



MULTITUDE

Remuneration Report

2021

Introduction

The remuneration policy for 2020 (*in force*) aimed at strengthening the interests of the employees to be more aligned with the main target of creating sustainable value for shareholders over the medium/long-term, as well as attracting, motivating and retaining talent in order to manage successfully the company and its group.

Multitude's remuneration approach is founded on high performance, competitive remuneration, encouraging value creation behaviour and long-term sustainability.

The policy complies with applicable legislation and the Finnish Corporate Governance Code 2020 and was approved by the board of directors and shareholders.

In defining the remuneration policy set out in the first section of this report, the best national and international practices were considered to promote competitiveness and long-term financial success of the company and to ultimately contribute to the favorable development of shareholder value.

This report is split into two main sections:

- i. The first section describes the remuneration policy adopted by Multitude Group for the members of the Board of Directors, the CEO and the Executives with strategic responsibilities with reference to the financial year 2021.
- ii. The second section provides disclosure on the compensation paid to the Board of Directors and the CEO



Remuneration Policy at a glance

In line with the Multitude group's remuneration policy for board of directors & CEO, the reward approach is structured throughout the organization to drive the mutual generation of value for the group and for the directors and the alignment of their long-term interests with those of shareholders, ensuring total transparency.

Remuneration for the Board of directors (the "Board") is organized separately from the remuneration systems applicable to the company's Executive group and management. The board do not receive fringe benefits and are not included in the bonus & incentive schemes or share-based bonus schemes that may exist for Company personnel. The fees paid to the directors are as determined by the General Meeting of shareholders, which can be paid in cash and/or partially or entirely in shares or other financial instruments

Remuneration of the Chief Executive Officer (the "CEO") consists of a fixed monthly salary, fringe benefits, an incentivizing performance bonus scheme, and long-term incentives. The terms of the performance-based variable remuneration are determined annually by the board of Directors. The objective is to align the objectives of the shareholders and the CEO to increase the value of Multitude in the long term, to implement the company's strategy.

The Board may temporarily deviate from the remuneration policy for governing bodies only in exceptional circumstances in which the key operating preconditions would have changed after the General meeting of shareholders and the deviation is necessary to ensure Multitude's long terms interest. Although 2021 was still unpredictable, no deviations to the remuneration policy for the governing bodies or claw backs were carried out in 2021.

Work of the Remuneration Committee

The work of the remuneration committee and governance is set out in the committee charter and follows an annual plan. In 2021, the committee held four meetings, focusing on Performance of key executives, corporate governance, remuneration practices for executive management as well as ensuring good alignment between the principles of the remuneration policy with the company wide practices related to compensation.

The focus of the remuneration committee is based on a set of core principles as set out by the committee. These include focusing on:

- Retaining executives who are key to value creation and long term strategy of the organisation
- Driving synergies between remuneration and our strategy by applying long-term financial and non financial performance measures to incentive programs

The remuneration Policy was approved by shareholders at the 2020 annual general meeting and will remain in effect until 2024 unless material changes are proposed by the Board of Directors for shareholders to approve. The approved policy ensures alignment with evolving market norms for remuneration in an international company.



2021 Remuneration at a glance

The Board fees approved for 2021 in the Last AGM were EUR 4,000 per month as recommended by the remuneration Committee

Total remuneration paid for the CEO in 2021 was similar to pre 2020. The company took proactive actions during and after COVID-19 pandemic, and focus in 2021 was to continue strengthening a leaner and more efficient organisation and to position the organisation for profitable growth. This plan has been successfully executed over the course of 2020 & 2021.

To ensure long term stability, Multitude seeks to compensate its management in a competitive manner compared to relevant external benchmarks. The individual base salaries consider market remuneration levels as well as the skills and experience. In addition, base salary is considered in the context of the employee's total remuneration.

Short term Incentives – Pay for performance is a key element of the overall remuneration strategy for Multitude. The short term incentives, is aligned with the bonus schemes for our critical roles through out Multitude. The model is tied to group & tribe financials as well as individual OKR's including specific organisation topics. Each year the structure, weighting and OKR's of the bonus scheme are adjusted towards the intended focus areas of Multitude. For 2021 it was decided to focus on Group Revenue & Group EBIT as well as 4 Main Objectives People & Culture, Customers, Profitable growth & Operational Excellence.

Long term Incentives – Performance share program awarded to ensure long term retentions. During 2021, Multitude started Performance share program. The performance share plan is structured as a conditional right for participants to receive shares after a 3 year performance period at no payment. For 2021, the performance share awards were made to selected critical roles. The performance shares will vest subject to continuous service and the achievement share price target set as main objective for this program.

Remuneration & Company Performance

Multitude's Remuneration guiding principles set in the policy are applicable to all employees, in all countries and in all businesses, including the CEO.

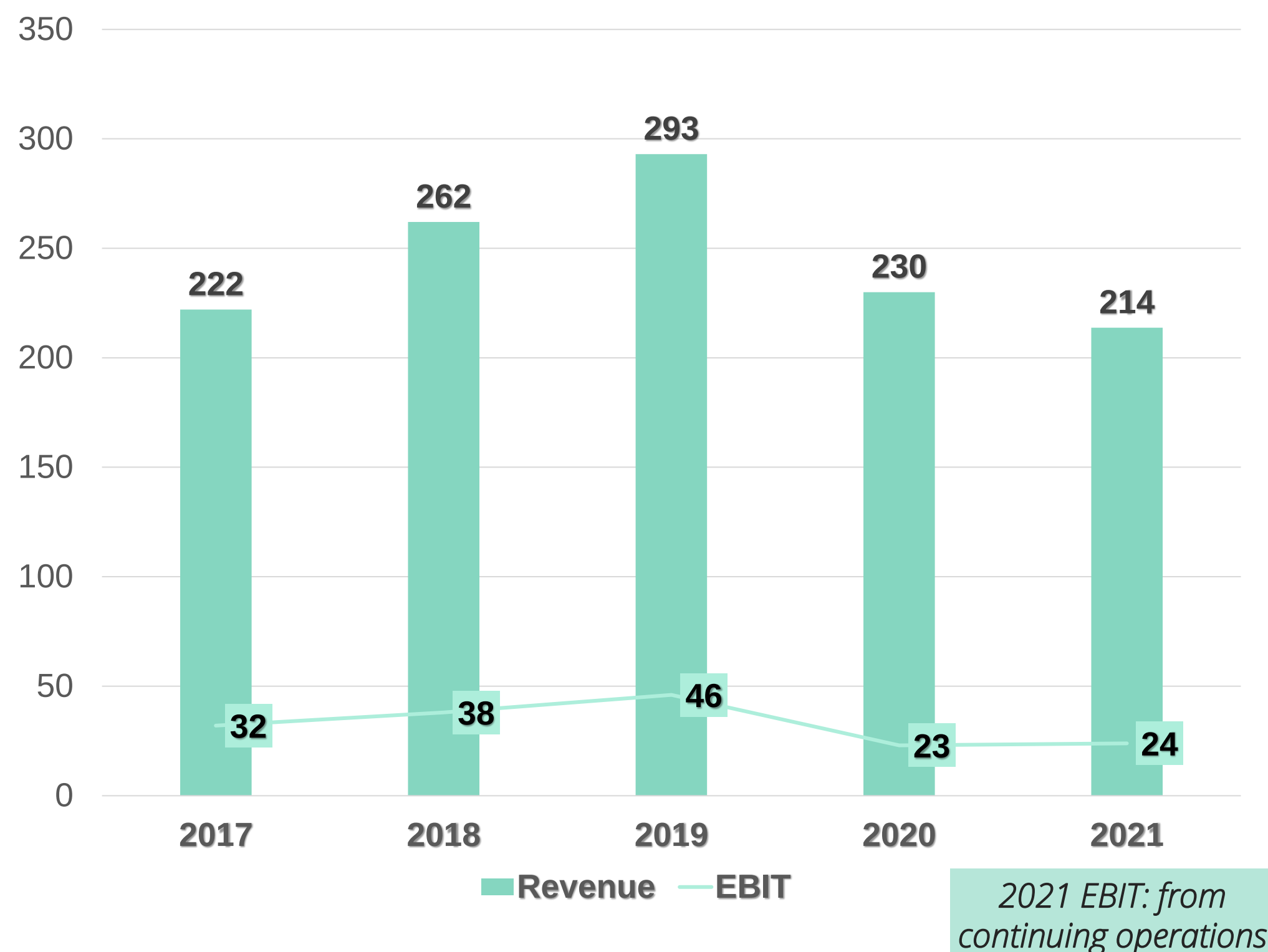
The short-term incentive scheme (STI) is designed to drive the achievement of short-term business plan and has been consistently based on profitability over the past years. The long-term incentive (LTI) is designed to align the interests of key employees with those of Multitude's shareholders. By aligning the incentives schemes with the goals of the company, remuneration drives the best interest of the company.

Given Multitude is a global company, the remuneration markets in which Multitude operates vary significantly. Due to this the Remuneration Committee views that the most transparent means for comparing the evolvement of remuneration over time, is to compare the remuneration of the CEO with that of Multitude employees globally. The figures highlighted in the next page for average employees' remuneration over 5 years is based on data for all Multitude employees.

Employees eligible for short term incentives schemes are connected to the same performance indicators to a varying degree, therefore employee remuneration is also impacted by company performance.



Development of Multitude's Performance & Remuneration



QUARTERLY INCREASE IN REVENUE TREND CONTINUES

- Group revenue amounted to EUR 213.7 million in 2021, a decrease of EUR 16.8 Million as compared to EUR 230.5 million in 2020, mainly to the group's decision to discontinue lending activities in selected markets
- q-o-q revenue growth from Q2 onwards

SOLID EBIT PERFORMANCE

- Risk-sensitive sales approach and enhanced scoring resulting in significantly lower impairments than 2020, with slightly higher impairments in Q4 (portfolio sales and acceleration of impairments in some portfolios)
- Extended marketing activities, and continuous investment in customer platforms
- Stable cost structure: personnel and general & administrative expenses flat

Stable Personnel and general admin expenses year-on-year

- In 2020, the Group introduced measures to streamline its operations and reduce its overall expenditures in activities outside of lending, marketing, and product and infrastructure developments in order to counteract the impacts of the COVID-19 pandemic and to improve overall operational efficiency and profitability, which resulted into a sharp decline in the Group's personnel and general and administrative expenses.
- During the year 2021, personnel expenses remained flat with a slight decrease from EUR 33.1 million in 2020 to EUR 33.0 million in 2021 (a decrease of EUR 0.1 million or -0.3%), with a minor decrease in Group average headcount from 695 HC in 2020 to 674 HC in 2021. The same is true with the Group's general and administrative expenses which amounted to EUR 28.9 million in both 2021 and 2020.

Average Compensation	2017	2018	2019	2020	2021
Member of the Board inc. Chairman	17,671	17,100	18,489	31,381	43,333
CEO	210,583	208,315	216,302	201,896	221,715
*Multitude employee	47,934	48,504	51,076	48,846	49,554

*Average Multitude employee is personnel expenses excluding indirect employee cost divided by the average number of personnel during the year
STI Payouts for second half of year always take place during the year following performance period.

Remuneration of the Board of Directors for 2021

Multitude Board Remuneration January 1 – December 31 2021

MULTITUDE	Director	Annual Fees	Meeting Fees	Remuneration based on employment	Total
	Frederik Strange Chairman	€48,000			€48,000
	Juhani Vanhala Member	€48,000			€48,000
	Michael A. Cusumano Member	€48,000			€48,000
	Goutam Challagalla Member	€48,000			€48,000
	Clemens Krause Member	€48,000			€48,000
	Christopher Wang Member <i>(till 20/04/2021)</i>	€20,000			€20,000
					€260,000

Remuneration for CEO for 2021

At Multitude we measure success of our CEO and Executive team by how well Multitude achieves its strategic and operational targets.

As highlighted below the CEO is not eligible for Supplementary pension contributions or other financial benefits, such as fringe benefits, signing bonus, retention bonuses, or severance packages.

MULTITUDE

	Base Salary	Annual STI	LTI	Total
CEO	€221,715.51			€221,715.51

THANK YOU

