional allocation of 5,000 shares based on assuming the role of President and CEO.

### Share-based incentives to be paid in 2025

The President and CEO has been a participant of the share-based incentive plan that commenced in 2022, first in their role as Senior Vice President, Global Operations and as of November 2022 as President and CEO. In 2025 the President and CEO will receive share-based rewards from the earning period 2022-2024. Under the share-based incentive plan initiated in 2022, the President and CEO is eligible to receive a reward of up to 20,833 Orion Corporation B shares, to be paid in 2025. These will be transferred on 10 March 2025. The value of the share reward is the volume-weighted average price of Orion Corporation B share on the date of transfer. In addition to the share reward, the President and CEO will receive a cash payment, with the maximum amount corresponding to the value of the shares.

| Share-based incentive plan | Earning period | Performance criteria | Weights % | Performance outcome % | Earning opportunity*  | Reward payout   | Payment year |
|----------------------------|----------------|----------------------|-----------|-----------------------|---|---|--------------|
| LTI 2022                   | 2022-2024      | Operating profit     | 60%       | 100%                  | 20,833 Orion Corporation B shares and a cash payment corresponding to the value of the shares | 20,833 Orion Corporation B shares and a cash payment corresponding to the value of the shares | 2025         |
|                            |                | Net sales            | 40%       | 100%                  |   |   |              |

\*Earning opportunity includes the number of shares allocated at the beginning of the earning period and an additional allocation of 8,333 shares based on assuming the role of President and CEO.

## Ongoing share-based incentive plans

| Share-based incentive plan | Earning period | Performance Criteria   | Weights | Earning Opportunity   | Planned reward payout year |
|----------------------------|----------------|--|---------|---|----------------------------|
| LTI 2022                   | 2023-2025      | Operating Profit   | 60%     | 25,000 Orion corporation B shares and a cash payment corresponding to the value of the shares | 2026                       |
|                            |                | Net Sales  | 40%     |   |                            |
| LTI 2022                   | 2024-2026      | Operating Profit   | 60%     | 25,000 Orion corporation B shares and a cash payment corresponding to the value of the shares | 2027                       |
|                            |                | Net Sales excluding Nubeqa® milestones, tablet sales and royalties | 40%     |   |                            |

## Highlights of Terms and Conditions of ongoing share-based incentive plans

The President and CEO's share ownership fulfils Orion's share ownership recommendation, which supports the alignment of executive interests with long-term shareholder value. The share-based incentive plan reinforces this alignment through earning periods, each lasting three (3) years. Remuneration from the share-based incentive plan may be adjusted if the Company's set limits for share-based incentive payments within a single calendar year are exceeded.

For the share-based incentive plan initiated in 2022, the Board of Directors reserves the right to cancel or reclaim rewards, either fully or partially, under specific circumstances. These include:

- Amendments to the Group's financial statements that affect the reward calculation,
- Manipulation of the plan's earnings criteria or targets, or
- Actions violating the law or the Company's Code of Conduct.

This right to cancel or reclaim rewards remains valid for three (3) years from the date of payment.

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