



REMUNERATION REPORT
DIGITALIST GROUP PLC 2020

Remuneration Report 2020

1. Introduction

The Board of Directors of Digitalist has approved Remuneration Policy at its General Meeting in 2020. The Remuneration Policy describes Digitalist's remuneration of the Board of Directors and the CEO. This Remuneration Report that is published for the first time complies with the recommendations of the Finnish Corporate Governance Code for listed companies and the Shareholders' Rights Directive legislation and describes how the Remuneration Policy has been implemented over the preceding financial year. The Remuneration Report discloses the remuneration of the Board of Directors and the CEO and compares the development of the average remuneration of Digitalist's employees and of the Company's financial performance to the development of the fees paid to the Company's governing bodies.

Digitalist's remuneration supports reaching the strategic objectives of the company by aligning the interests of the key employees with the interests of the shareholders. The executive remuneration of Digitalist is designed to support the business objectives of the company and its financial success in the long term and advance profitability and sustainable growth.

Digitalist strives for transparency and consistency in rewarding. Remuneration across the company, at employee and executive level, is reviewed regularly to secure its fairness and competitiveness in the context of the market.

Deviations from the Remuneration Policy and exercise of Clawback

The Company has not exercised the right to deviate from the Remuneration Policy nor exercised the option of clawback of remuneration.

Development of remuneration and fees

Below is a comparable description of the development of the fees paid to the Board of Directors and CEO during the preceding two financial years in relation to the remuneration of employees and the financial performance of the Company. The numbers are presented only for the last two preceding financial years due to comparability. There is a bigger change in the fees paid to the Board of Directors due to changes in the number of members.

€000	2019	2020	Change 2019-2020
Board of Director's pay ¹	249	182	-27%
CEO pay ²	301	300	-0,3%
Employee salaries incl. social costs (average) ³	81	80	-1,6%

¹ The total fees paid to the Board of Directors.

² The total remuneration paid to the CEO. In 2019 there are fees paid to multiple CEO's. The value includes only remuneration paid to the acting CEO at the time.

³ Personnel salaries including social security expenses according to the company's financial statements divided by the average number of employees.

Revenue	27,401	20,487	-25%
EBITDA	-3 716	-2 021	+46%

2. Remuneration of the Board of Directors

Digitalist's Annual General Meeting decides on the remuneration of the Board of Directors. The compensation of the Board of Directors consists of an annual fee and attendance fees. The amount of the annual fee set varies based on the position in the Board and Committees. In the Annual General Meeting of the company on 14.04.2020, it was resolved to pay the following remunerations to the members of the Board of Directors:

	Fee, EUR
Annual fee of the Chair of the Board	40,000
Annual fee of the Deputy Chair of the Board	30,000
Annual fee of the Board member	20,000
Board or Committee Chair meeting fee	500/meeting
Board or Committee member meeting fee	250/meeting

During the accounting period 2020, the Board of Directors had 5 members and convened 23 times. The Board of Directors resolved on 15 April 2020 to abolish the committees of the Company's Board of Directors for the time being. Before the abolishment the Audit Committee convened 1 time and the Remuneration Committee 0 times. The fees to the Board were paid fully in cash once a quarter. There are no additional financial benefits paid to the Board members in 2020. The payments made in 2020 are described in the table below.

All fees paid to the Company's Board of Directors are made within the framework of the effective Remuneration Policy for governing bodies presented to the Annual General Meeting.

	Paid in 2020		
	Annual fee, EUR	Meeting fees, EUR	Yhteensä, EUR
Andreas Rosenlew Chair of the Board	40,000	10,500	50,500
Esa Matikainen Deputy Chair of the Board	30,000	5,750	35,750
Paul Ehrnrooth Member	20,000	4,750	24,750
Peter Eriksson Member	20,000	4,750	24,750
Maria Olofsson, from 14.4.2020 Member	12,500	3,500	16,000
Pekka Pylkäs, until 14.4.2020 Member	5,833	1,750	7,583

Jaana Rosendahl, until 14.4.2020 Member	5,833	1,750	7,583
Ville Tolvanen, until 14.4.2020 Member	5,833	1,000	6,833
Anders Liljeblad, until 14.4.2020 Member	5,833	2,000	7,833
Total	145,832	35,750	181,582

Remuneration to the Chair of the Board based on employment relationship

The Chair of the Board Andreas Rosenlew is in employment relationship with the company. The employment-based remuneration consists of base salary. In 2020 his base salary was EUR 233,447.

3. Remuneration of the CEO

The main components of the CEO's total remuneration are fixed base salary and short- and long-term incentives. If targets are met, variable remuneration is approximately half of the CEO's total compensation. CEO remuneration has complied with the valid remuneration policy.

In 2020 the CEO was paid a total fee of EUR 300,240. The CEO's remuneration consisted of the following in 2020:

Element	Paid fees in 2020	Fees due in 2021
Base salary	300,000	-
Fringe benefits	240	-
Supplementary pension	8,500	-
STI		
<i>Performance period 2019</i>	0	0
LTI: Option scheme 2019		
<i>Option rights</i>	1,627,500, option scheme abolished 25.1.2021	

Short-term incentive (STI)

The goal of the bonus model is to incentivize the executives to support the strategic objectives of the company. The bonus model, criteria and target levels will be decided yearly. The annual bonus performance and achievement of targets set by the Board of Directors will be evaluated yearly, and the amount of annual bonus will be determined based on the extent to which the targets have been met during the period. The payout frequency will be decided annually. The annual bonus model of the company will be based on specific and measurable performance criteria, which may be both financial and non-financial. The Board of Directors can use their judgement in paying incentives, and in special cases a Discretionary bonus may be paid to the CEO. The payment of the Discretionary bonus is not tied to the measures of the regular STI plan but rather, to exceptional performance. The Discretionary bonus has been set in place temporarily to promote reaching company targets and profitability.

The performance-related bonus paid to the Chief Executive Officer is based on the EBITDA of Digitalist Group.

In 2020 there was no STI payment made for the CEO.

Long-term incentive (LTI)

Long-term incentives are a part of Digitalist's key employee incentive and retention program to support the company's strategy. The aim of the LTI plan is to improve the long-term value of the company and to create alignment to ensure that the whole company shares that same goal. The Board of Directors decides on the terms and conditions for the incentive plans.

The CEO's long-term bonus scheme consisted of option rights forming part of the Company's option schemes. In 2020 the CEO held option rights from option scheme 2019. The granted option rights totaled 1,627,500 based on series 2019A1 and 2019A2. In 25 January 2021 the Company's Board of Directors abolished the option scheme 2019.

Pension scheme

Pension accumulation and retirement age of the CEO is determined by the terms of the applicable law in Finland. Pension payment for the CEO is based on the Finnish Pension Act (TyEL). The company has also taken out a voluntary unit-linked pension insurance for the Chief Executive Officer, for which company annually pays EUR 8,500.

Conditions for termination

The CEO's period of notice is nine months upon termination by the company and six months upon termination by the CEO. If the company gives notice to the CEO, the CEO is entitled to receive pay for 9 months.