

# Remuneration Report 2021

GOFORE



# 1. Introduction

## 1.1. Remuneration policy and reporting

The Annual General Meeting of Gofore Plc ("company" or "Gofore") on 29 April 2020 unanimously adopted the remuneration policy. The remuneration policy sets out the company's general principles and decision-making processes that apply to the remuneration of Gofore Plc's Board of Directors and the CEO. The principles applied to the CEO will be applied to the deputy CEO, if necessary. The purpose of the remuneration policy is to support the company's strategic goals and promote its competitiveness and long-term financial success.

The Board's remuneration committee will prepare the Remuneration Policy and the Board of Directors will present it to the general meeting. The remuneration committee and the Board of Directors will monitor the compliance, functioning and results of the remuneration policy.

The company has prepared this remuneration report in accordance with the Finnish Corporate Governance Code 2020 of the Finnish Securities Market Association. A report on the remuneration will be presented in the company's Annual General Meeting annually.

The remuneration of the Board of Directors and the CEO in the financial year 2021 has been in accordance with the company's remuneration policy. The company has not deviated from the remuneration policy during the financial year.

## 1.2. Remuneration criteria

### 1.2.1. Remuneration based on long-term financial success

In accordance with the company's remuneration policy, the remuneration of the Board of Directors and the CEO is linked to both the company's short-term and long-term profitability, through which the remuneration promotes the company's business strategy and long-term financial success. In addition, the objective is to contribute to the positive development of the company's shareholder value and foster the company's Board of Directors' and CEO's long-term commitment to the company's goals.

### 1.2.2. Formulation of remuneration

The remuneration of the Company's bodies can be paid partially or entirely in the form of shares or other share-related instruments pursuant to the applicable legislation and other regulations within the scope of the authorisation that the general meeting has granted to the Board of Directors.

The remuneration of the Board of Directors can consist of one or several elements. In practice, the Board of Director's remuneration consists of a fixed monthly monetary compensation and possible meeting fees. Increased remuneration can be paid to the Chair of the Board and to the committee chairs appointed by the Board of Directors. In addition to the salary and bonus, the Board members will be remunerated for their travel expenses. Remuneration paid to the Board members can be paid in cash and/or shares partially or in full. Remuneration paid to the Board members in 2021 is outlined below.

The CEO's remuneration is primarily comprised of a fixed salary and adjustable bonuses as well as, possible long-term incentive schemes and commitment programmes decided to take into use in the sole discretion of the Board of Directors. In addition, the CEO can be granted a separate, reasonable supplementary pension arrangement or other possible benefits to ensure that a competent CEO is committed to the Company's development. The fixed salary will be confirmed in the managing director agreement.

A part of the salary can be replaced with a housing benefit or a car benefit. Any bonuses paid to the CEO based on the adjustable bonus scheme as well as based on the long-term incentive schemes and commitment programmes can be paid in cash and/or shares partially or in full. The adjustable bonus can amount to a maximum of 50% of the CEO's fixed salary paid during the accumulation period. Remuneration paid to the CEO in 2021 is outlined below.

## 1.3. Remuneration development

The tables below show the development of the remuneration of the Board of Directors and the CEO, as well as the company's employees in average, as well as the company's financial performance.

### Paid total remuneration 2021–2017

EUR thousand	2021	2020	2019	2018	2017
Chairman of the Board of Directors <sup>1</sup>	39	60	36	26	11
Other members of the Board of Directors	102	76	72	60	22
CEO	190	188	176	156	173
Average employee salary <sup>2</sup>	61	58	55	53	53

<sup>1</sup> Remuneration paid for the duties of the Chairman of the Board of Directors (in accordance with the resolution of the Annual General Meeting).

<sup>2</sup> The average employee salary is calculated from paid total wages and compensations divided by the average number of employees during the year.

### Financial performance 2021–2017

#### Revenue (EUR thousand)

2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>	2018 <sup>2</sup>	2017 <sup>2</sup>
104,509	77,953	64,066	50,581	33,950

<sup>1</sup> 2021, 2020 and 2019 figures presented in accordance with the International Financial Reporting Standards (IFRS).

<sup>2</sup> 2018–2017 figures presented in accordance with Finnish Accounting Standards (FAS).

#### EBITA (EUR thousand)<sup>1</sup>

2021 <sup>2</sup>	2020 <sup>2</sup>	2019 <sup>2</sup>	2018 <sup>3</sup>	2017 <sup>3</sup>
14,451	9,908	7,296	6,797	5,691

<sup>1</sup> Operating profit before amortisation of intangible assets identified in PPA and impairment of goodwill (EBITA).

<sup>2</sup> 2021, 2020 and 2019 figures presented in accordance with the International Financial Reporting Standards (IFRS).

<sup>3</sup> 2018–2017 figures presented in accordance with Finnish Accounting Standards (FAS).

## 2. Description of the remuneration of the Board of Directors

In accordance with the remuneration policy, the remuneration of the Board of Directors for the financial period 2021 consisted of a monthly and meeting remuneration. On 26 March 2021, Gofore's Annual General Meeting resolved that the Chairman's remuneration is EUR 3,500 per month and that the remuneration of the members of the Board of Directors is EUR 2,000 per month. Furthermore, the committee chair would receive remuneration of EUR 800 per meeting and other members of the committee would receive remuneration of EUR 400 per meeting. Additionally, all travel expenses would be compensated for the members in accordance with the company's travel policy against receipts.

In accordance with the company's remuneration policy, the company has in place an agreement with the Chairman of the Board Timur Kärki for tasks other than those related to the position of chairman of the Board of Directors. In accordance with the agreement, Kärki's task is to support and advise the company's CEO and Group executive management in the company's investor relations communications and business-critical projects, such as acquisitions and significant contract projects.

For these tasks, Timur Kärki has been paid a monthly salary of EUR 7,500, up to 31 March 2020. From April 2021, the monthly salary has been EUR 6,500 a month.

### Salaries and remuneration of the members of the Board of Directors

EUR thousand	2021	2020
Timur Kärki		
Salary <sup>1</sup>	81	61
Annual Board retainer	39	60
Committee meeting fee	2	0
Stefan Baggström (until 26 March 2021)		
Annual Board retainer	5	18
Sami Somero		
Annual Board retainer	23	18
Committee meeting fee	2	0
Juha Eteläniemi (as of 29 April 2020)		
Annual Board retainer	23	12
Committee meeting fee	1	0
Mammu Kaario (as of 29 April 2020)		
Annual Board retainer	24	16
Committee meeting fee	5	0
Kristiina Michelsson (until 29 April 2020)		
Annual Board retainer	0	6
Mika Varjus (until 29 April 2020)		
Annual Board retainer	0	6
Piia-Noora Kauppi (as of 26 March 2021)		
Annual Board retainer	18	0
Committee meeting fee	2	0
<b>Total</b>	<b>225</b>	<b>197</b>

<sup>1</sup> The salary has been paid pursuant to the director agreement signed between the company and Timur Kärki for tasks other than those related to the position of the Chairman of the Board of Directors.

In addition to compensation presented above there has not been any other share-based payments in 2021.

## 3. Description of the CEO's remuneration

The remuneration of the CEO consists of a fixed monthly salary, employee benefits and a variable incentive fee that rewards for the company's profitable growth. The company has a so-called Flex incentive model in which the amount of the remuneration is determined based on profitability (operating profit before amortisation of intangible assets identified in PPA and impairment of goodwill, EBITA) and growth (quarterly revenue according to the consolidated income statement compared to the corresponding period in the previous year).

The variable remuneration paid to the CEO during the financial period of 2021 accounts for 11 % of the amount of the CEO's fixed salary.

No additional pension benefits or other financial benefits were paid to the CEO.

### Group CEO

EUR thousand	2021	2020
Mikael Nylund		
Salary	169	162
Taxable employee benefits	1	1
Variable remuneration	20	13
Equity-based payments	0	12
<b>Total</b>	<b>190</b>	<b>188</b>

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