

Remuneration Report

for the Management Board and Supervisory Board

of Novem Group S.A. for financial year 2022/23

1. Preamble







The following Remuneration Report for the Supervisory Board and the Management Board of Novem Group S.A. discloses all relevant information according to Article 7ter of the Luxembourg law of 24 May 2011 on Shareholders Rights, as amended. It outlines the Remuneration Policy for the Management and Supervisory Board members and provides information on the compensation of the Management and Supervisory Board members of Novem Group S.A. awarded or due for the period 1 April 2022 to 31 March 2023.

The Management Board and the Supervisory Board submitted the Remuneration Report for the 2021/22 financial year to the Annual General Meeting on 25 August 2022, for a shareholder resolution on its approval, which was granted with 99.70% of the votes. The Management Board and the Supervisory Board take this clear result as positive feedback and a sign of the shareholders' high level of satisfaction with the form and content of remuneration reporting. The existing structure as well as a high degree of transparency will therefore be maintained in this report.

2. Remuneration Policy of the Management Board members

The Remuneration Policy for the Management Board of Novem Group S.A. (in the following also the "Company") plays an important role in successfully promoting and fostering the implementation of the corporate strategy as well as the short-term and long-term development of the Company. The Remuneration Policy has been effective since 19 July 2021, the first day of public trading of the Company after its Initial Public Offering. The Remuneration Policy was therefore put to an advisory vote for the first time at the Annual General Meeting on 25 August 2022, which resulted in an approval rate of 99.70% of the votes. The Remuneration Policy is based on transparent, performance-related parameters that are geared to the Company's long-term success, and the variable compensation is predominantly measured on a multi-year basis. It supports the implementation of our long-term strategy and provides incentives to align the interests of the Management Board members with those of our shareholders and other stakeholders. The objective of the Remuneration Policy is to compensate the Management Board members in accordance with their performance and in accordance with Luxembourg regulatory requirements. Furthermore, it follows best practice among corporations listed in Germany as Novem Group S.A. is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

The main objectives of the Remuneration Policy for the Management Board can be summarised as follows:

Main objectives of the Remuneration Policy	
	Promote the implementation of the Group strategy
	Incentivise the successful and sustainable development of the Group
	Consider transparent and performance-related parameters – avoid purely discretionary elements
	Focus on long-term strategy – variable compensation is predominantly measured on a multi-year and forward-looking basis
	Alignment of interests between shareholders as well as other stakeholders and the Management Board
	Consider current market practice and regulatory requirements

2.1 Process for determining the Management Board compensation

The Nomination and Remuneration Committee of the Supervisory Board of Novem Group S.A. develops the Remuneration Policy and makes recommendations to the Supervisory Board regarding the design of the compensation elements as well as compensation levels of the Management Board members.

The Supervisory Board regularly reviews the Remuneration Policy and the individual compensation components of the members of the Management Board. It assesses the appropriateness of the compensation of the Management Board with respect to both a horizontal and vertical comparison.

Regarding horizontal appropriateness, the compensation of the Management Board members of Novem Group S.A. is compared with companies of similar size, industry, and place of operations. Looking at the criteria size, industry, and place of operations, the companies of the SDAX present a suitable peer group for Novem Group S.A. In addition, the Supervisory Board draws up a regular vertical comparison of the compensation of the Management Board members with that of senior management and other employees, in particular looking at the compensation development over time.

Supervisory Board members are obliged to disclose conflicts of interest to the Supervisory Board in accordance with the rules of procedure for the Supervisory Board and its committees. In the event that a Supervisory Board member has, directly or indirectly, an interest which is in conflict with the interest of the Company in any transaction of the Company that is submitted to the approval of the Supervisory Board, such Supervisory Board member shall notify the Supervisory Board of such conflict of interest at that meeting and shall ensure that a record of his statement is included in the minutes of the meeting. The Supervisory Board member may not take part in the deliberations relating to that transaction and may not vote on the resolutions relating to that transaction. The transaction, and the member's interest therein, shall be reported to the next following Annual General Meeting.

2.2 Overview of the Remuneration Policy

The Management Board compensation of Novem Group S.A. consists of fixed as well as variable compensation components, the sum of which determines the total compensation of each Management Board member.

The fixed compensation consists of a base salary and fringe benefits as well as a company pension. The performance-based variable compensation comprises the Short-Term Incentive (“STI”), measured over one financial year, and the Long-Term Incentive (“LTI”), measured over four financial years.

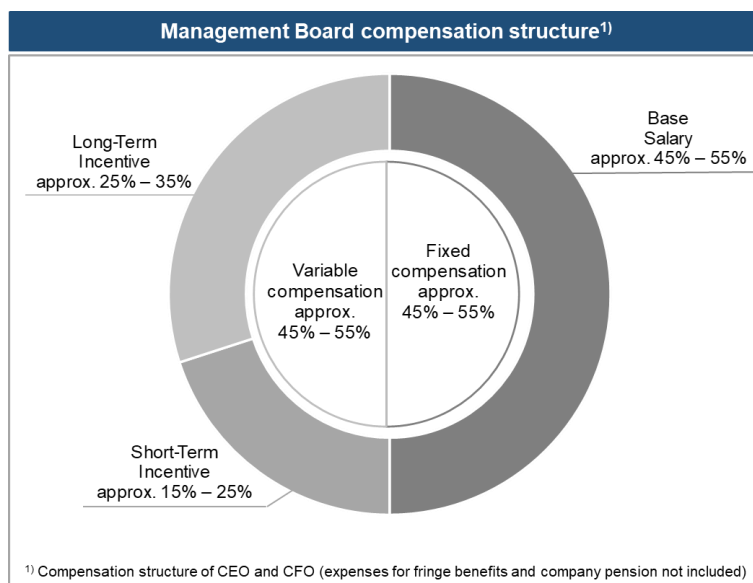
In addition, the Remuneration Policy of Management Board members of Novem Group S.A. includes further contractual agreements, such as Malus & Clawback clauses, Share Ownership Guidelines and severance payments.

Fixed compensation	Base Salary	<ul style="list-style-type: none"> Fixed annual salary paid out in twelve monthly instalments
	Fringe Benefits	<ul style="list-style-type: none"> Death and disability insurance Company car Bearing of costs for tax advice relating to service contract Reimbursement of costs of accommodation
	Pension	<ul style="list-style-type: none"> Defined benefit plan
Variable compensation	Short-Term Incentive (STI)	<ul style="list-style-type: none"> Plan type: Annual Bonus Performance targets: <ul style="list-style-type: none"> Adj. EBIT (70%) Free cash flow (30%) Modifier (0.8–1.2) based on individual performance, team performance and ESG targets Maximum payout: 200% of target amount Payout: In cash
	Long-Term Incentive (LTI)	<ul style="list-style-type: none"> Plan type: Performance Share Plan Performance period: 4 years Performance targets: <ul style="list-style-type: none"> Relative TSR vs. SDAX (70%) Adj. EBIT margin (30%) Maximum payout: 200% of target amount Payout: In cash
Further contractual arrangements	Malus & Clawback	<ul style="list-style-type: none"> Performance and compliance malus and clawback applicable to STI and LTI
	Share Ownership Guidelines	<ul style="list-style-type: none"> Obligation to buy Company shares in the amount of 200% of annual base salary and to hold these shares throughout the entire appointment
	Severance payments	<ul style="list-style-type: none"> Severance payments may not exceed the lower of two times the annual compensation (base salary + target STI + target LTI) or the remaining term of the service contract

2.3 Compensation structure

The target direct compensation of each Management Board member consists of the base salary, the target amount of the STI and the target amount of the LTI. Thereby, the base salary accounts for approximately 45% – 55% of target direct compensation for the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The total target variable compensation (STI and LTI) also accounts for approximately 45% – 55% of target direct compensation. For the CEO and CFO, the target amount of the LTI always exceeds the one of the STI due to the focus on the long-term and sustainable success of the Company without neglecting annual operational objectives. Due to the volatility of expenses for fringe benefits and company pension, the relative proportion of the total compensation changes yearly and differs between Management Board members. Henceforth it is not included in the displayed compensation structure but actual expenses for fringe benefits

and company pension will be disclosed in the respective Remuneration Report. For financial year 2022/23, the expenses for fringe benefits of CEO and CFO amount to roughly 4% to 6% of individual base salary.



2.4 Compensation components in detail

2.4.1 Fixed compensation

Base salary

The members of the Management Board receive a fixed annual base salary in cash which is paid out in twelve equal monthly instalments, and which is determined by taking into consideration the Management Board members’ respective position and responsibilities.

Fringe benefits

Management Board members are entitled to fringe benefits that include a death and disability insurance, a company car for business and private use, as well as the bearing of costs for tax advice and tax filing and the reimbursement of costs for accommodation.

In addition, the Company provides customary Director & Officer liability insurance (D&O insurance) coverage to the Management Board members. The insurance provides for a deductible of 10% of the damage to be borne by the Management Board members, up to an amount which equals 1.5 times the individual base salary. Furthermore, the Management Board members are provided with an accident insurance.

Company pension

The Management Board members may receive pension benefits in the form of a lifelong monthly pension, provided that they have reached the age of 60, or are incapacitated for work or occupation and have terminated their services for the Company. The specific monthly pension amounts are regulated within the individual

Management Board member’s service agreement and may amount up to a maximum of 20% of the latest base salary before the occurrence of the insured event.

2.4.2 Variable compensation

The Remuneration Policy supports the implementation and realisation of the long-term strategy of the Company. The selection of the financial and non-financial performance targets is based on the alignment with corporate strategy. The selection of the adjusted earnings before interest and taxes (Adj. EBIT) as a performance target in the Short-Term Incentive ensures the focus on the profitability of the Company’s operating business. Adj. EBIT equals the revenue minus expenses, excluding interests and taxes, adjusted for non-operating or aperiodic effects as defined and reported in the audited consolidated financial statements of the Company. The selection of Free cash flow aligns the Remuneration Policy with another key focus area of the long-term strategy, i.e. the generation of cash. Free cash flow is defined as the total cash flow from operating and investing activities as defined and reported in the audited consolidated financial statements of the Company. The modifier allows the Supervisory Board to include long-term strategy goals on an individual and team level of the Management Board as well as to implement sustainability goals (ESG criteria) into the compensation scheme.

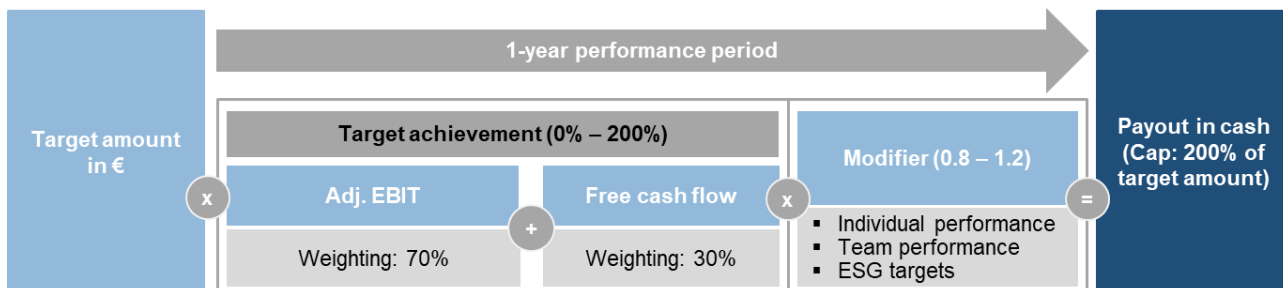
The selection of the financial performance targets of the Long-Term Incentive further aligns the compensation of the Management Board members with the long-term corporate strategy. The relative Total Shareholder Return (TSR) ensures a high degree of alignment of the compensation with the interests of shareholders, while the relative comparison incentivises to outperform the capital market. The TSR equals the theoretical growth in value of a share held over a period, assuming that (gross) dividends are directly re-invested. The selection of the Adj. EBIT margin aligns the compensation with the goal of focusing on high-margin business. Adj. EBIT margin refers to Adj. EBIT divided by external revenue. External revenue means the income generated from sale of goods or services, or any other use of capital or assets, associated with the main operations of the Company, as defined and reported in the audited consolidated financial statements of the Company.

	Performance targets	Connection to corporate strategy
STI	Adj. EBIT	Reflects the profitability of Novem’s operative business
	Free cash flow	Alignment with Novem’s long-term strategy goal of cash generation
	Modifier for individual performance, team performance and ESG targets	Allows the Supervisory Board to incorporate long-term strategy goals such as “Innovation” or “Climate Responsibility” into the remuneration policy
LTI	Relative TSR vs. SDAX	Provides a high degree of alignment with shareholder interests and incentivises outperforming the capital market
	Adj. EBIT margin	Alignment with the goal to focus on high-margin business

Short-Term Incentive

The Short-Term Incentive depends on the economic success in the respective financial year as well as on the achievement of individual, team, and ESG targets. The Short-Term Incentive is calculated by the degrees of target achievement (0% to 200%) determined for the financial year for the financial targets Adj. EBIT and Free cash flow as defined and reported in the audited consolidated financial statements of the Company, as well as

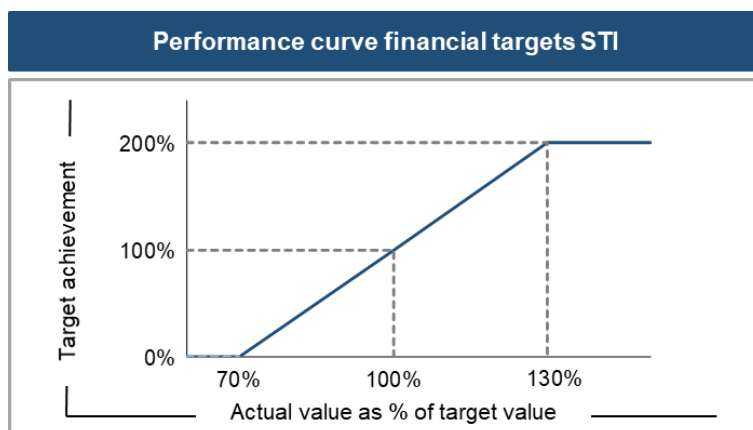
via a modifier (factor 0.8 to 1.2) to assess the individual, team, and ESG performance of the Management Board members. The final payout is determined by multiplying a contractually agreed individual target amount with the overall target achievement of the financial targets as well as the modifier. Thereby, payout is limited to a maximum of 200% (“Cap”) of the individual target amount.



Financial targets of the STI

The financial performance targets Adj. EBIT and Free cash flow are key figures for operational and economic success of the Company. At the beginning of each financial year, the Supervisory Board defines target values for Adj. EBIT and Free cash flow, which are derived from the budget planning of Novem Group S.A. After the financial year has ended, the actual Adj. EBIT and Free cash flow values are compared to the respective target values of the relevant year.

If the actual Adj. EBIT of the respective year equals 70% of the target value or less, the target achievement is 0%. If the actual Adj. EBIT equals 100% of the target value, the target achievement is 100%. In case the actual Adj. EBIT of the respective year amounts to 130% of the target value, this leads to a target achievement of 200%. Further increases in Adj. EBIT do not lead to a higher target achievement. The target achievements between these points are determined by linear interpolation. This target achievement curve counts for the Free cash flow analogously.



Modifier

To reflect the Management Board members’ individual as well as team performance and to consider ESG targets, the Supervisory Board uses the modifier for each Management Board member to assess the achievement of predefined targets. The resulting modifier for adjusting the Short-Term Incentive can take a value between 0.8 and 1.2. The specific targets aim to support the long-term strategy goals of the Company,

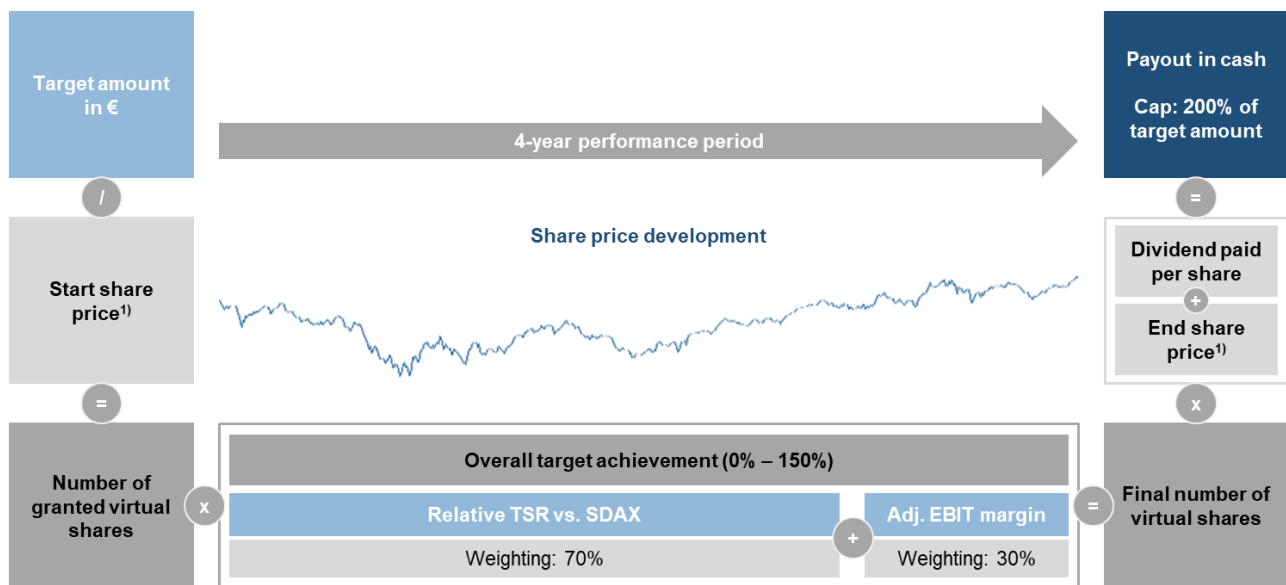
are agreed upon between the Supervisory Board and the Management Board and are based on the following criteria catalogue:

Criteria for the Modifier			
Category	Individual performance	Team performance	ESG targets
Criteria	Important strategic achievements in area of responsibility	Achievement of important strategic goals	Reduction in carbon emissions
	Individual contributions to important projects	Cooperation with the Supervisory Board	Employee satisfaction
	Realisation of key projects	Successful M&A	Compliance

Long-Term Incentive

The Long-Term Incentive is structured as a multi-year variable compensation based on virtual shares of Novem Group S.A. The virtual shares are granted in annual tranches, each with a forward-looking four-year performance period. Payout depends on the achievement of performance targets as well as the value development of the virtual shares and is made in cash following the end of the performance period.

In order to determine the conditionally granted number of virtual shares, a contractually agreed individual target amount is divided by the Start Share Price, whereby the Start Share Price refers to the arithmetic mean of the Company’s share closing price during the last 60 trading days prior to the respective performance period start date. The final number of virtual shares is determined by multiplying the overall target achievement of performance targets with the conditionally granted number of virtual shares. Target achievement and therefore the final number of virtual shares is capped at 150%. The payout of the respective tranche of the Performance Share Plan is determined by multiplying the final number of virtual shares with the relevant End Share Price adding any dividends paid during the performance period. The End Share Price refers to the arithmetic mean of the Company’s share closing price during the last 60 trading days prior to the respective performance period end date. The overall payout is capped at 200% of the individual target amount.



¹⁾ Arithmetic mean of closing price of 60 trading days before start resp. end of performance period

Performance targets of the LTI

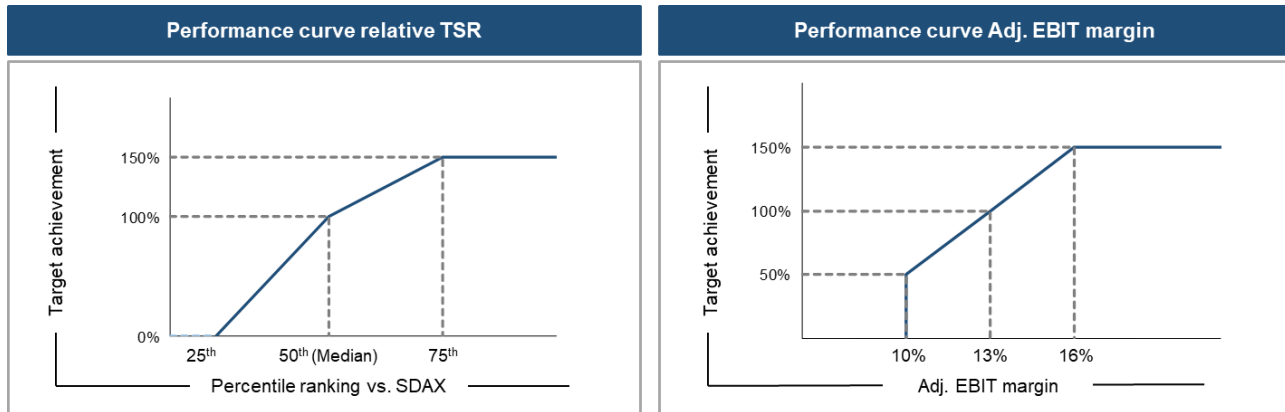
The Supervisory Board has determined the performance targets relative TSR and Adj. EBIT margin as key performance indicator for the LTI as they reflect the Company’s long-term success.

The target achievement for the relative TSR is based on a comparison of the TSR of Novem Group S.A. with the constituents of the SDAX index. The Supervisory Board of Novem Group S.A. considers the SDAX as an appropriate peer group, as the SDAX companies are comparable to Novem Group S.A. in terms of size (e.g. revenue, employees) and place of operation. In order to determine the relative TSR, firstly, the absolute TSR values of Novem Group S.A. as well as of each index constituent of the SDAX over the respective performance period of four years are calculated. The absolute TSR value of each company equals the theoretical growth in value of a shareholding over the four-year performance period, assuming that (gross) dividends are directly re-invested. The initial value of a share is calculated by using the arithmetic mean of the closing price of the last 60 trading days prior to the beginning of the performance period. The final value of a share is determined analogously as the arithmetic mean of the closing price of the last 60 trading days prior to the end of the performance period. The growth in value is calculated through a comparison between the initial and final value, assuming that (gross) dividends are directly re-invested. Secondly, the calculated absolute TSR values of Novem Group S.A. and each index constituent are sorted by size and receive a rank (i.e., the highest absolute TSR at rank 1, the second highest absolute TSR at rank 2 and so on). Each rank receives a percentile rank as well.

If the Company’s percentile rank is at the 25th percentile or lower, the target achievement is 0%. If the Company’s percentile rank equals the 50th percentile (Median), the target achievement is 100%. In case the Company’s TSR is at least at the 75th percentile, this leads to a target achievement of 150%. Higher percentile ranks do not lead to a higher target achievement. Target achievements between these points are determined by linear interpolation.

The target achievement for the Adj. EBIT margin is based on a comparison with a strategic target. To determine the percentage of target achievement, the average of the actual Adj. EBIT margin as defined and reported in

the audited consolidated financial statements of the Company of the four financial years of the respective performance period is compared with the strategic target defined for the respective performance period. The strategic target and performance curve is determined by the Supervisory Board at the beginning of each performance period. For the LTI grant for financial year 2022/23 the following performance curves apply:



2.4.3 Malus and Clawback

The Short-Term Incentive and Long-Term Incentive are subject to Malus and Clawback clauses which allow the Supervisory Board at its reasonable discretion to retain or reclaim the variable compensation in part or in full in cases of material breaches of a duty of care, a duty under the employment/service contracts, or another material principle of action of the Company laid out in the Code of Conduct of the Company or its Compliance Guidelines. When exercising its reasonable discretion, the Supervisory Board takes into account the severity of the breach, the degree of fault attributable to the Board Member, and the material and immaterial damage incurred, whereby the existence of damage is not a necessary prerequisite for a reduction or reclaim of the variable compensation.

In addition, the Management Board members must repay any variable compensation already paid out if, and to the extent that, it turns out after the payment that the audited and approved consolidated financial statement on which the calculation of the payout amount was based was incorrect.

2.4.4 Share Ownership Guidelines

In order to strengthen the equity story of the Company and to further align Management Board members' and shareholders' interests, the Management Board members are obliged to acquire and to hold a certain number of shares ("Share Ownership Target") during their entire appointment. The Share Ownership Target amounts to two times the individual gross base salary. Thereby, the required number of shares must be acquired within four years following the appointment. A Management Board member is free to buy shares at any time – under consideration of the Market abuse regulation and the Company's insider trading rules – at its own discretion.

2.4.5 Term of office and service agreement

The members of the Management Board shall be elected by the Supervisory Board for a term not exceeding six years and shall be re-eligible. A member of the Management Board may be removed with or without cause and/or replaced, at any time, by resolution adopted by the Supervisory Board.

The service agreement of the Management Board members may be terminated by either party in compliance with the notice periods contained in Article L.124-3 and Article L.124-4 of the Labor Code. In the event of serious fault by either party, the other party may terminate the service agreement with immediate effect in accordance with Article L.124-10 of the Labor Code.

Payments made to the Management Board members on the occasion of a premature termination of their agreements other than for cause, if any, do not exceed the value of two times the annual compensation ("Severance Payment Cap") and compensate no more than the remaining term of the service agreement. For this purpose, the value of the annual compensation is the sum of the fixed base salary, as well as the STI and the LTI both assessed at their target amounts (100% target achievement). In case of termination of the agreement by the Company for cause (e.g. serious misconduct of the Management Board member), no severance payment is due.

For a period of two years following the termination of the service agreements, the Management Board members are subject to a non-compete obligation, including a prohibition from working for a company that is a competitor of Novem Group S.A. The Company pays a non-compete compensation to the members of the Management Board for the duration of the two years post-contractual non-compete period. The compensation is to be paid in monthly instalments, which amount to 50% of one-twelfth of the last contractual compensation received. The Company can waive its right under the non-compete clause with the effect that the obligation to pay a non-compete compensation ceases six months after receipt of the declaration of the waiver by the member of the Management Board. Any severance payment will be offset against the compensation for post-contractual non-competition.

2.5 Exceptional circumstances

In exceptional circumstances, the Supervisory Board of the Company can temporarily derogate from the Remuneration Policy. Exceptional circumstances are situations in which the derogation from the Remuneration Policy is necessary to serve the long-term interest and the sustainability of the Company or to assure its viability.

A derogation from the Remuneration Policy in the aforementioned exceptional circumstances is only possible through a resolution by the Supervisory Board assessing the exceptional circumstances and the necessity of a derogation.

The parts of the Remuneration Policy that can be derogated from in exceptional circumstances through a resolution by the Supervisory Board are the compensation structure, the terms and payment dates of the variable compensation, and the performance targets of the variable compensation, including their measurement and weighting. Furthermore, the Supervisory Board has the right to grant special payments to new Management Board members in order to compensate for forfeiting salary from previous employers or to cover expenses resulting from a relocation.

3. Remuneration Policy of the Supervisory Board members

In accordance with their monitoring function and to guarantee the independence of each member, the Supervisory Board members receive an annual fixed compensation. When assessing the compensation of the Supervisory Board, the requirements specific to certain roles, burdens in terms of time, and responsibilities of the Supervisory Board members are taken into account. Therefore, Supervisory Board members receive additional fees for their membership in committees. The Remuneration Policy remains in force until it has been amended or terminated by the Annual General Meeting of the Company.

Fixed compensation

In general, members of the Supervisory Board receive a fixed compensation in the amount of €40 thousand for every full financial year of their membership in the Supervisory Board. The Chairman of the Supervisory Board's compensation amounts to 3.0 times the amount, i.e. €120 thousand, and the Deputy Chairman of the Supervisory Board's compensation amounts to 1.5 times the amount, i.e. €60 thousand. On the basis of individual agreements, individual members of the Supervisory Board may not receive any compensation.

Committee compensation

In addition, the chairman of the Company's Audit & Risk Committee receives a compensation in the amount of €30 thousand per full financial year. The chairman of the Nomination and Remuneration a compensation in the amount of €20 thousand per full financial year. Members of the Audit & Risk Committee receive a compensation in the amount of €15 thousand per full financial year and members of the Nomination and Remuneration Committee receive a compensation in the amount of €10 thousand per full financial year.

Directors' and officers' insurance

The Company maintains a directors' and officers' insurance for the members of the Supervisory Board at the Company's cost.

Miscellaneous

The members of the Supervisory Board are entitled to reimbursement of their reasonable expenses (including, but not limited to, travel, board and lodging and telecommunication expenses). Expenses are reimbursed upon invoicing and evidence. In addition, the members of the Supervisory Board will be reimbursed for any value added tax accrued on compensation and expenses.

4. Management Board compensation for financial year 2022/23

Hereafter, the application of the Remuneration Policy, as outlined above, is described for financial year 2022/23. The employment contract of Ms. Christine Hollmann ended by mutual agreement on 30 November 2022. Accordingly, she received the contractually agreed compensation pro rata temporis until 30 November

2022. Furthermore, Mr. Mathias Rieger received a pro rata compensation for the financial year 2022/23 due to the beginning of his employment contract on 1 January 2023.

4.1 Variable compensation for financial year 2022/23

Fixed compensation

In line with the Remuneration Policy, the Management Board members received their base salary and fringe benefits for the period 1 April 2022 to 31 March 2023.

Short-Term Incentive

In line with the Remuneration Policy, the Management Board members received a Short-Term Incentive, which was based on the achievement of the financial targets Adj. EBIT and Free cash flow. In addition, a modifier for individual performance was applied. The target amounts of the STI were set at €250 thousand for Mr. Günter Brenner, €180 thousand for Dr. Johannes Burtscher, and €20 thousand for Mr. Frank Schmitt for the period 1 April 2022 to 31 March 2023. Ms. Christine Hollmann and Mr. Mathias Rieger received pro rata temporis target amounts of €16.7 thousand and €6.3 thousand.

In accordance with the Remuneration Policy, target values for Adj. EBIT and Free cash flow were derived from the budget planning and were set at the beginning of the financial year by the Supervisory Board.

The following table provides details on target values, target achievement curves as well as the resulting level of target achievement for Adj. EBIT and Free cash flow. For financial year 2022/23, the total target achievement for the financial performance was 96.8%.

STI target achievement Financial year 2022/23 ¹⁾	Lower threshold (in € million)	Target value (in € million)	Upper threshold (in € million)	Actual value (in € million)	Target achievement
Financial targets					
Adj. EBIT	64.51	92.16	119.81	81.73	62.26%
Free cash flow	48.03	68.62	89.21	84.55	177.36%

¹⁾ The use of rounded amounts and percentages may result in minor discrepancies due to commercial rounding.

According to the Remuneration Policy, the Supervisory Board uses the modifier for each Management Board member to assess the individual as well as team performance based on the achievement of predefined targets.

The predefined targets for the financial year 2022/23 were as follows:

- **Commercial:** Establishment of Tech Centre in China as self-contained engineering hub for customers in Asia
- **Operational:** Transfer and ramp-up of Faurecia business comprising nine platforms from four different OEMs
- **Environmental:** Preparation of a detailed roadmap to achieve greenhouse gas neutrality in Germany by 2025
- **Safety:** Implementation and monitoring of Covid-19 measures to ensure safe and healthy work environment
- **Governance:** Ensuring compliance with Code of Conduct through training >90% of employees
- **Branding:** Increasing attractiveness of Novem as employer by intensifying communication via social media

The objectives described above formed the basis for the evaluation of the individual performance of the Management Board members. For the commercial target, the development of employee trainings within the Tech Centre Asia and the Program Management Asia have been successfully realised. Regarding the operational target, the transfer and ramp-up of Faurecia business resulted in an increase in sales. For the environmental targets, a roadmap for greenhouse gas neutrality in Germany by 2025 was successfully set up. Covid-19 cases were always well under control due to the establishment of various measures (e.g. offering vaccinations at all locations where legally possible and reasonable, reduction of face-to-face meetings as well as travelling, implementation of site-tailored hygiene concepts). Regarding the governance targets, an overall rate of 97.70% was achieved for code of conduct trainings. The branding targets were addressed by establishing an increasing presence on social media. The assessment of the individual contribution of the respective Management Board member to the achievement of the objectives resulted in a modifier of 1.2 for Mr. Günter Brenner and Dr. Johannes Burtscher, a modifier of 0.8 for Ms. Christine Hollmann and a modifier of 1.0 for Mr. Mathias Rieger as well as Mr. Frank Schmitt.

The following table presents the total target achievements and resulting payouts for the STI of each Management Board member:

STI payout

Financial year 2022/23¹⁾

	Target amount in € thousand	Target achievement (weighting)		Total target achievement	Modifier	Payout amount in € thousand
		Adj. EBIT (70%)	Free cash flow (30%)			
Günter Brenner	250.0				1.2	290.4
Dr. Johannes Burtscher	180.0				1.2	209.1
Christine Hollmann	16.7	62.3%	177.4%	96.8%	0.8	12.9
Mathias Rieger	6.3				1.0	6.0
Frank Schmitt	20.0				1.0	19.4

¹⁾ The use of rounded amounts and percentages may result in minor discrepancies due to commercial rounding.

Long-Term Incentive

On 1 April 2022, in accordance with the Remuneration Policy, the Supervisory Board granted the second tranche (the "PSP 2022") of the Novem Group S.A. Performance Share Plan, resulting in the allocation of virtual shares to the members of the Management Board. The allocated number of virtual shares is based on LTI target amounts of €375 thousand for Mr. Günter Brenner, €270 thousand for Dr. Johannes Burtscher and €16 thousand for Mr. Frank Schmitt. Ms. Christine Hollmann and Mr. Mathias Rieger received pro rata temporis target amounts of €13.3 thousand and €5 thousand.

In accordance with the Remuneration Policy, the development of the value and therefore the resulting payout of this tranche depends on the achievement of the performance targets relative TSR and Adj. EBIT margin over the performance period as well as the absolute share price development including dividends of the shares of Novem Group S.A. during the same time period. Actual payments to Management Board members after the end of the performance period may therefore deviate from the target amount. The target achievement at the end of the performance period as well as the resulting payout amount will be disclosed for each Management Board member in the Remuneration Report following the end of the performance period.

The following table provides an overview of the virtual performance shares granted to the Management Board members:

Performance Share Plan (PSP)

Name, Position	The main conditions of the (virtual) Performance Share Plan				Opening Balance (before 1 April 2022)
	Specification of plan	Grant date	Vesting date	Performance period	Number of virtual shares
Günter Brenner, Chief Executive Officer	PSP 2022	1 Apr 22	31 Mar 26	1 Apr 22 – 31 Mar 26	-
	PSP 2021	19 Jul 21	31 Mar 25	19 Jul 21 – 31 Mar 25	22,783
Dr. Johannes Burtscher, Chief Financial Officer	PSP 2022	1 Apr 22	31 Mar 26	1 Apr 22 – 31 Mar 26	-
	PSP 2021	19 Jul 21	31 Mar 25	19 Jul 21 – 31 Mar 25	16,403
Christine Hollmann, Member of the Management Board	PSP 2022	1 Apr 22	31 Mar 26	1 Apr 22 – 31 Mar 26	-
	PSP 2021	19 Jul 21	31 Mar 25	19 Jul 21 – 31 Mar 25	911
Mathias Rieger, Member of the Management Board	PSP 2022	1 Jan 23	31 Mar 26	1 Apr 22 – 31 Mar 26	-
	-	-	-	-	-
Frank Schmitt, Member of the Management Board	PSP 2022	1 Apr 22	31 Mar 26	1 Apr 22 – 31 Mar 26	-
	PSP 2021	19 Jul 21	31 Mar 25	19 Jul 21 – 31 Mar 25	729
Total					40,826

Performance Share Plan (PSP) continued

	During the year		Closing balance (31 Mar 2023)		
	Virtual shares granted		Virtual shares granted and still unvested	Virtual shares vested at year end	
	Number of virtual shares	Target amount in € thousand ¹⁾		Number of virtual shares	Payout amount in € thousand
Günter Brenner, Chief Executive Officer	33,333	375.0	33,333	-	-
	-	-	22,783	-	-
Dr. Johannes Burtscher, Chief Financial Officer	24,000	270.0	24,000	-	-
	-	-	16,403	-	-
Christine Hollmann, Member of the Management Board	1,185	13.3	1,185 ³⁾	-	-
	-	-	911 ²⁾	-	-
Mathias Rieger, Member of the Management Board	444	5.0	444 ⁴⁾	-	-
	-	-	-	-	-
Frank Schmitt, Member of the Management Board	1,422	16.0	1,422	-	-
	-	-	729 ²⁾	-	-
Total	60,384	679.3	101,210	-	-

¹⁾ The target amount of the granted virtual shares is based on the individual contractual agreements.

²⁾ Pro-rata number of virtual shares for the period 19 July 21 to 31 March 2022.

³⁾ Pro-rata number of virtual shares for the period 1 April 22 to 30 November 2022.

⁴⁾ Pro-rata number of virtual shares for the period 1 January 2023 to 31 March 2023.

4.2 Total compensation awarded or due for financial year 2022/23

The compensation awarded or due to the individual members of the Management and Supervisory Board for the period 1 April 2022 to 31 March 2023 is presented in the following table.

Total compensation for financial year 2022/23 and 2021/22 – Management Board (in € thousand)¹⁾

Name, Position (member since)	Financial year	Fixed compensation				Variable compensation		Total compensation	Proportion of fixed vs. variable compensation (in %)
		Base salary	Fringe benefits	Pension (service cost according to IAS 19)	Non-recurring payments	Short Term Incentive (payout amount)	Performance Share Plan (payout amount ²⁾)		
Management Board members									
Günter Brenner, Chief Executive Officer (since 1 July 21)	22/23	580.0	34.6	0.0	0.0	290.4	-	905.0	67.9% : 32.1%
	21/22	408.6	23.1	152.7 ³⁾	0.0	33.8	-	618.2	94.5% : 5.5%
Dr. Johannes Burtscher, Chief Financial Officer (since 1 July 21)	22/23	480.0	17.9	0.0	0.0	209.1	-	707.0	70.4% : 29.6%
	21/22	338.2	13.0	89.5 ³⁾	0.0	24.3	-	465.0	94.8% : 5.2%
Christine Hollmann, Member of the Management Board (since 1 July 21 until 30 November 22)	22/23	84.0	50.6	0.0	269.2 ⁴⁾	12.9	-	416.8	96.9% : 3.1%
	21/22	86.5	39.8	0.0	213.6 ⁴⁾	3.4	-	343.3	99.0% : 1.0%
Mathias Rieger, Member of the Management Board (since 1 January 23)	22/23	30.5	13.1	0.0	0.0	6.0	-	49.6	87.8% : 12.2%
	21/22	-	-	-	-	-	-	-	n/a
Frank Schmitt, Member of the Management Board (since 1 July 21)	22/23	101.3	60.2	0.0	0.0	19.4	-	180.9	89.3% : 10.7%
	21/22	68.8	36.2	0.0	171.5 ⁵⁾	2.7	-	279.2	99.0% : 1.0%

¹⁾ The use of rounded amounts and percentages may result in minor discrepancies due to commercial rounding.

²⁾ In deviation to remuneration report for financial year 2021/22, payout amount instead of the fair value is disclosed for the Performance Share Plan, which is more in line with market practice. Due to the performance period of four years, the payout amounts are only recognized after the end of the performance period of the respective tranche of the Performance Share Plan.

³⁾ Current service cost for financial year 2021/22. Past service cost amount to €489 thousand and €781 thousand. Due to the IPO and long term of service of Mr. Brenner and Dr. Burtscher, the monthly pension amounts were set at 20% of their respective base salary. In addition, pension entitlements were fully vested with immediate effect.

⁴⁾ Ms. Christine Hollmann received a non-recurring payment from Bregal Unternehmerskapital GmbH (third-party payment) in the context of the Initial Public Offering of Novem Group S.A. as well as her appointment as Management Board member. The non-recurring payment was paid out in two tranches. The first tranche was paid out in financial year 2021/22. The second tranche was paid out early in financial year 2022/23 due to the prematurely ended employment contract. In addition, she received a severance payment in the amount of roughly €60 thousand and a compensation for outstanding vacation days in the amount of roughly €9 thousand in financial year 2022/23 from Novem Group S.A.

⁵⁾ Mr. Frank Schmitt received a non-recurring payment from Bregal Unternehmerskapital GmbH (third-party payment) in the context of the Initial Public Offering of Novem Group S.A. as well as his appointment as Management Board member. The non-recurring payment will be paid out in two tranches. The first tranche was paid out in financial year 2021/22.

Total compensation for financial year 2022/23 and 2021/22 – Supervisory Board (in € thousand)¹⁾

Name, Position (member since)	Financial year	Fixed compensation	Committee compensation	Total compensation	Proportion of fixed vs. variable compensation (in %)
Supervisory Board members					
Dr. Stephan Kessel, Chairman of the Supervisory Board (since 1 July 21)	22/23	120.0	35.0	155.0	100% : 0%
	21/22	84.5	24.7	109.2	100% : 0%
Mark Willehms, Deputy Chairman of the Supervisory Board (since 1 July 21)	22/23	60.0	40.0	100.0	100% : 0%
	21/22	42.3	28.2	70.5	100% : 0%
Florian Schick, Member of the Supervisory Board (since 1 July 21)	22/23	0.0	0.0	0.0	n/a
	21/22	0.0	0.0	0.0	n/a
Philipp Struth, Member of the Supervisory Board (since 1 July 21)	22/23	0.0	0.0	0.0	n/a
	21/22	0.0	0.0	0.0	n/a
Natalie C. Hayday, Member of the Supervisory Board (since 1 July 21)	22/23	40.0	25.0	65.0	100% : 0%
	21/22	28.2	17.6	45.8	100% : 0%

¹⁾ The use of rounded amounts and percentages may result in minor discrepancies due to commercial rounding.

5. Development of compensation and company performance over time

Due to the Initial Public Offering and corresponding reincorporation of Novem Group S.A. in financial year 2021/22, the comparative data available is limited to financial years 2021/22 and 2022/23. Thereby, compensation data for financial year 2021/22 only comprise the period from 19 July 2021 to 31 March 2022. The development of the compensation and company performance in the respective financial years are presented in the following table:

Comparative presentation of changes in compensation and company performance ¹⁾			
Name, Position (member since)	Development of time		
	FY 21/22 (in € thousand)	Delta (in %)	FY 22/23 (in € thousand)
Management Board members ²⁾			
Günter Brenner, Chief Executive Officer (since 1 July 21)	618.2	46%	905.0
Dr. Johannes Burtscher, Chief Financial Officer (since 1 July 21)	465.0	52%	707.0
Christine Hollmann, Member of the Management Board (since 1 July 21 until 30 November 22)	343.3 ³⁾	21%	416.8 ³⁾
Mathias Rieger, Member of the Management Board (since 1 January 23)	-	n/a	49.6
Frank Schmitt, Member of the Management Board (since 1 July 21)	279.2 ³⁾	-35%	180.9
Supervisory Board members ²⁾			
Dr. Stephan Kessel, Chairman of the Supervisory Board (since 1 July 21)	109.2	42%	155.0
Mark Wilhelms, Deputy Chairman of the Supervisory Board (since 1 July 21)	70.5	42%	100.0
Florian Schick, Member of the Supervisory Board (since 1 July 21)	0.0	n/a	0.0
Philipp Struth, Member of the Supervisory Board (since 1 July 21)	0.0	n/a	0.0
Natalie C. Hayday, Member of the Supervisory Board (since 1 July 21)	45.8	42%	65.0
Company performance			
Adj. EBIT (in € million)	80.9	1%	81.7
Free cash flow (in € million)	65.0	30%	84.5
Average compensation of the employees on full-time equivalent ⁴⁾			
Average compensation of the employees of Novem Group S.A. in Germany on full-time equivalent	51.4	1.9%	52.4

¹⁾ The use of rounded amounts and percentages may result in minor discrepancies due to commercial rounding.

²⁾ The development of the Management and Supervisory Board compensation is due to the fact that for the financial year 2021/22 only the compensation since the IPO is taken into account and the target achievement of the STI for the financial year 2022/23 is significantly higher compared to 2021/22.

³⁾ The displayed compensation amounts for Ms. Christine Hollmann and Mr. Frank Schmitt contain non-recurring payments in the context of the Initial Public Offering of Novem Group S.A. as well as the prematurely ended employment contract in case of Ms. Christine Hollmann which are not part of the regular compensation package. Therefore, the changes in compensation presented are only meaningful to a limited extent. See chapter 4.2 for more information.

⁴⁾ Compensation of Novem Group S.A. (incl. all subsidiaries) employees in Germany for the full financial years 2021/22 and 2022/23. No consideration of special payments and variable remuneration so that the years can be compared with each other.

Luxembourg, 12 June 2023

Novem Group S.A.

Supervisory Board and Management Board