



tieto

Remuneration Report

2025

# Remuneration Report

## Chairperson letter

Dear Shareholder,

On behalf of Tieto's Board of Directors, I am pleased to present the Remuneration Report 2025. The report includes the remuneration of the members of the Board of Directors and the President and CEO (hereinafter the CEO) for the financial year 2025 and describes how the Remuneration Policy approved by the 2025 Annual General Meeting of Shareholders has been implemented. We will present this report at the Annual General Meeting in 2026 for an advisory shareholder vote.

## Approach to remuneration

Our purpose as a Remuneration Committee is to ensure that remuneration plans at Tieto reflect the long-standing remuneration principles of aiming to attract and retain the best talent, motivate all employees and align the goals of shareholders, executives and other stakeholders to enhance the value of the company. We reward employees for high performance in achieving both company and individual objectives.

2025 was a year of significant changes, including the appointment of a new CEO in May. Tietoevry, now rebranded as Tieto, announced an updated strategy and growth agenda for 2026–2028 during the year. The divestment of the Tech Services business was completed in September. With a simplified structure, Tieto is now a focused software and technology consulting provider and aims to strengthen its market leadership in the core Nordic markets while driving European expansion with selected software products. Along with its updated ambitions, Tieto also introduced new long-term financial targets in November.

The remuneration structure aims to reinforce Tieto's strategic direction and enhance its drive to deliver on its short- and long-term strategic and operational priorities. The incentive plans for the CEO and Group Executive Team are based on key value drivers for the Group overall and the respective businesses. With clear targets covering financial, strategic and Environmental, Social and Governance (ESG) priorities, the Board of Directors aims to support sustainable value creation for all stakeholders.

A significant proportion of the CEO's remuneration is derived from variable pay, comprising both short-term and long-term incentives, and is described in more detail below. The Board of Directors aims to ensure that the remuneration is well aligned with the financial performance of the company and execution of the strategic direction, which is especially important in years of transformational change.

## Tieto's performance and remuneration in 2025

In 2025, the consulting businesses continued to be impacted by the soft market and full-year Group growth remained negative. However, the cost optimization programmes launched during the year contributed to healthy profitability development. Tieto delivered adjusted operating profit of EUR 256 (225) million, representing a margin of 13.8%, up from 12.0% in 2024.

The Performance Share Plan (PSP) 2023–2025 expired by the end of 2025, and plan achievement ended up being 69% of the target, based on the set performance criteria for the plan period: Relative Total Shareholder Return (TSR), as well as two Environmental, Social and Governance (ESG) criteria, namely CO<sub>2</sub> Emission Reduction and Female Hiring. For relative TSR, Tieto's return was compared to custom peer groups reflecting the respective businesses. Numerical achievement rates for the plan's performance criteria are provided in the section below. Plan achievement is applied to the CEO and all other plan participants.



Furthermore, the Board of Directors has evaluated the 2025 short-term incentive plan for the CEO based on the financial and strategic priorities set for the plan period as described below, and determined that total plan achievement amounted to 97% of the target.

The remuneration of the Board of Directors and the CEO during the fiscal year 2025 was executed in accordance with the Remuneration Policy. No deviations from the Remuneration Policy have been made and no remuneration of the Board of Directors or the CEO has been reclaimed or restated during the fiscal year 2025.

#### Shareholder feedback and enhanced disclosure

Tieto aims to maintain continuous dialogue with shareholders and to develop its remuneration reporting and disclosure levels in line with regulations and stakeholder expectations. This work draws on both Finnish guidelines and broader European executive remuneration practices. As Chair of the Remuneration Committee, I believe the company has consistently improved its reporting and will continue doing so to provide clear and transparent information. For example, Tieto now discloses targets for incentive plans along with numerical achievement levels. In addition, for the President and CEO, the company has enhanced reporting on strategic and portfolio targets and will continue to share the scope and priorities to the fullest extent possible, while respecting confidentiality requirements.

#### ESG measures integrated in remuneration

As part of the business strategy, Tieto continues to commit long-term to sustainability by driving a clear agenda related to Environmental, Social and Governance across markets and business units. When it comes to integration into remuneration, ESG measures were introduced in the long-term incentive plan back in 2022 and have since then constituted a key part of the plan structure. The measures have evolved to reflect the key priorities from time to time and continue to serve as an effective steering tool for the company. The target levels, as disclosed later in this report, are based on the long-term sustainability ambitions of the company and support the execution of the overall business strategy.

On behalf of Tieto's Remuneration Committee

#### Tomas Franzén

Chairperson of the Remuneration Committee

Committee members during 2025:

- Tomas Franzén
- Nina Bjornstad
- Marianne Dahl
- Petter Söderström

This Remuneration Report has been prepared in accordance with the Finnish Corporate Governance Code 2025, and the requirements set forth in the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act, and the Decree of the Ministry of Finance.

## Remuneration of the Board of Directors

According to the decision of Tieto's Annual General Meeting (AGM) 2025, the annual remuneration of the Board of Directors is the following:

- EUR 140 200 to the Chairperson,
- EUR 75 000 to the Deputy Chairperson and
- EUR 56 700 to the ordinary members of the Board of Directors.

In addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. In addition, remuneration of EUR 800 is paid to the Board members elected by the Annual General Meeting for each meeting of the Board of Directors, a permanent committee or a temporary subgroup. Further, remuneration for personnel representatives elected as ordinary members of the Board of Directors will be an annual fee of EUR 15 600, and remuneration for the deputy members will be EUR 7 800. Remuneration for the personnel representatives is paid in cash only.

Furthermore, the AGM 2025 decided that part of the fixed annual remuneration may be paid in the company's shares purchased from the market. An elected member of the Board of Directors may, at his/her discretion, choose to receive the fee from the following alternatives:

1. No cash, 100% in shares
2. 25% in cash, 75% in shares
3. 50% in cash, 50% in shares
4. 75% in cash, 25% in shares
5. 100% in cash, no shares.

No restrictions have been set on Board members concerning how they may assign these shares, but the company recommends that Board members should retain ownership of all the shares they have received as remuneration for as long as they serve on the company's Board.

In addition to the share remuneration, the Board members do not belong to or are not compensated with other share-based arrangements, nor do the members have any pension plans at Tieto, except for the personnel representatives. Tieto executives or employees are not entitled to compensation for their Board positions or meeting attendance in the Group companies, except for the personnel representatives elected as ordinary members to the parent company's Board of Directors. None of the Board members, except the personnel representatives, have an employment relationship or service contract with Tieto.



### Compensation of individual Board members in 2025<sup>1)</sup>

Name	Annual remuneration		Meeting based, EUR
	EUR <sup>2)</sup>	Shares <sup>3)</sup>	
Tomas Franzén, Chairperson Board and RC <sup>4)</sup>	80 108	5 000	27 200
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC <sup>5)</sup>	95 000	—	26 400
Nina Bjornstad <sup>5)</sup>	66 700	—	16 000
Bertil Carlsén <sup>5)</sup>	66 700	—	22 400
Elisabetta Castiglioni <sup>4)</sup>	33 365	2 081	22 400
Marianne Dahl <sup>4)</sup>	33 365	2 081	13 600
Liselotte Hågertz Engestam <sup>7)</sup>	—	—	8 000
Katharina Mosheim <sup>7)</sup>	—	—	8 000
Gustav Moss <sup>4)</sup>	33 365	2 081	28 000
Petter Söderström <sup>6)</sup>	50 040	1 040	26 400
Tommy Sander Aldrin, personnel rep.	15 600	—	—
Ilpo Waljus, personnel rep.	15 600	—	—
Minna Kilpala, personnel deputy rep.	7 800	—	—
Anders Palkint, personnel deputy rep. <sup>8)</sup>	7 800	—	—
Björn Tjernström, personnel deputy rep. <sup>9)</sup>	4 550	—	—
<b>In total</b>	<b>509 993</b>	<b>12 283</b>	<b>198 400</b>

<sup>1)</sup> The Board members have not received any other benefits.

<sup>2)</sup> Gross compensation before taxes.

<sup>3)</sup> Shares were purchased and delivered in May 2025.

<sup>4)</sup> Selected 50% in shares, 50% in cash.

<sup>5)</sup> Selected 100% in cash.

<sup>6)</sup> Selected 25% in shares, 75% in cash.

<sup>7)</sup> Board member until the AGM on 25 March 2025.

<sup>8)</sup> Board deputy member (personnel representative) until 2 September 2025.

<sup>9)</sup> Board deputy member (personnel representative) as of 2 September 2025.

### Board of Directors' shareholdings in Tieto<sup>10)</sup>

Name	At 31 Dec 2025	At 31 Dec 2024
Tomas Franzén, Chairperson Board and RC	18 544	13 544
Harri-Pekka Kaukonen, Deputy Chairperson, Chairperson ARC	14 050	11 475
Nina Bjornstad	—	n/a
Bertil Carlsén	2 100	1 197
Elisabetta Castiglioni	2 679	598
Marianne Dahl	2 081	n/a
Gustav Moss	5 084	1 197
Petter Söderström	3 640	1 697

<sup>10)</sup> Corporations over which the Board members exercise control did not have shares or share-based rights on 31 December 2025.

## The President and CEO's total remuneration

	Endre Rangnes President & CEO May 5 – Dec 31 <sup>4)</sup>	Kimmo Alkio President & CEO Jan 1 – June 30 <sup>5)</sup>
Remuneration paid (fiscal year 2025), EUR <sup>1)</sup>		
Salary	609 141	448 938
Benefits	14 814	19 095
Short-term incentive	—	105 777 (STI 2024)
Long-term incentive <sup>2)</sup>	—	420 738 (PSP 2022-2024)
Total	623 955	994 548
Fixed vs. variable compensation	100%/0%	47%/53%
Pension expenditure, voluntary defined contribution (DC) plan <sup>3)</sup>	130 067	76 711
Rewards to be paid (fiscal year 2026), EUR	440 672 (STI 2025)	—

<sup>1)</sup> In fiscal year 2025, incentive payouts were made only to former President and CEO Kimmo Alkio. President and CEO Endre Rangnes did not receive any incentive payouts for 2025.

<sup>2)</sup> Total gross long-term incentive reward, which is partly delivered in shares, partly converted to cash to cover income tax.

<sup>3)</sup> Payments to defined contribution plans are recognized as expenses for the period to which they relate. After payment of the contribution, the Group has no further obligations in respect of such plans.

<sup>4)</sup> Includes remuneration for the interim (5 May–20 July 2025) and permanent (21 July–31 December 2025) President and CEO periods.

<sup>5)</sup> Includes advisory role from May 5 to June 30, during which salary and benefits continued as per employment contract.

In respect of Kimmo Alkio, for the period from 1 July to 31 December 2025, he received payments in accordance with his CEO service agreement. These payments comprised salary and benefits for the remainder of 2025 of EUR 472 073, voluntary defined-contribution pension contributions of EUR 149 092 until the end of 2025, a full-year STI for 2025 determined at on-target level amounting to EUR 680 075 and compensation for unused vacation days of EUR 90 691, both paid in August 2025.

## Remuneration of the President and CEO

The Remuneration Policy outlines the remuneration structure for Tieto's President and CEO and comprises the following key elements: fixed remuneration (base salary and car allowance), variable performance-based remuneration including short-term and long-term incentives, as well as benefits such as personnel insurance and pension savings aligned with the role and market standards.

The total remuneration of the President and CEO is managed by the Board of Directors and set with reference to both the pan-Nordic and broader European executive market. The total compensation paid and earned each year is presented in this section of the remuneration report, and the key elements are also presented on the company's Internet site.

In 2025, Tieto underwent a leadership transition. Kimmo Alkio stepped down as President and CEO on 4 May 2025, concluding a 14-year tenure with the company. He was succeeded by Endre Rangnes, who assumed the role of Interim President and CEO on 5 May 2025 and later on 21 July 2025 he was confirmed as President and CEO of Tieto. The remuneration table holds all compensation related to both the CEO periods. Compensation related to his previous role as Managing Director of Tieto Banktech is disclosed as part of [note 12. Remuneration of key management](#) in the consolidated financial statements.

The current President and CEO takes part in the defined contribution plan for all employees in Norway, as well as a supplementary pension plan under which 25% of his base salary exceeding 12 G (where G refers to the basic amount in the Norwegian National Insurance Scheme) is contributed as pension savings. The retirement age is 70 years, in line with the company's pension policy.

## CEO transition

Kimmo Alkio continued to serve as an advisor to the Board of Directors until 30 June 2025 to support the leadership transition. During this period, he continued to receive salary and benefits as per contractual terms. No additional incentive or pension benefits were granted for this advisory role.

Kimmo Alkio's exit terms, as governed by the Remuneration Policy and service agreement, were approved by the Board of Directors. In line with market practice, the agreement provides for continuation of base salary and benefits until June 2026, consistent with the contractual notice period of 12 months. In addition, a severance payment of 793 421 (comprising six months' salary and six months' STI on target for 2026) will be paid in July 2026 under the agreement.

Kimmo Alkio retains the rights to settlement of the long-term incentive (LTI) plans he was enrolled to prior to his departure. The LTIs are settled at target levels and according to the plan terms and conditions. He received EUR 690 227 for LTI 2023–2025 in January 2026 and is entitled to pro-rata cash settlements for LTI 2024–2026 and LTI 2025–2027, both of which will be payable in July 2026. The final amounts will depend on the share price at the time of settlement. For accounting purposes, accruals were booked based on best estimates, see [note 12 Remuneration of key management](#) in the consolidated financial statements.

Under the contractual agreement, Kimmo Alkio remains eligible for a defined contribution (DC) pension plan, with contributions continuing at a rate of 23% of the annual base salary from 1 January 2026 until he reaches the age of 63. These contributions will be finalized after the termination date. The total amount of these contributions is EUR 191 932. No additional financial benefits were granted beyond the contractual entitlements.

### Short-term incentive (STI)

The key objective of the short-term incentive plan is to drive and reward the achievement of targets set for Tieto's annual financial and strategic performance. The incentive outcome for the President and CEO can range between 0 – 150% of base pay, with 75% at target performance level. The Board of Directors defines the plan structure and targets on an annual basis, and resolves on the plan outcome once the consolidated financial statements have been prepared and the results evaluated against the targets for the year.

Upon appointment of the new President and CEO, the Board reviewed the STI structure and targets to reflect the financial ambitions and further sharpen focus on strategy execution and driving the transformation agenda across the company. The "CEO STI 2025" table describes the plan structure and targets valid from the date of the new CEO's appointment to the end of 2025. Financial targets were also restated to reflect the divestment of Tech Services which was effectuated in Q3 2025.

Based on the President and CEO's STI plan targets and overall evaluation of the company's performance during the year, the Board of Directors determined that the final STI achievement for Endre Rangnes for 2025 amounted to 97% of target.

#### CEO STI 2024 – Kimmo Alkio (paid in April 2025)

STI targets	Weight	Target <sup>1)</sup>	Incentive payout as % of on-target amount
Group revenue	25%	EUR 2 942 million	0%
Group adjusted profit (EBITA adj.)	25%	EUR 374 million	0%
Group adjusted free cash flow	10%	EUR 215 million	42%
Strategy and portfolio targets	40%		30%
<b>Total</b>	<b>100%</b>		<b>16%</b>

<sup>1)</sup> Measured in constant currency (2024 FX rates), adjusted for acquisitions and divestments

#### CEO STI 2025 – Endre Rangnes (to be paid in 2026)

STI targets	Weight	Target <sup>1)</sup>	Incentive payout as % of on-target amount
Group revenue	35%	EUR 1 849 million	73%
Group adjusted profit (EBITA adj.)	35%	EUR 248 million	118%
Strategy and portfolio targets	30%		100%
<b>Total</b>	<b>100%</b>		<b>97%</b>

<sup>1)</sup> Measured in constant currency (2025 FX rates), adjusted for acquisitions and divestments

#### CEO STI 2026 (potential reward in 2027)

STI targets	Weight
Group revenue	25%
Group EBITA adj. (%)	25%
Group free cash flow	20%
Strategy execution	30%
<b>Total</b>	<b>100%</b>

For 2026, the CEO's STI plan structure and targets are set to reflect the key financial and strategic priorities for the Group: to continue the transformation agenda and further enhance shareholder value as a leading software and tech consulting company. The financial focus of the plan is unchanged from previous years, where financial measures weight 70% of the total plan outcome.

### Long-term incentive (LTI)

The key objective of the LTI plan is to align the interests of management, key employees and shareholders to drive long-term value creation. The plan is an important part of the total reward structure in the company and contributes to securing competitive total compensation, so that Tieto is able to attract, motivate and retain the right people. The long-term incentive target for the President and CEO is 125% of the annual base salary and the maximum incentive is 250%.

The Tieto LTI is a performance-based three-year share plan designed to drive long-term value for the Group. The Board of Directors resolves on the implementation of the plan and sets performance criteria including levels for threshold, target and maximum outcome on an annual basis. The criteria are set for the plan period and reflect strategic priorities and key value drivers. The plan places high emphasis on total shareholder return (TSR) to drive alignment of interests between employees and shareholders. The measure has evolved over the years to reflect the business strategy and market context, and currently the European Software and Services Index is applied. Also, over time, Tieto has demonstrated its commitment to the company's sustainability agenda through this plan by applying strategic ESG measures.

Each year, the Board of Directors resolves on the enrolment of the CEO to the LTI plan and the target grant in the form of number of gross shares. Upon plan closing and preparation of the consolidated accounts, the Board of Directors determines to what extent the plan has been achieved and consequently the number of shares to be delivered.

#### Delivered in 2025

Performance Period	LTI 2022–2024		
Performance criteria	Target	Weight	Result
Relative TSR		18%	200%
Absolute TSR		42%	0%
Revenue growth		30%	44%
ESG: CO <sub>2</sub> emission	72% reduction from 2021 baseline by the end of 2024	5%	147%
ESG: Female recruits	37% by end of 2025	5%	72%
<b>Total plan achievement</b>			<b>60%</b>

#### Active plans in 2025

Delivery year	2026		2027		2028		
Performance Period	LTI 2023–2025		LTI 2024–2026		LTI 2025–2027		
Performance criteria	Target	Weight	Result	Target	Weight	Target	Weight
Relative TSR	50th percentile vs. peer group	80%	68%	Index +1%	50%	Index median	40%
Absolute TSR				9% (annual)	30%	10% (annual)	40%
ESG: CO <sub>2</sub> emission	87% reduction from 2020 baseline by the end of 2025	10%	150%	90% reduction from 2020 baseline by the end of 2026	10%	25% <sup>1)</sup> reduction from 2024 baseline by the end of 2027	10%
ESG: Female recruits	37% by end of 2025	10%	0	38% by end of 2026	10%	39% by end of 2027	10%
<b>Total plan achievement</b>			<b>69%</b>				

<sup>1)</sup> Restated target due to divestment of Tech Services on 2 September 2025

### To be implemented in 2026

Performance Period	LTI 2026–2028	
Performance criteria	Target	Weight
Relative TSR	Index median	50%
Revenue growth	6% CAGR 2027 – 2028	30%
ESG: CO <sub>2</sub> emission	23.5% reduction from 2024 baseline by end of 2028	10%
ESG: Women in leadership position	32% by end of 2028	10%

### President and CEO LTI grants and delivery

Delivery year	Kimmo Alkio	Endre Rangnes	Endre Rangnes	Endre Rangnes	Endre Rangnes
	2025	2026	2027	2028	2029
	PSP 2022–2024	PSP 2023–2025	PSP 2024–2026 <sup>3)</sup>	PSP 2025–2027	PSP 2026–2028
Target grant (% of base salary)	125%	n/a	75%	125%	125%
Target grant (number of shares) <sup>1)</sup>	43 212	n/a	6 000	50 056	61 754
Maximum grant (number of shares) (200%)	86 424	n/a	12 000	100 112	123 508
Delivery (gross number of shares) <sup>2)</sup>	25 927	n/a	n/a	n/a	n/a
Share price at delivery	16.2278	n/a	n/a	n/a	n/a

<sup>1)</sup> Based on share price at grant, i.e. Volume Weighted Average Share Price (VWAP) at grant.

<sup>2)</sup> Total number of gross shares based on plan achievement and VWAP at delivery. The LTI delivery is subject to taxation and so the actual number of net shares received depends on the individual tax rate.

<sup>3)</sup> Granted while in the Managing Director, Banktech role; allocation determined in line with standard Tieto practice.

Information on the shares held by the President and CEO is available on the company's website at [www.tieto.com/investors](http://www.tieto.com/investors) under the insider register.

## Comparative remuneration data

		2021	2022	2023	2024	2025
Revenue <sup>1)</sup>	EUR million	2 823.4	2 928.1	2 851.4	1 879.5	1 852.3
Operating profit (EBIT) <sup>1)</sup>	EUR million	382.0	266.5	255.6	142.3	75.2
Board remuneration <sup>2)</sup>						
Chairperson	Annual remuneration, EUR	125 000	128 500	133 000	137 500	140 200
Deputy chairperson	Annual remuneration, EUR	70 000	72 000	72 000	73 500	75 000
Board member	Annual remuneration, EUR	53 000	54 500	54 500	55 600	56 700
	Meeting fee, EUR/meeting	800	800	800	800	800
Personnel representative	Annual remuneration, EUR	15 000	15 000	15 000	15 300	15 600
CEO paid remuneration – Endre Ranges <sup>3)</sup>	EUR	n/a	n/a	n/a	n/a	754 022
CEO paid remuneration – Kimmo Alkio <sup>4)</sup>	EUR	2 404 562	2 248 409	3 631 462	2 389 059	1 071 259
Employee remuneration <sup>5)</sup>	EUR, average per employee	64 084	65 454	64 761	66 395	70 554

<sup>1)</sup> The Tietoevry Tech Services business has been divested and presented as a discontinued operation from the first quarter of 2025, and the comparative information for 2024 has been restated accordingly. Therefore, revenue and operating profit (EBIT) include only continuing operations for 2025 and 2024. In 2021, Tieto's operating profit included EUR 104.0 million in capital gains from a divestment.

<sup>2)</sup> In addition to these fees, the Chairperson of a permanent Board Committee receives an annual fee of EUR 20 000 and a member of a permanent Board Committee receives an annual fee of EUR 10 000. The deputies of the personnel representatives receive an annual fee of EUR 7 800 (EUR 7 650 in 2024 and EUR 7 500 in 2023).

<sup>3)</sup> Includes remuneration for the interim (5 May–20 July 2025) and permanent (21 July–31 December 2025) President and CEO periods.

<sup>4)</sup> Kimmo Alkio served as CEO until 4 May 2025 and continued in an advisory capacity until 30 June 2025. The total amount reported in the table includes remuneration for both the CEO period and the advisory role.

<sup>5)</sup> Employee average compensation is based on personnel expenses divided by the average number of employees.

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