



# Remuneration Report

## 1 July 2022–30 June 2023

### Introduction

This Remuneration Report contains information about the remuneration of Nightingale Health Plc's ("Nightingale Health" or "company") Board of Directors and CEO for the financial period 1 July 2022–30 June 2023. The report has been formulated in accordance with the Corporate Governance Code 2020 of the Finnish Securities Market Association.

Nightingale Health's Remuneration Policy was presented to the Annual General Meeting on 28 October 2021. The Annual General Meeting accepted the Remuneration Policy in its advisory resolution.

Nightingale Health's Remuneration Report for the financial period 1 July 2022–30 June 2023 includes the principles governing the remuneration of the members of the company's Board of Directors and CEO and a description of the practical implementation of the Remuneration Policy. The Report also includes the remuneration paid to the members of the Board of Directors and CEO in the financial period 1 July 2022–30 June 2023. The advisory vote concerning the Remuneration Report held by the Annual General Meeting on 17 November 2022 did not result in any changes to the content of the Remuneration Report.

The Board of Directors of Nightingale Health has ensured that remuneration practices are aligned with the principles laid out in the company's Remuneration Policy. There were no deviations from the Remuneration Policy in the financial year 2022–2023. In addition, no paid remuneration was reclaimed by the company in the financial year 1 July 2022–30 June 2023.

Nightingale Health's key principles in remuneration are transparency, market orientation, and remuneration for good performance of both individual employees and the company. Nightingale Health's remuneration principles concern the entire personnel of the company.

Nightingale Health's Remuneration Policy for management aims to encourage and reward management for work that is in line with the company's strategy at a given time and for compliance with the set rules, as well as to motivate them to strive for the success of the company. The share of the CEO's variable remuneration from the total remuneration is based on the long-term strategic goals as defined by the Board of Directors.

### The development of remuneration

In the financial year 1 July 2022–30 June 2023, Nightingale Health announced that it is expanding its cooperation with Terveystalo. Terveystalo uses Nightingale Health's risk prediction models and blood values in regular health checks conducted in occupational health. The demand of Nightingale Health's medical research services continued to be strong, and the company achieved its goal of signing contracts to analyze more than 175,000 blood samples. The company strengthened its position as a globally significant player in the field of medical research. During the financial year, Nightingale Health also acquired a worldwide license for the Velvet™ blood collection device, which gives the company the rights to independently manufacture and use the devices in its commercial offering. With the acquisition of the license, the company is able to offer its customers a comprehensive solution that includes everything from blood sample collection to the delivery of results.



The table below compares the Board of Directors' and the CEO's remuneration development to the development of the remuneration for an average employee and the financial development of the company

over the previous five financial periods. There is no significant change in the remuneration of the Board of Directors and the CEO compared to the previous financial year.

EUR 1,000	2022–2023*	2021–2022*	2020–2021	2019–2020	2018–2019
<b>Board members, total (excluding CEO)</b>	1,290	980	56	-	-
Of which IFRS 2 related costs	1,126	836	-	-	-
Of which monthly remuneration	164	168	56	-	-
<b>CEO</b>	1,503	1,550	219	213	228
Of which IFRS 2 related costs	1,204	1,315	-	-	-
Of which salary and fringe benefits	299	290	219	213	228
<b>Employees (on average)</b>	81	88	37	44	51
Of which IFRS 2 related costs	20	25	-	-	-
Of which salary and fringe benefits	61	63	37	44	51
<b>Market value</b>	52,436	109,216	349,255	-	-
<b>Revenue</b>	4,182	2,313	2,305	1,781**	2,063**

\*) The remuneration presented in the table for the financial years 2022–2023 and 2021–2022 include the calculated cost of options in accordance with the IFRS 2 standard, and the remuneration is therefore not directly comparable with remuneration of previous financial year. The comparability of the remuneration is also affected by the layoffs implemented in the financial years 2019–2020 and 2020–2021, which had a downward effect on remuneration.

\*\*\*) Revenue according to Finnish Accounting Standards (FAS).



## Board remuneration

The Annual General Meeting resolves annually on the remuneration of the Board of Directors based on the proposal made by the Board of Directors. The remuneration of the Board of Directors is based on the Remuneration Policy presented to the Annual General Meeting on 28 October 2021.

The members of the Board of Directors can be paid, for example, annual or monthly fees and/or fees for Board meetings. The Annual General Meeting or the Board of Directors authorized by the Annual General Meeting resolves on issuing shares, stock options or other special rights entitling to shares.

### Monthly remuneration

The Annual General Meeting held on 17 November 2022 decided that each member of the Board of Directors is paid a monthly remuneration of EUR 2,000. The resolved monthly fee is the same as resolved by the Extraordinary General Meeting in February 2021. During the financial year 1 July 2022–30 June 2023, the monthly remuneration has been paid to each Board member.

No separate fees for Board meetings have been paid to Board members during the financial period 1 July 2022–30 June 2023.

### Board, the CEO and Key Management Incentive Program

Nightingale Health has a long-term 2021 Board, the CEO and Key Management Incentive Program, where the vesting event for stock options is determined based on the company's market value. The stock

option program is described on the company's website: <https://nightingalehealth.com/investors/remuneration>.

### Changes to the 2021 Board, the CEO and Key Management Incentive Program

The Board of Directors resolved on 11 August 2022 to change the share subscription price in all the company's stock option programs that entitle to Series B shares. The new subscription price is EUR 2.50 per share. Before the change, the subscription price per share was EUR 6.75. The change was implemented in order to maintain the purpose of the stock option programs: to commit the option holders to the financial growth of the company and the value creation of the company's share as well as to create a long-term relationship between the company and the option holders to benefit the company financially and operationally.

In all stock option programs that entitle to Series B shares, the right to subscribe shares is mainly based on the increase in Nightingale Health's market capitalization. The market capitalization steps entitling to subscribe shares remain unchanged. The subscription right based on the increase in market capitalization is a key term in all these stock option programs because the increase in market capitalization is the interest of the company's shareholders.

### Remuneration based on the employment or service contract of the Chairman or members of the Board and advisor remuneration

CEO remuneration is described in section "CEO Remuneration" of the Remuneration Report.

In addition to the incentive programs available to all members of the company's Board of Directors and the fixed monthly remuneration, the following Board members are also compensated based on their employment or service contract and advisory duties as follows:

The remuneration based on the employment of Chief Technology Officer Antti Kangas, who is also a member of the company's Board of Directors, consists of a fixed salary, which during the financial period 1 July 2022–30 June 2023 was EUR 97,134. The salary includes vacation pay, holiday compensation and taxable fringe benefits.

Board member Timo Soininen works, in addition to his role as a Board member, at Villagecape Ventures Oy, which provides the company with consultancy services related to business development. Based on the agreement between the company and Villagecape Ventures Oy, the company pays Villagecape Ventures Oy a monthly consultancy fee of EUR 4,000 (excluding VAT) for the months that Timo Soininen is available for offering consultancy services in accordance with the agreement. Villagecape Ventures Oy is a company under the influence of Timo Soininen, but Timo Soininen does not exercise control over the company. The fees paid to Villagecape Ventures Oy in the financial year 1 July 2022–30 June 2023 were EUR 20,000 in total.



## CEO Remuneration

The CEO's fixed annual salary for the financial period 1 July 2022–30 June 2023 was EUR 239,000, including vacation pay, holiday compensation and taxable fringe benefits.

The CEO does not have a supplementary pension scheme.

### Proportional shares of fixed and variable remuneration

The Board of Directors decided at the end of the financial period 1 July 2022–30 June 2023 on paying a short-term incentive bonus to the CEO totaling EUR 60,000, based on the outstanding execution of the company's strategy and achievement of its strategic targets. The CEO's performance review was also based on the stage of completeness of the targets that were not achieved during the financial year and the progress made on those targets. The bonus was paid to the CEO on 15 August 2023. The bonus paid in July 2022 for the financial year 1 July 2021–30 June 2022 was EUR 55,000.

In the financial year 1 July 2022–30 June 2023, variable short-term remuneration was 20% of the CEO's total remuneration (19% in the financial year 1 July 2021–30 June 2022).

### 2021 CEO options

The stock options granted to the CEO are described on the company's website: <https://nightingalehealth.com/investors/remuneration>.

