

Remuneration Report 2023

GOFORE



1. Introduction

1.1. EMUNERATION 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 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 established by the company's Board of Directors will prepare the Remuneration Policy and the Board of Directors will present it to the Annual General Meeting. The remuneration committee and the Board of Directors will monitor the compliance, functioning and results of the remuneration policy.

The company Board's remuneration committee has prepared this remuneration report in accordance with the Finnish Corporate Governance Code 2020 of the Finnish Securities Market Association. The remuneration report will be presented in the company's Annual General Meeting. The Annual General Meeting 2023 resolved to adopt the remuneration report for the governing bodies of the company for the financial year 2022, and no counterproposals or comments were presented against the remuneration report.

The remuneration of the Board of Directors and the CEO in the financial year 2023 has complied with the company's remuneration policy. The company has not deviated from the remuneration policy during the financial year. The company has not made a decision to reclaim remunerations in the financial period.

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

According to the company's remuneration policy, 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 compensation and possible meeting-specific 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 compensation and fees, the Board members will be compensated for their travel expenses. If a member of the Board of Directors is in a service or employment relationship with the company, they will be paid a normal salary, in accordance with the market practice, that is based on the service or employment relationship.

In situations where a member of the Board of Directors, who is not in a service or employment relationship with the company, participates in the development of the company's operations outside their board duties, in a project-like manner, a separate reasonable compensation can be paid for such work pursuant to the Board of Director's decision. 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 the financial period of 2023 is outlined in the adjacent table.

The CEO's remuneration is primarily comprised of a fixed salary and variable remuneration as well as possible long-term incentive schemes and commitment programmes to take into use at 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 CEO 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.

The principles applied to the CEO will be applied to the possible deputy CEO, if necessary, as applicable when the deputy CEO acts as the interim CEO. For the sake of clarity, it is noted that the Board of Directors is not bound to the CEO’s remuneration as regards to the terms of the amount and structure of the remuneration when determining the deputy CEO’s remuneration.

Remuneration paid to the CEO and the Deputy CEO in the financial period of 2023 is outlined in the adjacent table.

1.3. Remuneration development

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

PAID TOTAL REMUNERATION 2023–2019

EUR thousand	2023	2022	2021	2020	2019
Chairman of the Board of Directors ¹	66	44	40	60	36
Other members of the Board of Directors	175	122	103	76	72
CEO	265	251	190	188	176
Deputy CEO ²	316	0	0	0	0
Average employee salary ³	63	61	61	58	55

¹ Remuneration paid for the duties of the Chairman of the Board of Directors (in accordance with the resolution of the Annual General Meeting) and committee meetings.

² The company has not had a deputy CEO before the financial year January 1st 2023 – December 31st 2023 due to which comparable information cannot be provided from the previous financial years.

³ The average employee salary is calculated from paid total wages and compensations divided by the average number of employees during the year. The figures are based on the salaries and remunerations paid to all Finnish companies’ employees, excluding those with hourly salaries.

FINANCIAL PERFORMANCE 2023-2019

Revenue (EUR thousand)					
2023	2022	2021	2020	2019	
189,241	149,921	104,509	77,953	64,066	

EBITA (EUR thousand) ¹					
2023	2022	2021	2020	2019	
27,090	20,426	14,451	9,908	7,296	

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

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 year 2023 consisted of a monthly and meeting remuneration. On 24 March 2023, Gofore's Annual General Meeting resolved that the Chairman's remuneration is EUR 6,000 per month and that the remuneration of the members of the Board of Directors is EUR 3,000 per month. Furthermore, the committee chair would receive remuneration of EUR 800 per committee meeting and other members of the committee would receive remuneration of EUR 400 per committee 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 had in place a service 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, until 23 March 2023. In accordance with the agreement, Kärki's duties consisted of support and advise to 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 fee of EUR 3,250, up to 23 March 2023. Kärki has not been paid other financial benefits.

COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS		
EUR thousand	2023	2022
Timur Kärki, Chairman of the Board		
Salary ¹	9	48
Annual Board retainer	64	42
Committee meeting fee	2	2
Eveliina Huurre (as of 25.3.2022)		
Annual Board retainer	33	18
Committee meeting fee	1	0
Mammu Kaario		
Annual Board retainer	33	24
Committee meeting fee	5	6
Piia-Noora Kauppi		
Annual Board retainer	33	24
Committee meeting fee	2	2
Tapani Liimatta (as of 25.3.2022)		
Annual Board retainer	33	18
Sami Somero		
Annual Board retainer	33	24
Committee meeting fee	2	2
Juha Eteläniemi (until 25.3.2022)		
Annual Board retainer	0	6
Committee meeting fee	0	0
Total	252	214

No share-based fees have been paid to the members of the Board of Directors.
¹ 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.

3. Description of the CEO and Deputy CEO's remuneration

Mikael Nylund has acted as the CEO of the company during the financial year 2023. Elja Kirjavainen, who is responsible for leading the digital transformation advisory services of the company and acts as the managing director of the company’s subsidiary Gofore Lead Oy, has acted as the Deputy CEO of the company during the financial year 2023.

In the financial year 2023, the remuneration of the CEO consisted of a fixed monthly salary, employee benefits and a Flex incentive model, where the amount of the remuneration is determined based on profitability (quarterly adjusted EBITA, operating profit before amortisation of intangible assets identified in PPA and impairment of goodwill; 50% weight) and organic growth (quarterly net sales according to the consolidated income statement compared to the corresponding period in the previous year; 50% weight). In addition, in 2023, the CEO participated in the company’s share savings program for all employees (CrewShare) and the company’s long-term incentive plan for key employees (Performance Share Plan).

In the financial year 2023, the remuneration of the Deputy CEO consisted of a fixed monthly salary, employee benefits and an incentive reward based on the adjusted EBITA of his respective responsibility business area, Gofore Lead Oy (Annual Bonus). In addition, in 2023, the Deputy CEO participated in the company’s long-term incentive plan for key employees (Performance Share Plan).
The variable remuneration (Flex incentive) paid to the CEO during the financial period of 2023 accounts for 39% of the amount of the CEO’s fixed salary.
No additional pension benefits or other financial benefits were paid to the CEO or the Deputy CEO.

GROUP CEO		
EUR thousand	2023	2022
Mikael Nylund		
Salary	190	192
Taxable employee benefits	0	0
Short-term incentives:		
Variable remuneration (Flex incentive)	75	59
Long-term incentives:		
Share-based payments	0	0
Total ¹	265	251

¹ The amount has been calculated based on income subject to personal income tax.

DEPUTY CEO ²

EUR thousand	2023	2022
Elja Kirjavainen		
Salary	151	0
Taxable employee benefits	15	0
Short-term incentives:		
Variable remuneration (Annual Bonus)	150	0
Long-term incentives:		
Share-based payments	0	0
Total	316 ³	0

² The company has not had a deputy CEO before the financial year January 1st 2023 – December 31st 2023 due to which comparable information cannot be provided from the previous financial years. Elja Kirjavainen was appointed as the company’s Deputy CEO as of January 1st 2023. Elja Kirjavainen has not acted as the Group’s CEO during the financial year 2023. His remuneration has been paid based on his main responsibility leading the business of Gofore Lead Oy.

³ The amount has been calculated based on income subject to personal income tax.

LONG-TERM INCENTIVES: CREWSHARE

In the fall of 2018, Gofore’s Board of Directors decided on a share savings scheme for the Group’s entire personnel. In January 2022, the Board of Directors decided on a new savings period for the years 2022-2023, and in February 2023, the Board of Directors decided on a new savings period for the years 2023-2024. The programme is targeted to incentivise the employees to invest in the company’s shares and become shareholders in the company. Its purpose is also to combine the staff’s and management team’s targets and commitment to developing company value and growing shareholder value in the long term. The Board of Directors decides annually on new savings periods within the program.

The program is available to all Gofore Group employees, including the CEO, and offers a chance to save a proportion of their regular salaries and use the savings to subscribe company shares with a 10% discount. The accrued savings are allocated towards acquiring Gofore’s shares after the savings period ends. Participating in the program is voluntary, and an employee takes part in one savings period at a time.

After two years of owning the shares, Gofore rewards participants with a gross remuneration of one matching share towards each three shares subscribed with the savings. Condition for earning the matching shares is that a participant owns the subscribed shares throughout the ownership period and that their employment with Gofore has not ended before the ownership period ends. The dividends paid to the shares subscribed with the savings will be automatically used to subscribe to shares on the next possible subscription date.

With regard to the savings period 2022-2023, a participant can also earn 0-1.5 performance-based matching shares towards each three shares subscribed with the savings, should the Group EBITA target set by the Board of Directors for the financial period of 2022, adjusted operating profit before depreciations and amortisations, be met. Therefore, the maximum amount of bonus shares a participant can earn in the savings period 2022-2023 is 2.5 towards each three subscribed shares. Likewise, regarding the savings period 2023-2024, a participant can earn 0-1.5 performance-based matching shares towards each three

shares subscribed with the savings, should the Group EBITA target set by the Board of Directors for the financial period of 2023, adjusted operating profit before depreciations and amortisations, be met. Therefore, the maximum amount of bonus shares a participant can earn in the savings period 2022-2023 is also 2.5 towards each three subscribed shares.

The CEO has participated in the program’s savings period 2023-2024 and 2022-2023. With regard to the savings period 2022-2023, the Board of Directors will decide on the payment of matching shares in 2025, and regarding the savings period 2023-2024, the Board of Directors will decide on the payment of matching shares in 2026.

The Deputy CEO has not participated in the program.

LONG-TERM INCENTIVES: PERFORMANCE SHARE PLAN

Performance Share Plan 2022-2024

On 24 January 2022, the Board of Directors of the company decided to establish a new share-based incentive plan for the Gofore Group’s key personnel (Performance Share Plan). The aim is to align the objectives of the shareholders and key personnel for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2022-2024 consists of one three (3) year earnings period, covering the financial years of 2022, 2023 and 2024. The remuneration of the earnings period is based on the average adjusted operating profit before depreciations and amortisations (50% weight), as well as the Group's average net sales growth (50% weight) for the financial periods 2022, 2023 and 2024, measured cumulatively.

The potential remuneration in the program is paid after the earnings period ends. The remuneration is paid partly as Gofore Plc's shares and partly in cash. The maximum remuneration that the CEO and the Deputy CEO can earn can match the value of a maximum of 1,650 Gofore Plc's shares, including the part paid in cash.⁴ The Board of Directors decides on the payment of share remuneration in 2025.

Performance Share Plan 2023–2025

The Board of Directors of the company decided to continue the share-based incentive plan for the Gofore Group's key personnel (Performance Share Plan) and launch a new program in 2023. The aim is to align the objectives of the shareholders and key personnel for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan consists of one three (3) year earnings period, covering the financial years of 2023, 2024

and 2025. The remuneration of the earnings period is based on the average adjusted operating profit before depreciations and amortisations (50% weight), as well as the Group's average net sales growth (50% weight) for the financial periods 2023, 2024 and 2025, measured cumulatively.

The potential remuneration in the program is paid after the earnings period ends. The remuneration is paid partly as Gofore Plc's shares and partly in cash. The maximum remuneration that the CEO and the Deputy CEO can earn can match the value of a maximum of 1,650 Gofore Plc's shares, including the part paid in cash.⁴ The Board of Directors decides on the payment of share remuneration in 2026.

⁴ The stated share number represents the gross amount, from which the applicable taxes are deducted. The remaining net amount is paid to the participants in shares.

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