
Remuneration Report



Remuneration Report

Dear reader,

I am pleased to present Lindex Group's Remuneration Report for the financial year 2024. The report has been approved by the Board of Directors and will be presented at Lindex Group's Annual General Meeting in 2025 for advisory shareholder approval. During 2024, the People and Remuneration Committee has supported the management and followed up on the execution of the people strategy and priorities. Furthermore, the committee has continued to ensure compliance with and the execution of the Group's Remuneration Policy.

As defined in Lindex Group's Remuneration Policy, the objective of the remuneration is to promote the Group's short- and long-term financial success, shareholder value, and performance culture and enhance Lindex Group's competitiveness in attracting, engaging, and retaining required talent. Our remuneration aims to support achieving strategic business goals, promote actions that are aligned with the interests of our shareholders, and support behaviour that is consistent with our values.

Our remuneration is developed based on the needs and strategic priorities of the business. Going forward, we will continue to develop our remuneration principles to support successful long-term strategy implementation. We want our remuneration to be transparent, consistent, easy to understand, non-discriminatory, sustainable, and in line with good governance.

During the year, the committed teams of Lindex Group continued to execute the strategies of both divisions and worked towards our sustainability goals with dedication, persistence, and good quality, despite the challenges in the operating environment. Lindex Group continued to investigate strategic alternatives for the Stockmann department store business. Good progress was also seen in the restructuring process. At the end of December, there was one disputed claim left, and all confirmed undisputed debts have been duly paid.

In 2024, the members of Lindex Group's People and Remuneration Committee continued supporting and following up the management's plans and actions related to people and capability reviews, succession planning, fostering diversity as well as equality and inclusiveness. In addition, annual compensation reviews, as well as the results and actions related to developing employee engagement based on employee engagement surveys were high on the Committee's agenda.

I want to thank all Lindex Group team members for the results and developments we have achieved together in 2024. We want to be the workplace where our people can grow to fulfil their potential and have an impact together, for a sustainable future. This is how we will succeed in reaching our strategic targets, serving our customers, and supporting the long-term interests of our shareholders in the best possible way.

Stefan Björkman

Chair of the People & Remuneration Committee

INTRODUCTION

About the remuneration report

This remuneration report describes the remuneration of Lindex Group plc's governing bodies in accordance with the requirements of the Finnish Securities Markets Act, the Finnish Limited Liability Companies Act and the Finnish Corporate Governance Code 2025 (the "Code") published by the Securities Market Association.

The report presents information on the remuneration of the members of the Board of Directors and of the CEO for the financial year 2024. The remuneration report is based on the Remuneration Policy for Lindex Group's governing bodies approved by the Annual General Meeting held on 22 March 2023. It also describes the development of average employee remuneration and the company's performance over the past five years compared to the remuneration of the members of the Board of Directors and the CEO.

During the financial year 2024, the members of the Board of Directors and the CEO have been remunerated in accordance with the approved Remuneration Policy. The remuneration has promoted the company's long-term financial success.

Lindex Group's Board of Directors has approved the remuneration report. The report will be presented at Lindex Group's Annual General Meeting 2025 for an advisory vote.

Remuneration Policy in brief

The remuneration principles defined in Lindex Group's Remuneration Policy apply in all countries to all employees of the company. The principles described in the policy guide remuneration and the development of related practices. According to the Remuneration Policy, the objective of remuneration is to promote short- and long-term financial success, shareholder value and performance culture at Lindex Group and to improve Lindex Group's competitiveness in attracting, engaging, and retaining the necessary talent.

The remuneration of the members of Lindex Group's Board of Directors is organised separately from the remuneration schemes applied to the CEO, the Group Management Team, or the personnel. To guarantee the independence of the members of the Board of Directors, they do not participate in incentive plans for Lindex Group's employees.

The remuneration of the Board of Directors is determined by the Annual General Meeting. Proposals to the Annual General Meeting concerning the remuneration of the members of the Board of Directors are prepared by the Shareholders' Nomination Board, which consists of representatives of the largest shareholders and the Chair of the Board of Directors as an expert member. The Annual General Meeting decides on the remuneration paid to the members of the Board of Directors based on the proposal of the Nomination Board for one term at a time until the next Annual General Meeting. The representatives of the Board of Directors who are members of the Shareholders' Nomination Board do not participate in the decision-making concerning the remuneration of the Board of Directors or committees.

The Board of Directors decides on the CEO's salary and other benefits based on the proposals of the People and Remuneration Committee. The short-term incentive is limited to a maximum amount corresponding to the annual base salary, and the long-term incentive opportunity is a maximum of twice the annual salary at the time of granting for each performance period. The CEO may be part of statutory and defined contribution supplementary pension plans.

The full Remuneration Policy can be found at lindex-group.com.

Remuneration and performance of the company over five years

In 2024, Lindex Group's market environment remained challenging. The macroeconomic situation in Europe continued to be uncertain due to the geopolitical instability. High interest rates and inflation were holding back economic growth, and the retail sector was affected by lower consumer demand. In Lindex Group's key markets, the fashion industry showed fluctuations and negative development especially during the latter part of the year. Inflation declined during the year from the highest levels, but did not reach the targeted levels. In addition, disruptions in supply chains and international logistics impacted the Group's performance.

The objective of the short-term incentive plan (STI) is to encourage the implementation of the short-term business plan and reward accordingly. In recent years, the short-term incentive scheme has been based on the company's profitability and other relevant financial and performance targets.

The objective of the long-term incentive plan is to promote the achievement of strategic and financial targets and to align the interests of the participants with those of Lindex Group's shareholders. The Board of Directors approves long-term incentive plans (PSPs), based on which a share-based incentive plan with a performance period of three years is launched annually. The long-term incentive plans for 2022, 2023, and 2024 were based on total shareholder return, revenue, operating profit, and reduction of climate emissions.

The information on the average salary of employees is based on the personnel costs of the entire Lindex Group, i.e. the data of all employees. The remuneration of employees is not as variable as that of the CEO, as a smaller part of their total remuneration is based on variable pay elements. However, as all short-term incentive schemes are to varying degrees linked to the same key figures, the company's performance also affects employee remuneration. The average salary of employees in 2024 was mainly affected by salary reviews aligning the compensation with external market development as well as structural changes in the organisation.

The table on the next page illustrates the development of Lindex Group's remuneration and company's performance over the past five years.

Five-year development of remuneration and company performance

In EUR unless otherwise noted	2020	2021	2022	2023	2024
Board of Directors					
Chair of the Board	87 700	96 100	96 000	114 200	123 600
Other Board members, average annual remuneration	45 147	56 250	52 383	61 149	67 120
Total remuneration, Board of Directors	333 300	433 600	410 300	433 400	459 200
Change from previous year, %	-27	30	-5	6	6
CEO					
Susanne Ehnååge (12 May 2023–), total remuneration	-	-	-	342 831	760 807
Change from previous year, % *)	-	-	-	-	122
Jari Latvanen (19 August 2019–12 May 2023), total remuneration including payments during the notice period	528 270	604 252	604 315	662 961	408 870
Change from the previous year, %	227	14	0	10	-38
Employees					
Average annual salary	32 257	33 356	35 309	35 053	34 762
Change from previous year, %	6	3	6	-1	-1
Adjusted operating result, EUR million	-12.3	68.3	79.8	80.0	74.9
Total shareholder return, %	-43.36	85.57	-8.70	47.06	-7.23

*) Impacted by time of the CEO appointment, 12 May 2023.

Comparable change from previous year in the fixed monetary salary was 10%.

The remuneration criteria for the CEO in 2024 have been reviewed by the People and Remuneration Committee. The People and Remuneration Committee reviewed the remuneration of the CEO in comparison with companies of the same size and structure. The remuneration level of the CEO has changed over the five-year period as the CEO has changed.

Exceptions and clawbacks

The company did not exercise its rights to recover or cancel paid or unpaid incentives in 2024.

Prior to her appointment as the CEO, Susanne Ehnååge was granted a retention bonus in March 2023 that was paid out in 2024. This can be considered as a temporary deviation to the Remuneration Policy. See further details in the section related to CEO's employment relationship.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

According to the Remuneration Policy, the annual fees of the Board of Directors can be paid as a combination of Lindex Group's shares and cash. Meeting fees are paid in cash. Board fees include annual and meeting fees for Board and committee work. In addition, the members of the Board of Directors are compensated for travel and accommodation expenses in accordance with the company's general travel policy. The shares acquired for the members of the Board of Directors cannot be transferred until two years have passed from the date of purchase or until the membership of the Board of Directors of the person in question has ended, whichever is earlier.

The members of the Board of Directors are not included in incentive schemes or performance-based remuneration, and they do not have a supplementary pension arranged by Lindex Group.

The approved remuneration of the members of the Board of Directors for 2024 remained unchanged compared to 2023 by decision of the Annual General Meeting. During the financial year 2024, the members of the Board of Directors were paid a total of EUR 459 200. The Board remuneration was paid in cash in its entirety due to a reason pertaining to the company and in accordance with the resolution of the Annual General Meeting.

All payments made to the members of the Board of Directors in 2024 were in accordance with the Remuneration Policy approved by the Annual General Meeting held on 22 March 2023.

Remuneration of the Board of Directors 2024

	TEUR
Fixed annual remuneration	
Chair	85
Vice chair	60
Members	42,5
Fixed committee fees	
Chair of the Audit Committee	10
Members of the Audit Committee	5
Meeting fees (per meeting)	
Chair of the Board/Committee	1.2
Members	0.6
If the meeting is held physically outside the country where the Chair or member resides, the meeting fee shall be doubled.	

Remuneration of the members of the Board of Directors 2024

	Annual fees, EUR	Meeting fees, EUR	Total fees, EUR
Sari Pohjonen, Chair	90 000	33 600	123 600
Roland Neuwald, Vice-Chair	65 000	19 800	84 800
Stefan Björkman	42 500	15 000	57 500
Timo Karppinen	52 500	21 000	73 500
Tracy Stone	42 500	19 800	62 300
Harriet Williams	42 500	15 000	57 500
Total	335 000	124 200	459 200

REMUNERATION OF THE CEO

The remuneration for the CEO consists of fixed and variable performance related pay. The remuneration includes a monetary salary, the right to car and telephone benefits, and a supplementary pension arrangement. Variable performance related pay includes short- and long-term performance-based incentive schemes. Performance bonuses are tied to financial and strategy implementation criteria. The earning period for the short-term performance bonus is the calendar year.

In 2024, the key performance indicators of the short-term incentive scheme (STI) focused on the Group's financial and business targets. The terms and conditions of the plan 2024 were partially fulfilled and the incentive bonus will be paid in 2025.

The measures of the share-based long-term incentive plan (PSP) are total shareholder return, operating profit, and revenue as well as reduction of climate emissions. The first long-term incentive plan was introduced in 2022 (PSP 2022–2024, the second in 2023 (PSP 2023–2025) and the third in 2024 (PSP 2024–2026). Potential incentives will be paid from these plans in 2025, 2026 and 2027 respectively.

Short term incentive – Susanne Ehnågå

(period 1 January–31 December 2024)

Measure	STI 2024 – accrued (paid in 2025)	
	Weighting	Result
Lindex division	70%	Below target
Stockmann division		Below target
	30%	Threshold met
Pay-out to CEO based on STI, EUR	N/A	3 119
Pay-out from maximum incentive opportunity, %	N/A	0.8%

The maximum reward for the CEO under the long-term incentive plan 2022–2024 was 168 000 shares, including a cash portion to cover taxes and tax-related costs arising from the reward. The potential reward will be paid in 2025. The maximum reward from the 2023–2025 plan is 175 000 shares. The potential reward will be paid in 2026. For the third long-term incentive plan 2024–2026, the maximum reward is 212 000 shares, and potential reward will be paid in 2027.

If the company terminates the CEO's contract, the period of notice is 6 months, in addition to which the CEO is entitled to a severance pay corresponding to 12 months' salary. On the CEO's side, the notice period is 6 months.

Remuneration of the CEO in 2024

Susanne Ehnågå was the CEO of Lindex Group plc throughout the financial year 2024.

In 2024, the short-term performance pay to the CEO reflected the results against the set financial and other business targets for Lindex Group and respective Lindex and Stockmann divisions. During the period (1 January–31 December 2024), CEO Susanne Ehnågå was paid a total of EUR 482 650. Fixed monetary salary accounted for EUR 475 163 and fringe benefits for EUR 7 487. In addition, a performance bonus of EUR 159 627 from the 2023 short-term incentive plan was paid in 2024, as well as a retention bonus of EUR 197 208 in 2023 that was paid out in 2024.

Summary of share-based incentive plans granted, earned, and delivered to the CEO Susanne Ehnågå:

Long-term incentive period	PSP 2022–2024	PSP 2023–2025	PSP 2024–2026
Maximum number of shares issued			
(gross)	168 000	175 000	212 000
Date of issue	23 November 2022 150 000 pcs and 6 July 2023 18 000 pcs	6 July 2023	18 March 2024
Issue price of shares, EUR	Closing price on 23 November 2022 EUR 1.924 and on 6 July 2023 EUR 2.07	Closing price on 6 July 2023 EUR 2.07	Closing price on 18 March 2024 EUR 2.995
Number of shares issued (gross)	168 000	175 000	212 000
Number of shares delivered (gross)	-	-	-
Date of delivery of shares	-	-	-
Price on the date of delivery of the shares, EUR	-	-	-
Share ownership requirement	CEO and Group Management Team members are required to build up their holding of shares at least up to a level where the value of the shares owned by the GMT member corresponds at each point in time to the annual gross base salary. Until the holding requirement is fulfilled, the relevant GMT member must hold at least fifty percent (50%) of the net shares awarded to him/her for each PSP cycle.		

In 2024, the CEO was not paid any shares or option rights as remuneration. The CEO's supplementary pension plan follows market practice in Sweden, and the pension contribution in 2024 was EUR 278 157. The pension age is in line with the legislation in country of residence.

For the time being, the CEO's shareholding does not meet the recommendation of the long-term incentive program terms and conditions concerning shareholding, because she started in the position in May 2023.

Lindex Group's Remuneration Policy allows temporary deviation from the policy in number of occasions relating

e.g. to any exceptional circumstances serving the long-term interest and resilience of the company. After a careful consideration, the Board of Directors accepted a temporary deviation from Lindex Group's Remuneration Policy. Based on this deviation, in March 2023, prior to her appointment as the CEO, Susanne Ehnåge was granted a retention bonus of EUR 197 208. The aim of the retention bonus was to ensure commitment to Lindex's long-term growth plans during a critical phase of the Group. The retention bonus included employment condition and personal performance targets. The retention bonus was paid in January 2024.

Jari Latvanen served as CEO until Susanne Ehnåge's appointment as Group CEO on 12 May 2023. Jari Latvanen was entitled to 6 months' notice period and severance pay corresponding to 9 months' basic salary, which was paid as onetime payment in 2024. The total amount of severance pay was EUR 360 000. In addition, Jari Latvanen was paid short-term incentives from 2023 EUR 48 870 in 2024.

Total compensation – Susanne Ehnåge (period 1 January–31 December 2024)

Remuneration element	Paid	Description	Compliance to remuneration policy
Salary and benefits (period 1 January–31 December 2024)	Paid: EUR 482 650	The CEO has the following short-term benefits: a phone and a car.	Complies with the policy
Short-term incentives (period 1 January–31 December 2024)	Accrued: EUR 3 119 Policy maximum: 100% of annual base salary	Accrued bonus for financial year 2024 is prorated and paid in 2025.	Complies with the policy
Retention bonus (period 28 Februari 2023–31 December 2023) Paid in January 2024	Paid: EUR 197 208	Granted in the previous position as CEO of Lindex.	Temporary deviation from the policy
Long-term incentives	Paid: Not applicable Accrued: EUR 216 766 Payout from period 2022–2024 expected, amount not confirmed Policy maximum: 200% of the annual base salary at grant	Ongoing schemes: For the vesting period 2022–2024, 168 000 shares have been granted to the CEO, with a value of EUR 325 860 at the time of grant. For the 2023–2025 award period: 175 000 shares have been granted to the CEO, worth EUR 362 250 at the time of grant. For the 2024–2026 award period: 212 000 shares have been granted to the CEO, worth EUR 634 940 at the time of grant. The vesting period for all long-term incentive plans is three years. The potential awards are fully dependent on the achievement of performance measures.	Complies with the policy
Pension (period 1 January–31 December 2024)	Accrued: EUR 278 157	The CEO is eligible to take retirement upon reaching the age of sixty-five (65). The pension scheme is determined according to a defined contribution-based system, partly under the ITP1 plan and partly under an extra pension provision to 30% of income above ITP1 income cap.	Complies with the policy
Severance benefits	Not applicable	Remuneration paid to the CEO if dismissed by the company corresponds to twelve (12) months' salary plus a six (6) months' period of notice salary.	Complies with the policy