

Alisa Bank Plc

Remuneration Report 2024



Introduction

This Alisa Bank Plc's ("Alisa Bank" or "Company") Remuneration Report explains the remuneration of the company's Board of Directors, CEO and deputy CEO for the financial year 2024. Alisa Bank complies with the Finnish Corporate Governance Code 2020 issued by the Securities and Market Association. The company's Remuneration report is presented annually at Alisa Bank's Annual General Meeting.

The objective of the remuneration policy is to support the implementation of the company's strategy as well as to promote its competitiveness and long-term financial performance. A further aim is to contribute to a positive trend in shareholder value and to commit the company's Board of Directors and CEO to the company's objectives in the long term. In terms of remuneration for the 2023 financial year, the company has followed the established remuneration policy.

No temporary deviations from the remuneration policy were made in 2024. In addition, the Board of Directors did not identify any circumstances or actions in 2024 that would have led to the need to apply recovery clauses applied to the variable remuneration of the CEO and the Deputy CEO.

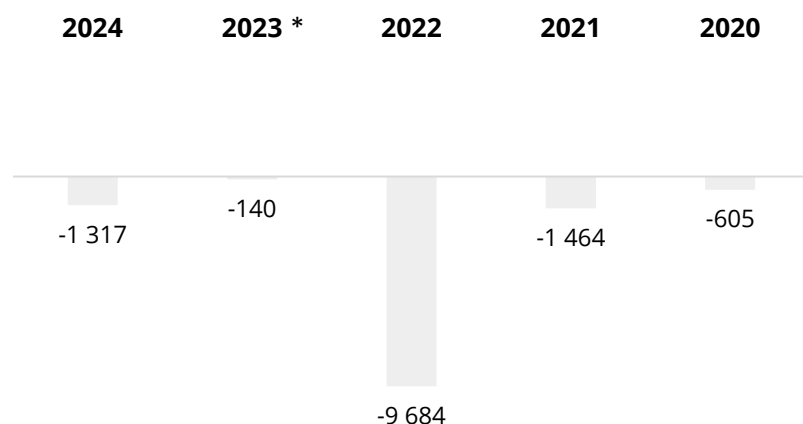
Development of financial result and remuneration

The year 2024 was financially twofold for Alisa Bank: H1/2024 was loss-making and the result was burdened by non-recurring costs related to the merger with PURO Finance. The business in H2/2024, in line with the revised strategy of the combined entity, had a favourable financial performance. The Group's profit before non-recurring items and taxes for the financial year 2024 was EUR -0.1 million (0.4*). Profit before taxes was EUR -1.3 (-0.1*) million and profit for the period was EUR -1.2 million (-0.1*). The variable remuneration of the CEO and the Deputy CEO is based on financial indicators.

Based on the company's financial development, no variable remuneration was paid to the CEO and the Deputy CEO for 2024.

The Group's financial performance during the previous five financial years is presented in the chart below. The figures for 2020–2021 are the figures of Fellow Finance Group.

Group profit before taxes, EUR thousand



* Figures for the financial year 2023 have been adjusted for the ECL provision, profit impact -443 k€.

The following charts show the development of the remuneration of CEO and Deputy CEO, as well as the employee's average salary development over a five-year period.

The composition of the Board of Directors and senior management has changed during the financial year. The remuneration presented in the Remuneration Report is presented from the perspective of each position, regardless of which person has performed the position during which period. Changes during the financial year are described in more detail in the Board of Directors Report.

Five year development of remuneration, EUR 1000

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|----------------------------------|------|------|------|------|------|
| Board of Directors | 250 | 300 | 223 | 65 | 346 |
| CEO | 187* | 183 | 125 | 190 | 146 |
| Average salary for the employees | 61 | 54 | 52 | 38 | 31 |

* During the financial year, the position of CEO has been handled by three different persons, the figure presented includes the salary of each person for the period of the performance of the position.

Remuneration of the Board of Directors in 2024

The remuneration of the board of directors is decided by the general meeting based on a proposal by the Shareholders' Nomination Board. Alisa Bank's Annual General Meeting 2024 confirmed the remuneration to be paid to the members of the Board of Directors. It was decided that the remuneration shall be EUR 38,400 per year for the members of the Board of Directors, EUR 48,000 per year for the Chairmen of the committees and EUR 60,000 per year for the Chairman of the Board of Directors.

The annual remuneration will be paid in the company's shares and cash so that approximately 40% of the remuneration amount will be used to acquire the company's shares in the name and on behalf of the members of the Board of Directors and the rest will be paid in cash. The company is responsible for the costs arising from the acquisition of the company's shares and the transfer tax. The remuneration paid to the members of Alisa Bank's Board of Directors is shown in the table below.

Compensation paid to the members of the Board, EUR thousand

| | |
|---|----------------|
| Markku Pohjola, Chairman of the Board of Directors, Chairman of the Personnel Committee | 60 000 |
| Johanna Lamminen, (Vice Chair and Chair of the Audit Committee as of 20 March 2024*) | 48 000 |
| Lea Keinänen, Member of the Board (during the period 1.1. – 15.5.2024*) | 5 892 |
| Jorma Pirinen, Member of the Board (1.1. – 15.5.2024*) | 5 892 |
| Sampsa Laine, Member of the Board (during 15.5.- 30.11.2024*) | 20 936 |
| Jukka Salonen, Member of the Board (from 15.5.2024*) | 32 508 |
| Sami Honkonen, Member of the Board | 38 400 |
| Tero Weckroth, Member of the Board | 38 400 |
| Total | 250 028 |

* The annual fee is paid in proportion to the length of the board term.

Remuneration of the CEO and the Deputy CEO

The company's Board of Directors confirms the principles and elements of the remuneration of the CEO and deputy CEO. All changes to the CEO's salary and remuneration are subject to the approval of the Board of Directors.

The company's long-term CEO Teemu Nyholm went on sick leave

due to a sudden attack of illness on 8 April 2024 and announced on 8 July 2024 that he is no longer available for the position of CEO. During the period 8.4.–30.11.2024, the duties of the CEO were handled by Deputy CEO Juha Saari. Sampsa Laine has served as the company's CEO since 1 December 2024. The deputy CEO is Juha Saari.

Fixed remuneration

For the financial year 2024, the fixed annual salary for the CEO was EUR 187,079 and fringe benefits were EUR 240. The CEO had no variable remuneration in the financial year 2024. When the company terminates the CEO's employment, the CEO will be paid a separate severance payment corresponding to three (3) months' salary in addition to the six (6) months' notice salary.

For the financial year 2024, the fixed annual salary for the Deputy CEO was EUR 137,842 and fringe benefits EUR 240.

No other benefits were paid or due to the CEO and Deputy CEO during the financial year ended.

Variable remuneration

The purpose of Alisa Bank's long-term share-based incentive plans is to encourage and commit executives and key personnel to work towards achieving the organization's long-term goals and increasing shareholder value. The Board of Directors decides annually on possible new plans based on the proposal of the Personnel Committee and within the limits set by the Annual General Meeting.

The remuneration scheme must include restrictions to ensure that variable remuneration is not paid if the Group's financial

performance is not favourable, and the company's solvency is not jeopardised by variable remuneration. The variable remuneration amounts must be such that the Alisa Bank Group is able to ensure its liquidity in all situations and take into account business risks. The payment of variable remuneration must consider the impact on the capital and liquidity planning and the sufficiency of internal capital of the Alisa Bank Group companies.

In share-based incentive plans, rewards are granted when the targets tied to the plan are met. The granting is followed by a delay period of at least three years. The granting is based on the Board's assessment of the achievement of the objectives set for the plan. In general, the shares of the share-based incentive plan will be transferred to the participants after the deferral period, provided that the conditions for payment of variable remuneration are fulfilled and that the participants have worked for the company without interruption throughout the plan, at least until the transfer of the shares. In addition, the deferment period is followed by a one-year waiting period in accordance with the regulations concerning the financial sector.

The ratio of variable remuneration to fixed salaries can never become so significant that it would encourage risk-taking to be greater than the ability to bear risks. The total variable remuneration may not exceed 100 percent of the fixed remuneration of the total personnel and the variable remuneration of an individual may not exceed 100 percent of the total amount of the individual's fixed remuneration.

In 2024, the CEO and the Deputy CEO were covered by one performance-based incentive plan for management and key

employees launched in 2024. The Board of Directors confirmed the earning potential and criteria of the plan in August 2024.

Short-term incentives 2024

In 2024, Alisa Bank had a short-term incentive plan in place that covered the Group's personnel, which also included the CEO and his deputy. The Board of Directors annually evaluates the performance criteria of the incentive scheme.

The purpose of the short-term incentives is to encourage the CEO to achieve the financial and other short-term targets set in the strategy. The remuneration under the short-term incentive plan depends on the company's financial performance and the achievement of strategic targets.

Based on the performance criteria, no payment was made to the CEO and the Deputy CEO for 2024.

Long-term incentives 2024

The Performance Share Plan 2024–2028 consists of one (1) two-and-a-half-year (2.5) and two (2) three-year (3) performance periods for the financial years 2024–2026, 2025–2027 and 2026–2028. The Board of Directors decides annually on the details of the earning periods.

The rewards for the first measurement period H2/2024 of the performance period 2024–2026 will be determined based on the targets set by the Board of Directors. The determined performance criterion for the first measurement period was the company's H2/2024 result before non-recurring items and taxes. The Board of Directors sets the performance criteria for the measurement periods 2025 and 2026 separately.

During the reporting period 2024, the CEO has been granted a total of 250,000 share-based incentives and total of 200,000 share-based incentives were granted to the Deputy CEO.

Based on the performance criteria of the share-based incentive plan, no payment was payable to the CEO and the Deputy CEO for 2024.

Personnel Share Issue

The Board of Directors of Alisa Bank Plc decided to arrange a directed share issue in which new shares in the company are offered to the personnel for subscription. In addition, the Board of Directors decided to establish an additional share plan for the personnel. The decision on the share issue is based on the authorization granted by the Annual General Meeting on 20 March 2024.

The purpose of the personnel offering and the matching share plan is to encourage the personnel to acquire and own shares in Alisa Bank Plc on a long-term basis and to commit the personnel to working for the company.

Matching Share Plan

In the matching share plan, persons who have subscribed for shares in the personnel offering have the opportunity to receive matching shares without consideration after a restriction period of approximately three years. The receipt of the reward is conditional on the subscriber subscribing to the company's shares in the personnel offering within the limits pre-approved by

the board. If the subscriber has retained ownership of the shares subscribed for in the personnel share issue and his/her employment or service in the Group company is valid until the reward payment date, the subscriber will receive matching shares from the company as a reward in proportion decided by the Board of Directors. The rewards of the plan will be paid after the restriction period ending in 2027. The final number of matching shares depends on the number of shares subscribed by participants in the Personnel Share Issue and the fulfilment of the conditions for the payment of the matching shares.

However, in accordance with the legislation governing the financial sector, the potential matching shares will be paid to CEO and deputy CEO in a delayed manner so that the rewards will be paid in five (5) instalments within approximately four (4) years after the end of the restriction period. The payment of the reward instalments will be followed by a waiting period of one (1) year, during which the person may not transfer the shares paid as a reward.

The Board of Directors approved the subscription of 120,482 shares subscribed for in the share issue to the CEO and the subscription of 120,482 shares for the Deputy CEO.

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