



Remuneration
Report

2024

Remuneration Report 2024

This Remuneration Report has been prepared in compliance with Musti Group plc's Remuneration Policy, which was adopted at Musti Group plc's Annual General Meeting on 21 January 2021 ('Remuneration Policy') and has been in force during the financial year 1 October 2023 – 31 December 2024 ('FY2024'). The Remuneration Report provides information on the remuneration paid to the Board of Directors and the CEO during the financial year. The remuneration and other financial benefits are reported on a cash basis. The Remuneration Report has been prepared in accordance with the section 'Remuneration Reporting' of the Finnish Corporate Governance (CG) Code 2020.

Overview of remuneration in the financial year 1 October 2023 – 31 December 2024

This is the fourth Remuneration Report for governing bodies applied within Musti Group plc ("Musti Group" or "Company") and it complies with the CG Code. The CG Code 2020 is available in full on the website of the Securities Market Association at www.cgfinland.fi. This Remuneration Report concerns the remuneration of the members of Musti Group's Board of Directors as well as the CEO of Musti Group in FY2024. The Remuneration Policy will be reviewed starting January 2025.

The Remuneration Committee of Musti Group's Board of Directors prepared this Remuneration Report, and the Board of Directors approved it on 13 March 2025. Musti Group's auditor, Ernst & Young Oy, has audited this Remuneration Report to confirm that it contains the information referred to in the Ministry of Finance Decree on the remuneration policy and remuneration report of a share issuer (608/2019). This remuneration report will be reviewed at Musti Group's 2025 Annual General Meeting.

This Remuneration Report is available on Musti Group's website at www.mustigroup.com/investors/corporate-governance/remuneration.

Group net sales for the 15-month period was EUR 560.6 million (EUR 425.7 million). In addition to the longer financial year, network expansion had a positive impact on the net sales and was partly offset by currency exchange rate fluctuations. Pet Parenting experienced softer demand during the year yet as consumers felt the pinch from the combination of higher interest rates and inflation. We strongly believe this softness is temporary, and growth will pick up during 2025 due to returning consumer confidence. Our sales continued to grow with moderate pace despite the softer consumer confidence and shows the resilience of the pet care sector.

The purpose of remunerations paid by the Company is to drive its strategy and create long-term, sustainable performance with increased shareholder value. The structure of the remuneration of the Company's Board of Directors and the CEO and the decision-making order in FY2024 complied with Musti Group's Remuneration Policy for the governing bodies.

In FY2024 the Board members were paid a fixed annual fee. The amount of the fees paid depended on their duties in the Board of Directors – Chair and member of the Board of Directors, and Chair and member of a committee of the Board of Directors. The fees paid are disclosed under 'Remuneration of the Board of Directors.'

The total remuneration paid to the CEO in FY2024 consisted of fixed monthly salary, fringe benefits, short-term bonus, and long-term incentive plan. The short-term bonus is to promote the Company's strategy through the achievement of annual targets. The aim of a share-based incentive plan is to align the objectives of the shareholders and key employees for increasing the value of the Company in the long term. The remuneration paid and incentive plans to the CEO are disclosed under 'Remuneration of the CEO.'

Musti Group has two share-based long-term incentive plans ("Musti Performance Share plan"), each consisting of three consecutive performance periods.

The Performance Share Plan FY2020–2023 consists of three consecutive performance periods, covering the financial years 2020–2022, 2021–2023 and 2022–2024. The 2020–2022 program was paid out in January 2023. The 2021–2023 program was paid out in January 2024. The 2022–2024 program was in vesting/waiting period during FY2024. The performance (measurement) period for the 2022–2024 program ended in September 2022 and as the targets of the KPIs were not met, there is no outcome to be paid.

The Performance Share Plan FY2023–2027 consists of three consecutive performance periods, covering the financial years 2023–2025, 2024–2026 and 2025–2027. The 2023–2025 program was paid out in April 2024 as the Board of Directors resolved on the payment in cash of the already allocated share plan incentive based on the 2023 performance. The payment in cash was resolved in order to facilitate the establishment of a new long-term incentive plan. The 2024–2026 program was approved by the Board of Directors and launched in January 2024. The 2025–2027 program was not yet launched during FY2024.

The Board of Directors decides separately for each performance period the performance criteria, and the related targets, as well as the minimum, target, and maximum reward potentially payable based on target attainment at the beginning of a performance period. The potential reward based on the plan will be paid partly in the Company’s shares and partly in cash after the end of each performance period. The cash proportion is intended to cover taxes and tax-related expenses arising from the reward to a participant. No reward is paid if the participant’s employment or service terminates for reasons related to the participant before the reward payment unless the Board of Directors decides otherwise.

The company’s Group management team member is obliged to hold at least 50 per cent of the net number of shares paid to the member based on the plan, until the value of his or her total shareholding in the company equals to 50 per cent (100 per cent for the CEO) of his or her annual base salary. Such number of shares must be held as long as the membership in the group management team continues.

Development of Musti Group’s financial performance and remuneration

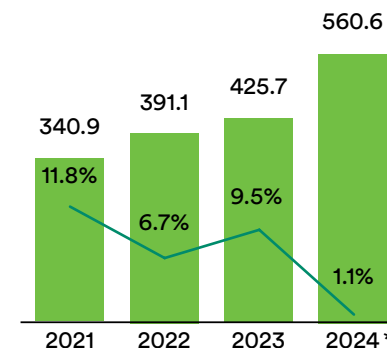
The table below presents the development of the Board of Directors and the CEO’s remuneration compared to the development of the average remuneration of Musti Group’s employees and Musti Group’s financial development during the last five financial years. Board remuneration numbers include both Board fees and Committee fees.

Compensation (EUR)	FY2024	FY2023	FY2022	FY2021	FY2020
Chair of the Board*	65,000	70,000	70,000	65,000	60,000
Vice-Chair of the Board	47,500	45,000	47,500	42,500	30,000
Other members of the Board (average)	42,031	41,667	40,833	32,500	30,000
CEO	1,916,674	533,576	659,740	614,456	653,754
Average Musti Group employee**	59,577	47,334	47,824	47,963	42,405

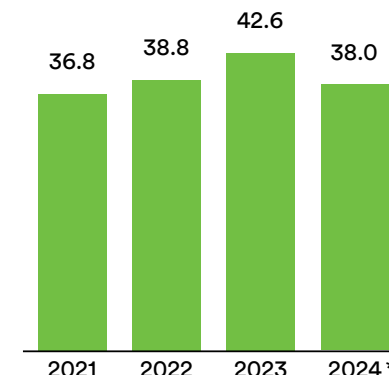
* As decided by the AGM. Cláudia Azevedo, João Dolores and João Amaral did not receive any remuneration for their duties for the company as they work for the company’s ultimate parent company Sonae.

** The average compensation in this table is the paid-out compensation during the fiscal year. The remuneration of the average Musti Group employee is based on all personnel. The fiscal year 2024 was exceptionally 15 months.

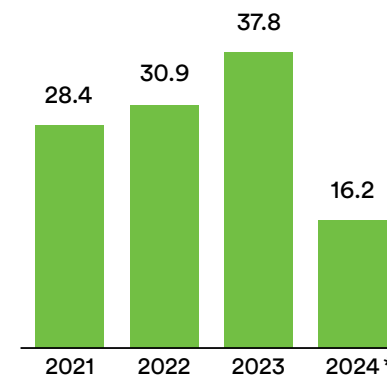
Net sales, EUR million and like-for-like sales growth, %



Adjusted EBITA, EUR million



Operating profit, EUR million



* 15 months’ financial year

Remuneration of the Board of Directors

The Annual General Meeting 2024 confirmed the following fixed annual fees for the members of the Board of Directors:

	EUR
Chair of the Board	65,000
Members of the Board	35,000

The Annual General Meeting 2024 confirmed the following annual fees for the members of the Committees:

	EUR
Chair of the Committee	7,500
Committee members	5,000

Board members are not compensated separately for attending the Board meetings. Travel expenses resulting from Board meetings are compensated in accordance with the Company's travel compensation regulations. Remuneration for the Board members does not include pension payments.

The extraordinary general meeting of Musti Group plc elected new board members on 12 April 2024. These members do not receive a separate remuneration for their duties at the Company, as they work for the company's ultimate parent company, Sonae.

Members of the Board of Directors are not included in Musti Group's short- or long-term incentive programs.

Fees paid to the Board members in the financial year 1 October 2023 – 31 December 2024

Remuneration of the Board of Directors 1 Oct 2023 – 31 December 2024 (in EUR)	Committee Membership	Board Annual Fee in total	Committee Fee	Total
Cláudia Azevedo, Chair, since 12 April 2024	Chair of the Remuneration Committee	0	0	0
Jeffrey David, Chair, until 12 April 2024, Vice Chair since 12 April 2024	Member of the Remuneration Committee	42,500	5,000	47,500
João Günther Amaral, since 12 April 2024	Member of the Remuneration Committee	0	0	0
Ingrid Jonasson Blank, Vice-Chair, until 12 April 2024	Member of the Audit Committee and the Remuneration Committee	35,000	10,000	45,000
Johan Dettel	Chair of the Remuneration Committee until 12 April 2024, Member of the Audit Committee since 12 April 2024	35,000	5,625	40,625
João Dolores, since 12 April 2024	Chair of the Audit Committee	0	0	0
Ilkka Laurila, until 12 April 2024	Chair of the Audit Committee	35,000	7,500	42,500
Inka Mero, until 12 April 2024	Member of the Audit Committee	35,000	5,000	40,000

Remuneration of the CEO

The Company's CEO was David Rönnerberg throughout the financial year 1 October 2023 – 31 December 2024.

The remuneration of the CEO consists of a fixed monthly salary, fringe benefits, an annual bonus potential (short-term incentive plan) and long-term incentive plan. The retirement age of the CEO is 63 years under current legislation. The CEO is entitled to life insurance and supplementary pension payments on behalf of Musti Group in accordance with a pension agreement concluded with the Company. The CEO receives a supplementary pension at the age of 63.

Short-term performance bonus

The CEO is eligible to participate in the bonus scheme in accordance with the company's bonus policy. The purpose of the short-term bonus (STI) is to promote the company's strategy through the achievement of annual targets. The terms of the bonus are decided annually by Musti Group's Board of Directors. The bonus of the CEO is based on financial targets set for the financial year. For the financial year 1 October 2023 – 31 December 2024, the maximum performance bonus was equivalent to a 7.5 months' full salary. The performance criteria for the bonus are Group EBITA, Group EBITDA and Group Sales. The fulfilment of the bonus criteria is evaluated in the beginning of fiscal year 2025.

Long-term incentive plan

Musti Group has two share-based long-term incentive plans ("Musti Performance Share plan"), each consisting of three performance periods. The aim of a share-based compensation plan is to align the objectives of the shareholders and key employees for increasing the value of the Company in the long term. The plan FY2020–2023 includes the performance periods financial year 2020–2022, 2021–2023 and 2022–2024. The plan FY2023–2027 includes the performance periods of the financial years 2023–2025, 2024–2026 and 2025–2027. The CEO is part of all currently valid long-term incentive plans.

The CEO is obliged to hold at least 50% of the net number of shares paid based on the plan, until the value of his or her total shareholding in the Company equals 100% of his or her annual base salary. Such number of shares must be held as long as the CEO's service contract continues.

Remuneration paid to the CEO in the financial year 1 October 2023 – 31 December 2024

Fixed salary, including benefits	Short-term bonus*	Long-term incentive	Additional pension	Total remuneration
606,584	107,000	1,203,090	0	1,916,674

* Earned based on performance in the fiscal year 1 October 2022 – 30 September 2023, paid in December 2023.

Long-term incentive plan in place in the financial year 1 October 2023 – 31 December 2024

Performance period	Grant date, EUR	Grant date share price, EUR	Earnings criteria	Criteria outcome (out of maximum level)	Number of shares received in payment	Payment in cash, EUR	Payment date	Share price on payment date, EUR
FY2021–FY2023	26 November 2020	21.04	Total shareholder return (TSR) and adjusted EBITA	81%	0	2,760,149	January 2024	-
FY2022–2024	27 January 2022	26.06	Total shareholder return (TSR) and adjusted EBITA	0%	-	-	-	-
FY2023–2025	12 January 2023	15.50	Total shareholder return (TSR) and adjusted EBITA	59%	0	2,384,496	April 2024	-
FY2024–FY2026	4 January 2024	26.12	Total shareholder return (TSR) and adjusted EBITA	To be confirmed latest in January 2027	-	-	-	-



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