



MULTITUDE

H1 2022 Results

Earnings Call 18.08.2022

Important notice

This presentation contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or future financial performance of Multitude.

Such statements are based on the current expectations and certain assumptions of Multitude's management, of which many are beyond Multitude's control. The words "aim", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "potential", "predict", "projected", "risk", "should", "will" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree.

All forward-looking statements included herein are based on information presently available to Multitude and, accordingly, Multitude assumes no obligation to update any forward-looking statements, unless obligated to do so pursuant to an applicable law or regulation.

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MULTITUDE GROUP HIGHLIGHTS H1 2022

– SOLID RESULTS DESPITE CHALLENGING MARKET ENVIRONMENT



HIGHLIGHTS H1 2022

- Stable revenue growth +2.1% y-o-y
- Strong lending portfolio growth over several quarters +23.1% y-o-y
- Slightly upward trending EBIT development despite headwinds from current market situation and lower portfolio growth than expected (+ EUR 1m q-o-q)
- Payment behaviour in H1 2022 remains robust
- Stable cash position in line with our expectations

LOOKING AHEAD

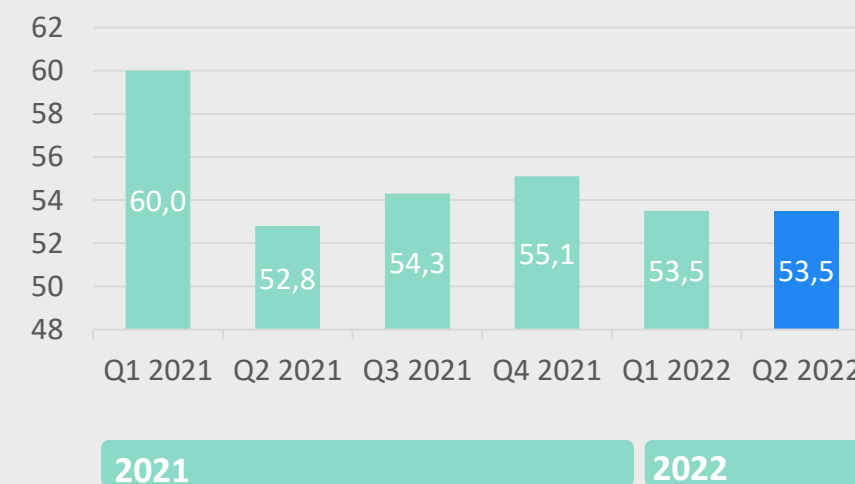
We reconfirm **the EBIT guidance of EUR 30m for 2022.***

*Our assumptions are based on the view that macroeconomic and political situations are not materially weakening.

FOCUS GOING FORWARD

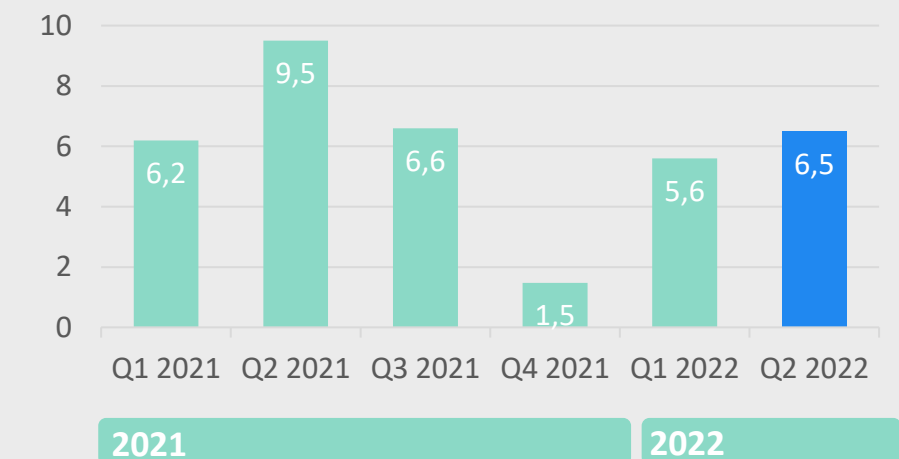
- Utilize our agile organisation, to scale down fixed and administration expenses
- Shift initiatives to accelerate our profitability short and mid term
- Sharper focus on activities with the highest impact on our goals

REVENUE in EURm

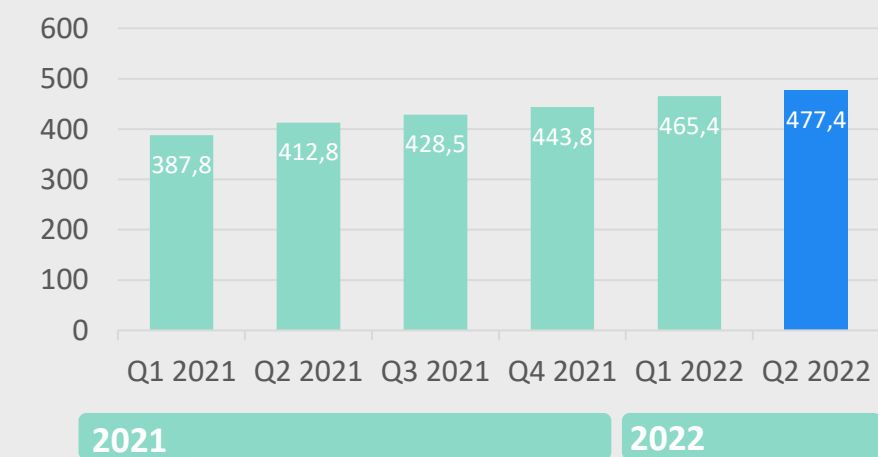


**2021 amounts are restated to exclude the result of operations and cash flows from Ferratum UK Ltd.

EBIT in EURm**



NET AR in EURm



SWEEP BANK HIGHLIGHTS H1 2022

– STRONG GROWTH IN H1 AND STRATEGY SHIFT TOWARDS SHORT TERM PROFITABILITY



HIGHLIGHTS H1 2022

- Strong revenue growth (+72.4% y-o-y)
- Impressive lending portfolio growth (+137.4% y-o-y)
- SweepBank app launched in Germany
- Credit Card unit level profitability better than expected

FOCUS GOING FORWARD

- Shift focus from fast to moderate growth and products and countries with higher profitability
- Reduce all operational costs significantly with the aim to reduce it by over 50%
- Focus on prime segment instalment loans with higher yield
- Suspend development of new mobile bank features and concentrate on expanding growth, from free digital credit card customer base

TARGETS 2023-2024

Our target for 2023 is to achieve around -10 EURm EBIT and in 2024 to achieve a positive EBIT

H1 2022 IN NUMBERS

PRODUCTS

3

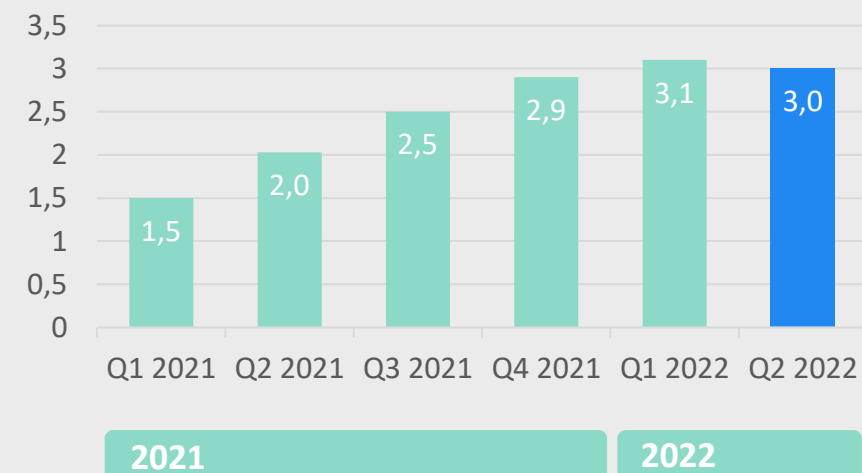
MARKETS

5

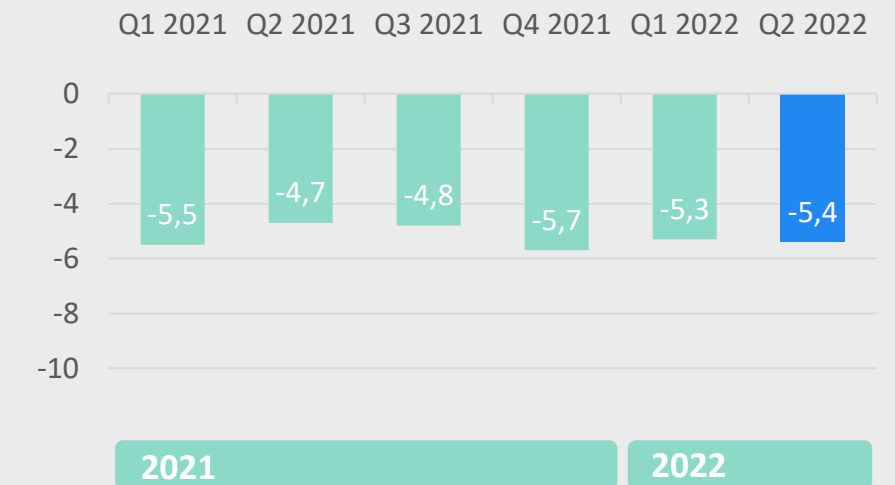
CUSTOMERS

57,694

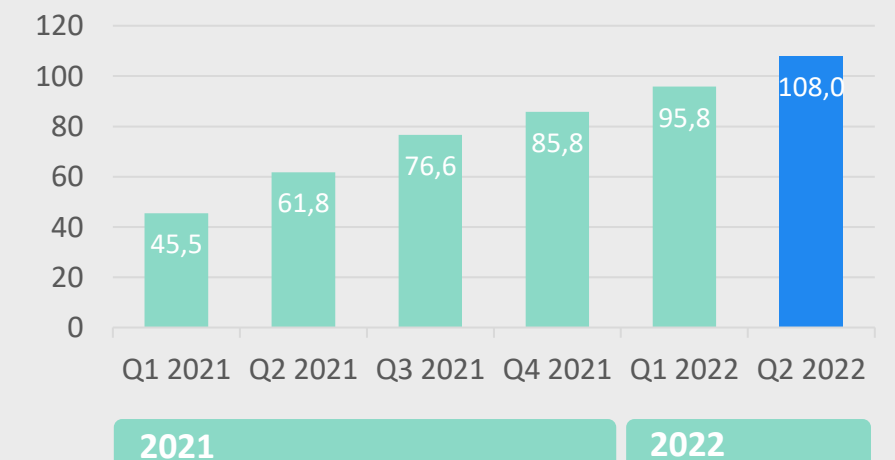
REVENUE in EURm



EBIT in EURm



NET AR in EURm



FERRATUM HIGHLIGHTS H1 2022

– CONTINUED SOLID PERFORMANCE



HIGHLIGHTS H1 2022

- Stable revenue and EBIT development based on a well diversified country portfolio
- Portfolio quality remains robust
- Progressive mobile web application pilot in Denmark to increase customer loyalty, customer lifetime value and decrease IT development costs
- Successfully piloted customer service digitalisation and outsourcing outside of the EU to reduce costs

FOCUS GOING FORWARD

- Shift lending to higher profit countries, closing lending in Brazil and reducing new lending in Australia
- Expand product portfolio and enter new countries
- Continue Credit Limit product rollout
- Strong cost control and process automation
- Credit risk and underwriting innovations

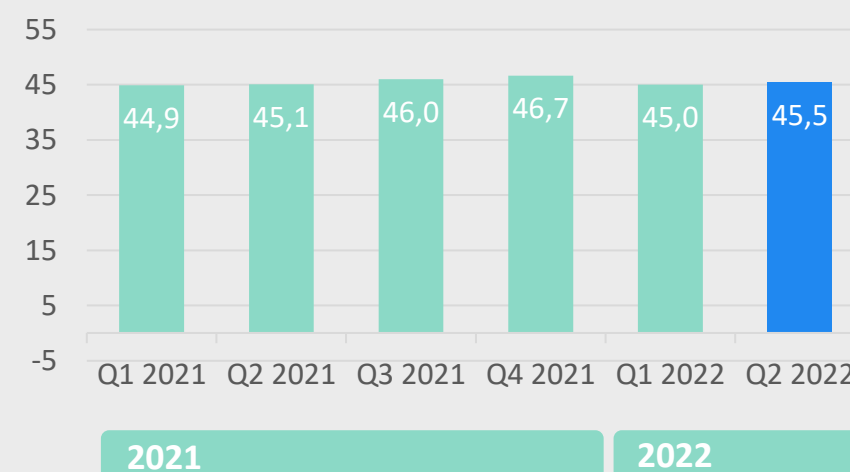
TARGETS 2023-2024

Our target for 2023 and 2024 is to achieve 5% higher EBIT than the previous year

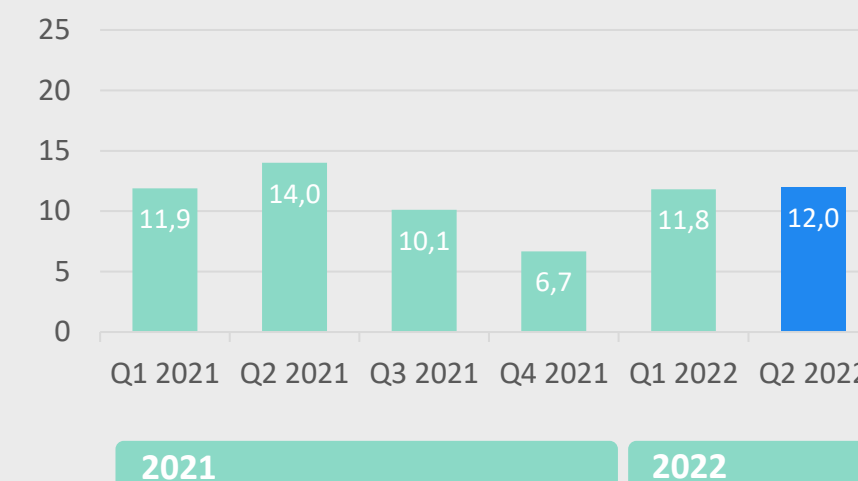
H1 2022 IN NUMBERS

MARKETS	PRODUCTS	NPS	CONTACT SHARE IN SELF SERVICE
15	3	68	73%

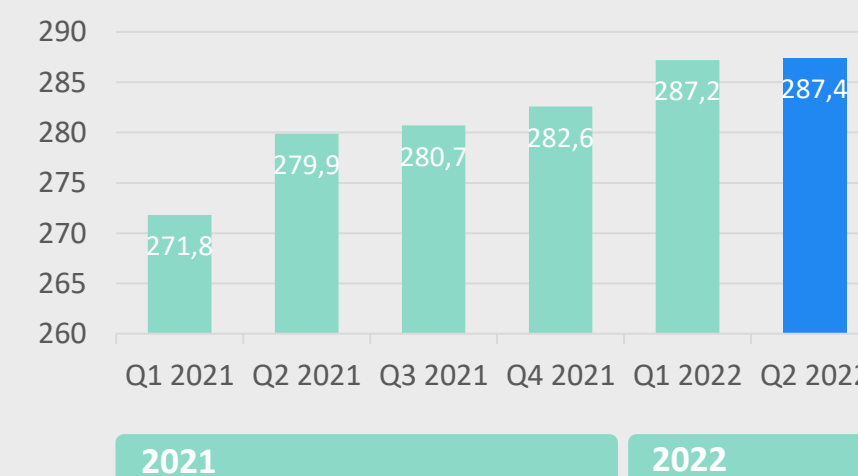
REVENUE in EURm



EBIT in EURm**



NET AR in EURm



**2021 amounts are restated to exclude the result of operations and cash flows from Ferratum UK Ltd.

CAPITALBOX HIGHLIGHTS H1 2022



– HUGE OPPORTUNITY IN UNDERSERVED SME SEGMENT, TURNAROUND BACK TO FAST GROWTH AND PROFIT

HIGHLIGHTS H1 2022

- Revenue and EBIT below our expectations driven by challenges from market environment and internal performance
- Successful launch of the new Credit Line product in all 5 active markets
- Piloting new scoring model with Machine Learning to increase sales in better risk segments, increase automation, and improve overall underwriting quality
- New Tribe CEO will start beginning of next year and the interim management team leads the turnaround until the end of this year

FOCUS GOING FORWARD

- Expand distribution channels
- Double the approval rate with product and underwriting innovations, while maintaining same credit risk level
- Full automation of underwriting and sales of all loan processes, leading to further reduction of fixed costs

TARGETS 2023-2024

Our target for 2023 is to achieve 5 EURm EBIT and in 2024 to achieve 10 EURm EBIT

H1 2022 IN NUMBERS

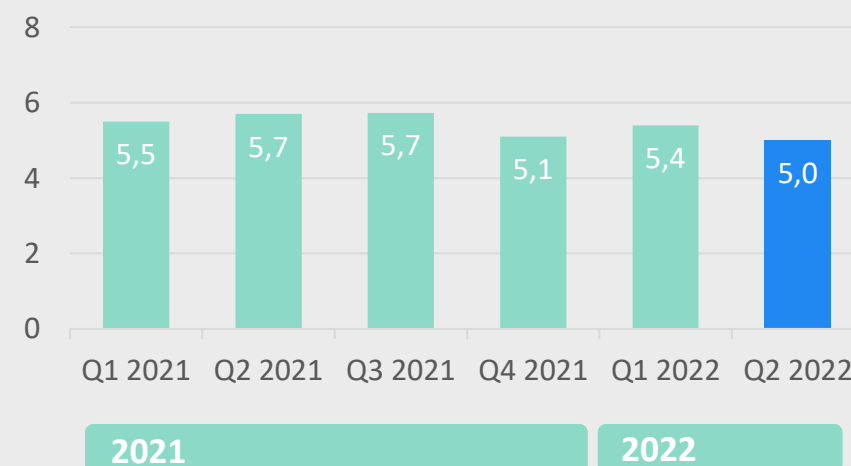
PRODUCTS

3

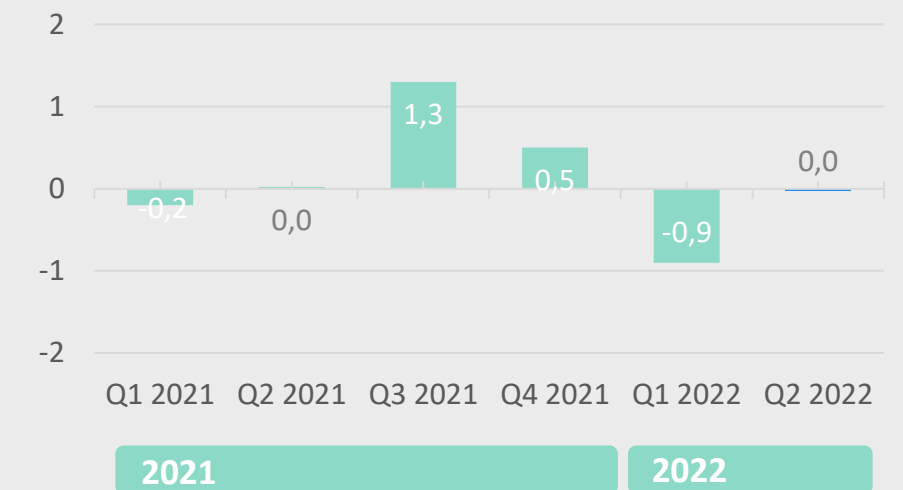
MARKETS

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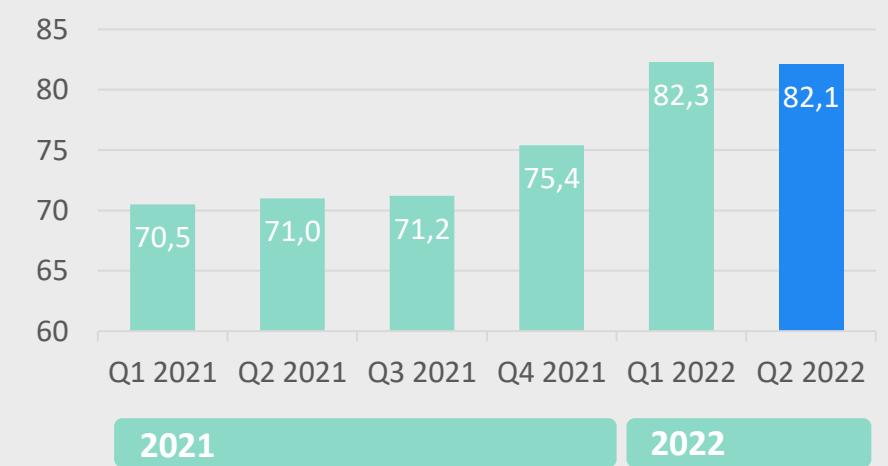
REVENUE in EURm



EBIT in EURm



NET AR in EURm



BUILDING A SUSTAINABLE GROWTH PLATFORM – PROGRESS TOWARDS ESG GOALS



 2025 GOALS

 2025 TARGETS

 PROGRESS

E	Understand and reduce the Group environmental footprint	Set and meet emissions targets for 2025 Carbon emissions reduction plan	Scope 2 and Scope 3 emissions measurement baseline in progress
		SweepBank > 65% of Sweep app purchases are digital	Current Sweep app digital purchases: 41.8%
S	Monitor, report on and improve stakeholder well-being a) Our customers	Ferratum Responsible Lending Index Score $\geq 4.5^*$ $\geq 50\%$ content for customers is educational NPS ≥ 70	Current Responsible Lending Index Score: 4.3 >15% content for customers educational Current: 68
		CapitalBox NPS ≥ 50	Current: 40
		SweepBank NPS ≥ 50	Baseline definition in progress
	b) Training and development	Grow talent from within Performance and career development discussions bi-annually for all employees	Performance & career development discussions in H2
		Average 15 hrs training per employee per year	On-track in line with previous years average of 15 hours
	c) Employee wellness	Drive employee engagement & retain top talent eNPS of 25	New hybrid work policy implemented Current: 12
	d) Diversity and Inclusion	Increased gender balance across leadership positions 38% of board and 35% of management are female	Diversity and Inclusion Statement under review Current board's female membership: 25% & Female management: 34%
G	Embed ESG conscious practices	Integrate materiality assessment outcomes into ESG strategic objectives	Planned for H2
		100% ESG Policy implementation and Human Rights assessment	ESG Policy and Human Rights statement adoption
		ESG assessment implemented for key suppliers	ESG assessment framework under revised procurement strategy in development

**Responsible Lending Index Scale of 1-5, higher is better.*



MULTITUDE

FIRST HALF YEAR RESULT 2022

IFRS preliminary unaudited financial results
for the 1st half year ended 30 June 2022

FINANCIAL OVERVIEW: MODERATE y-o-y GROWTH; PROFITABLE H1'22



in EURm	H1 2022	H1 2021*	%/pp change
Revenue	107.0	104.8	+2.1%
Impairment on loans to customers	(37.8)	(32.3)	+17.0%
% of revenue	-35.3%	-30.8%	+4.5pp
Costs of operations:			
Bank and lending costs	(6.9)	(6.6)	+4.5%
Selling and marketing expenses	(10.8)	(13.4)	-19.4%
Personnel expenses	(17.9)	(16.8)	+6.5%
General and administrative expenses	(13.5)	(12.3)	+9.8%
Depreciation and amortisation	(8.0)	(7.3)	+9.6%
Operating profit, continuing	12.1	16.1	-24.8%
Other income, net	(0.1)	(0.4)	-75.0%
Profit before interests and taxes ('EBIT')	12.0	15.7	-23.6%
EBIT margin, in %	11.2%	15.0%	-3.8pp
Finance costs, net	(9.1)	(9.3)	-2.2%
Profit before income taxes	2.9	6.4	-54.7%
Profit before tax margin, in %	2.7%	6.1%	-3.4pp
Income tax expenses	(0.9)	(1.5)	-40.0%
Profit from continuing operations	2.0	4.9	-59.2%
Loss from discontinued operations	-	(2.5)	-100%
Profit (loss) for the year	2.0	2.4	-16.7%

*Restated to reflect carve-out of discontinued operations



GROWTH IN PORTFOLIO & REVENUE

- Revenue increased by EUR 2.2m compared to H1 2021, despite headwind from market environment
- Impairment losses somewhat elevated, e.g., in CapitalBox, with positive trend towards end of H1



RELATIVELY FLAT OPERATING EXPENSES

- Reduced selling and marketing expenses
- Operating expenses – personnel, lending, and general & admin expenses above H1 2021 level (partly non-recurring items)



STABLE NET FINANCING COSTS

- Net finance costs relatively stable with a slight decrease of EUR 0.2 million (-2.3%) y-o-y (Q2 cost above Q1 level driven by debt capital market transactions)
- EBIT EUR 12m, PBT EUR 2.9m, net profit EUR 2m

BALANCE SHEET STRUCTURE SUPPORTS CONTINUED PORTFOLIO GROWTH



ASSETS

in EURm	30 Jun 2022	31 Dec 2021	% Change
Non-current assets	64.4	54.1	+19.2%
Loans to customers (net)	477.4	443.9	+7.6%
Cash and cash equivalents	149.1	301.6	-50.6%
Current tax assets	2.1	2.2	-5.4%
Other current assets	19.5	17.3	+12.7%
Total Assets	712.5	819.0	-13.0%

LIABILITIES AND EQUITY

Non-current liabilities	93.0	140.9	-34.0%
<i>of which deposits (non-current)</i>	88.5	82.8	+6.9%
Current liabilities	449.9	508.6	-11.5%
<i>of which deposits (current)</i>	336.0	402.0	-16.4%
Total Liabilities	542.9	649.5	-16.4%
Equity	169.6	169.5	+0.1%

in EURm	30 Jun 2022	31 Dec 2021	% Change
Current to total assets	91.0%	93.4%	-2.4pp
Current to total liabilities	82.9%	78.3%	+4.6pp
Equity ratio	23.8%	20.7%	+3.1pp
Net debt-to-equity ratio	2.32	2.05	+0.27pp

ASSETS: LOAN PORTFOLIOS GROWING, EXCESS CASH REDUCED

- Growth in loans to customers portfolios
- Stringent cash management actions to decrease excess cash (deposits)
- Sustained high level of current to total assets

LIABILITIES: 2022 BOND REPAYED

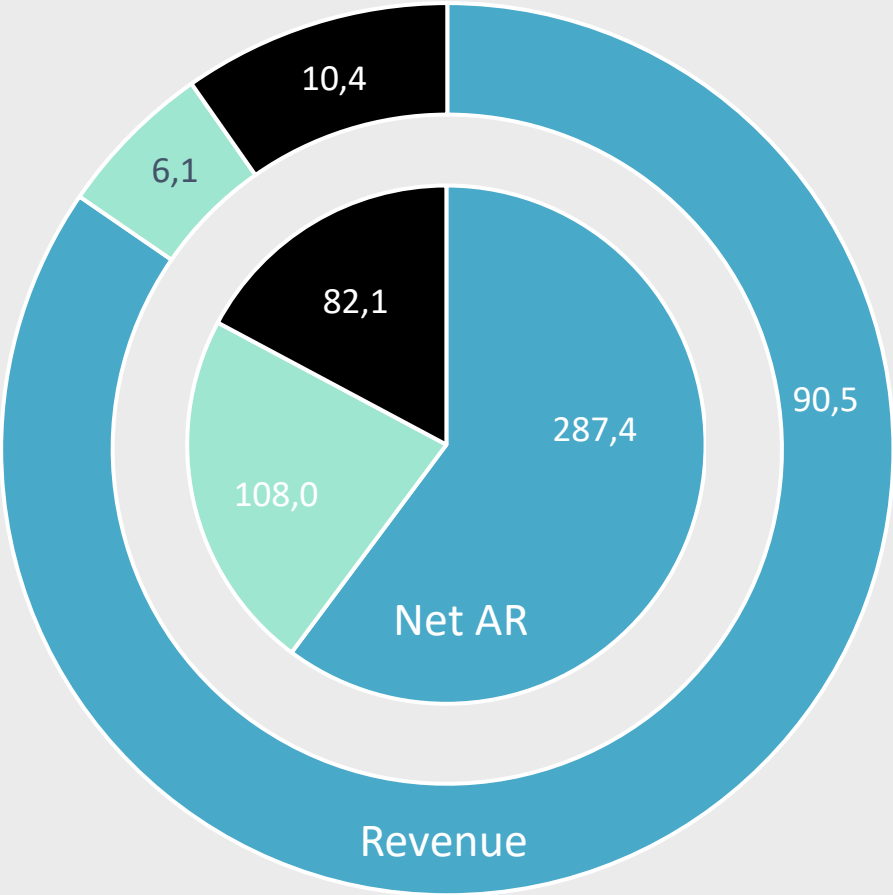
NET DEBT-TO-EQUITY RATIOS (BOND COVENANT DEFINITION):
REMAINS ON A LOW LEVEL

INCREASED LOAN PORTFOLIO IN ALL TRIBES

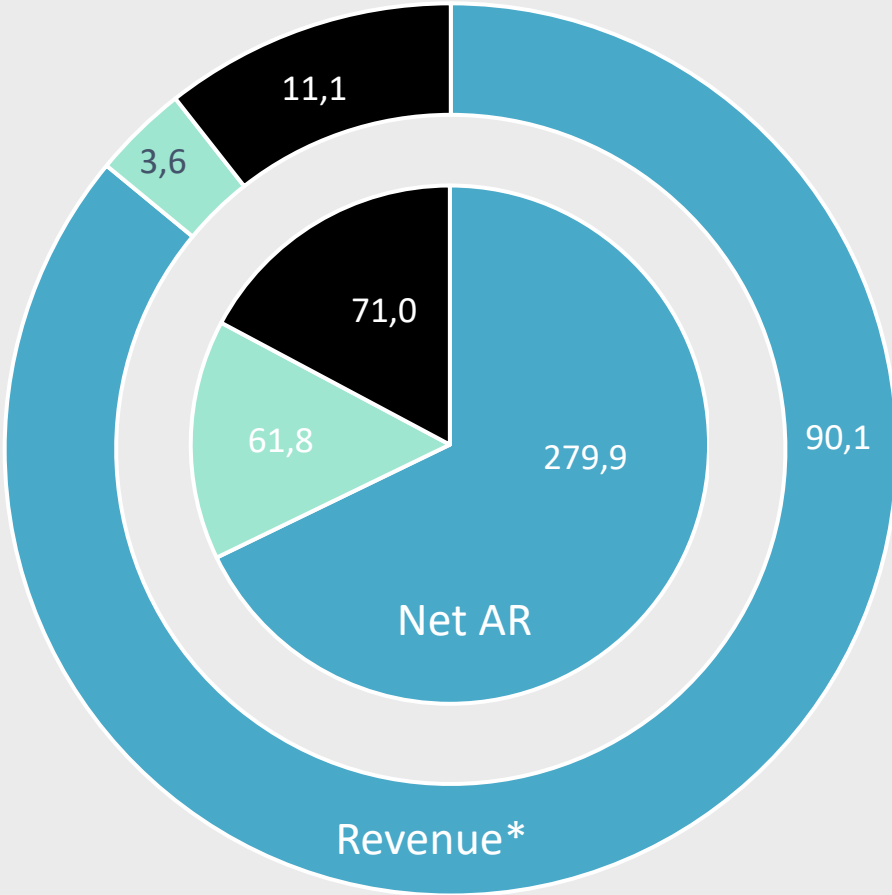


MULTITUDE

H1 2022 REVENUE AND NET AR in EURm



H1 2021 REVENUE AND NET AR in EURm



- Ferratum
- SweepBank
- CapitalBox

**Restated to reflect carve-out of discontinued operations*

SEGMENT VIEW – TRIBE PERFORMANCE



in EURm	Ferratum		SweepBank		CapitalBox		Group	
Continuing operations	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
Revenue	90.5	90.1	6.1	3.6	10.4	11.1	107.0	104.8
Share in revenue, in %	84.6%	86.0%	5.7%	3.4%	9.7%	10.6%	100%	100%
Impairment on loans to customers	(29.0)	(26.3)	(4.2)	(2.4)	(4.5)	(3.5)	(37.7)	(32.2)
% of revenue	-32.0%	-29.2%	-68.9%	-66.7%	-43.3%	-31.5%	-35.2%	-30.7%
Selling and marketing expenses	(8.0)	(9.4)	(1.1)	(1.6)	(1.6)	(2.4)	(10.7)	(13.4)
% of revenue	-8.8%	-10.4%	-18.0%	-44.4%	-15.4%	-21.6%	-10.0%	-12.8%
Attributable product margin	53.5	54.4	0.8	(0.4)	4.3	5.2	58.6	59.2
% of revenue	59.1%	60.4%	13.1%	-11.1%	41.3%	46.8%	54.8%	56.5%
Other operating expenses	(29.7)	(28.1)	(11.5)	(9.8)	(5.3)	(5.1)	(46.5)	(43.0)
Operating profit, continuing	23.8	26.3	(10.7)	(10.2)	(1.0)	0.1	12.1	16.2
Other income, net	-	(0.4)	-	-	-	-	-	(0.4)
Profit before interests and taxes ('EBIT')	23.8	25.9	(10.7)	(10.2)	(1.0)	0.1	12.1	15.8
EBIT margin, in %	26.3%	28.7%	-175%	-283%	-9.6%	0.9%	11.3%	15.1%
Allocated finance costs, net	(4.7)	(5.8)	(1.8)	(0.9)	(1.3)	(1.5)	(7.8)	(8.2)
Unallocated FX losses	-	-	-	-	-	-	(1.3)	(1.1)
Profit before income taxes	19.1	20.1	(12.5)	(11.1)	(2.3)	(1.4)	3.0	6.5
Profit before tax margin, in %	21.1%	22.3%	-205%	-308%	-22.1%	-12.6%	2.8%	6.2%
Net AR	287.4	279.9	108.0	61.8	82.1	71.0	477.4	412.8



Ferratum: revenue slightly up, credit loss impairments somewhat increased, continued high profitability.

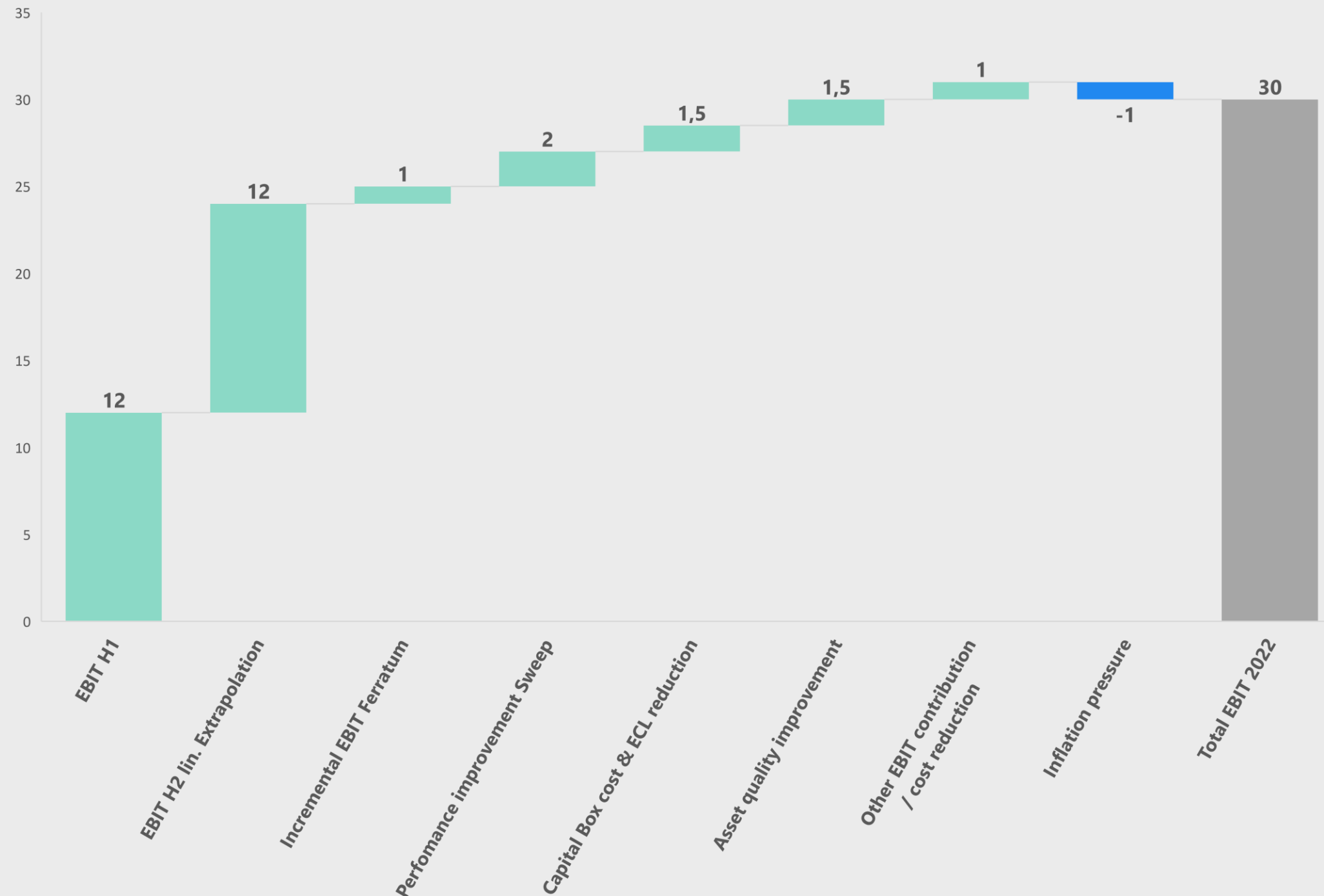


SweepBank: significant revenue increase; focus is on accelerating path to profitability.



CapitalBox: challenging market environment, elevated credit loss expenses during Q1, improved during Q2.

GUIDANCE 2022 – EBIT BRIDGE



GUIDANCE 2022

- EBIT target is challenging as macro-economic conditions deteriorated
- Nonetheless, we confirm our guidance based on actions taken
- Subject to assumption that no material macro-economic ECL adjustments will be required



KEY ASSUMPTIONS AND INITIATED ACTIONS

- Basis for H2: same performance level as H1
- SweepBank organization will be downsized; focus on profitable business; substantial cost reduction initiated
- CapitalBox: reduction in credit losses (improvement already in Q2) and cost savings
- Ferratum: incremental EBIT contribution at least € 1 Mio
- Cost reduction all organizational units
- Focus on profitable initiatives

ENHANCED UNDERWRITING RESULTING IN STRONG ASSET QUALITY

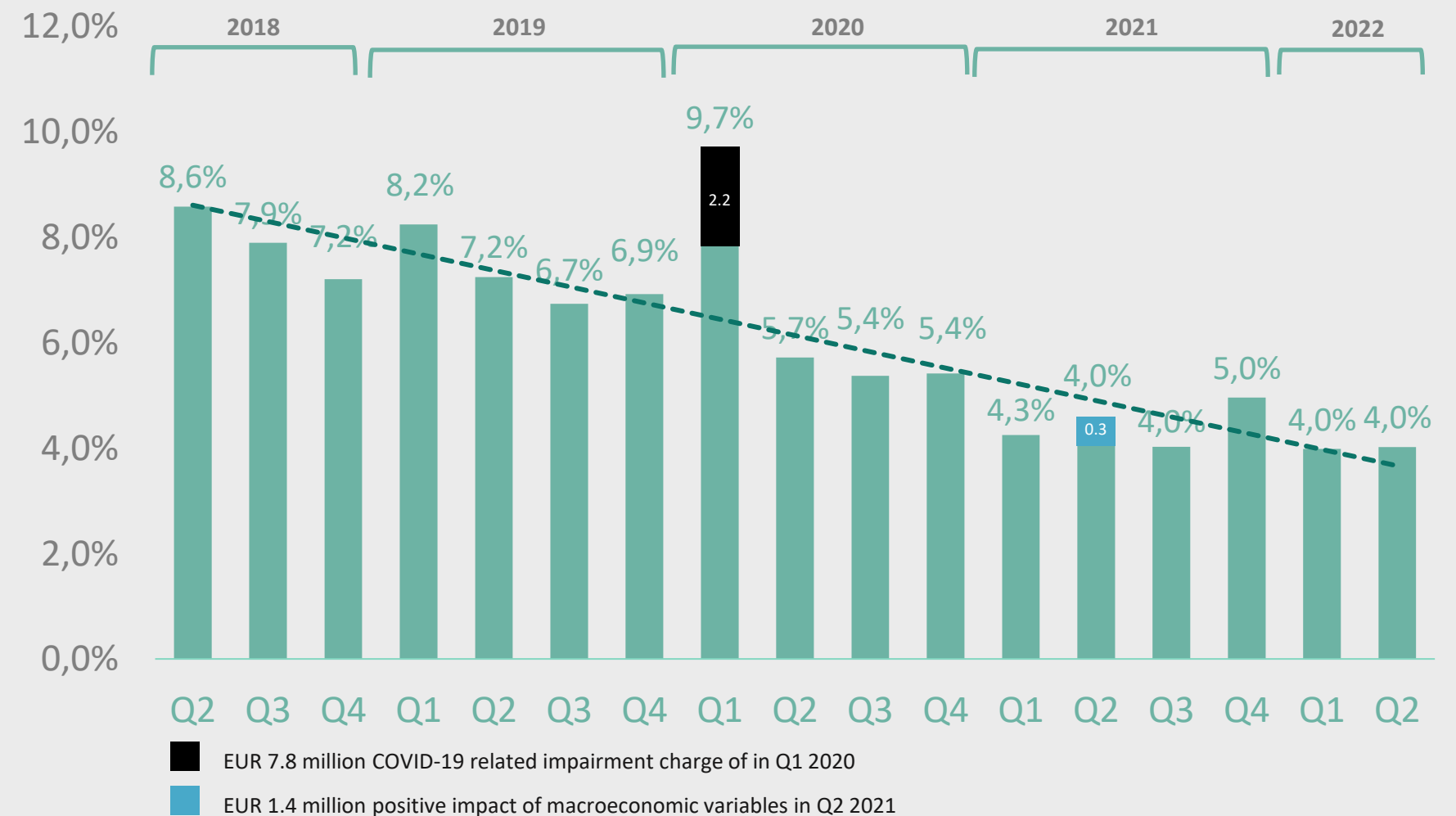


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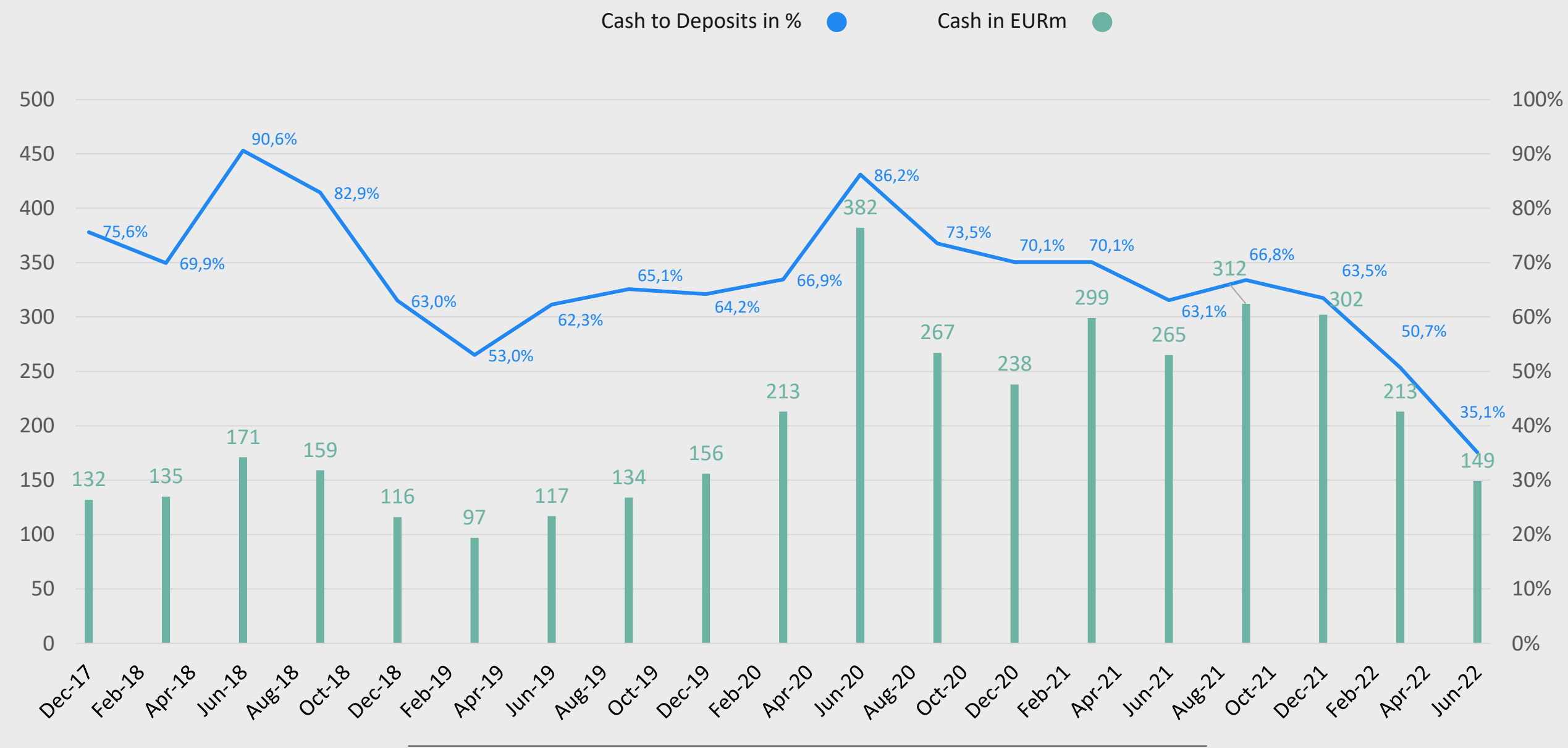
BALANCED GROWTH STRATEGY DRIVES ASSET QUALITY IMPROVEMENTS

- Long-term trend: Continuous improvement in impairment losses over net accounts receivable (NAR) y-o-y
- Key driver is enhanced scoring and underwriting and focus on better asset classes

IMPAIRMENT LOSSES (TOTAL) / NAR



SOLID CASH BASE

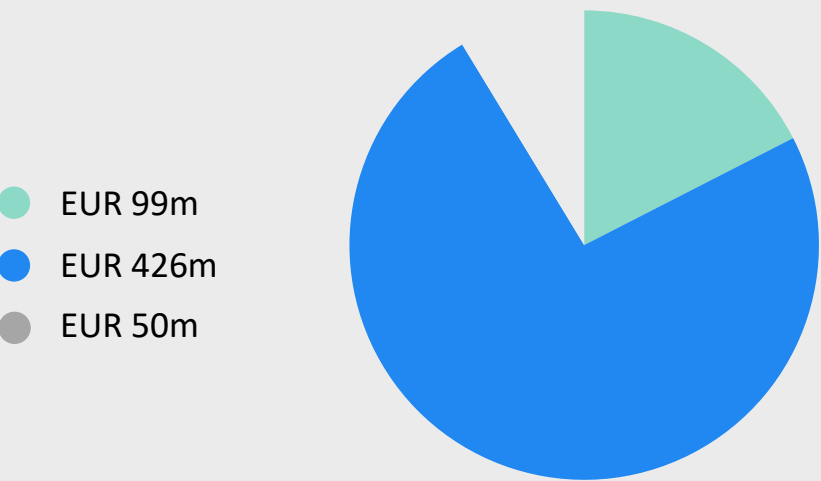


- In line with reduced deposit requirements by the Central Bank, Multitude has further reduced the Group's cash position; however, cash position continues to be strong
- Focus on deposit intake for longer maturities maintained (long-term (> 12 months))

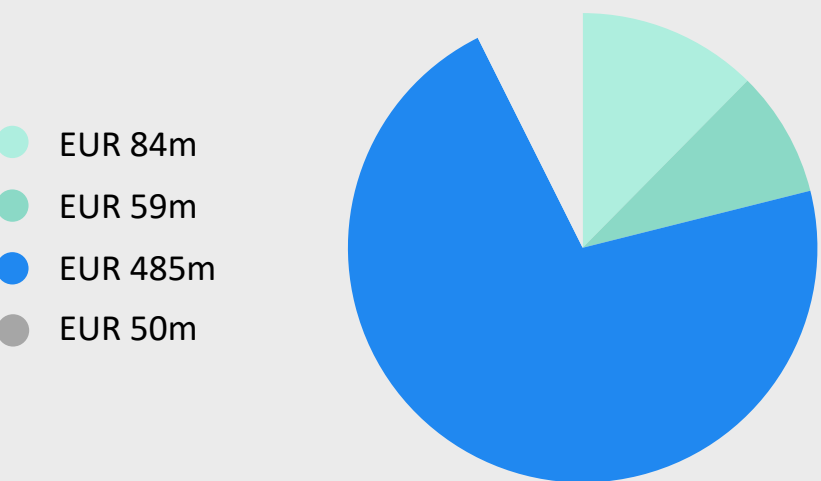
FUNDING STRUCTURE AND COST OF DEBT CAPITAL



FINANCING MIX AT 30 JUN 22

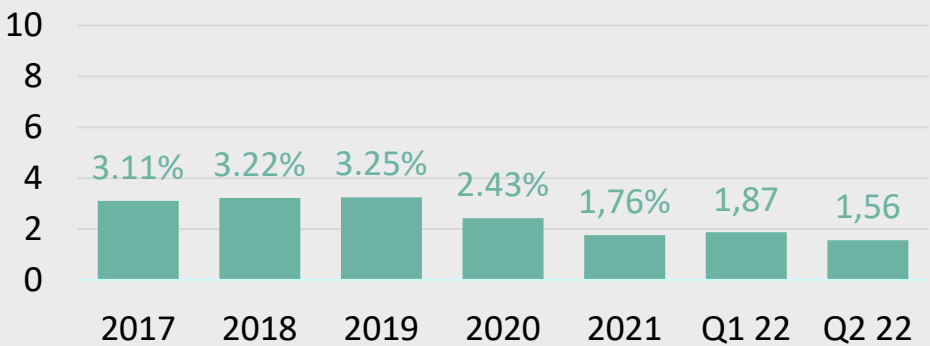


FINANCING MIX AT 31 DEC 21



- Ferratum Capital Germany
5.5% + 3-month Euribor 2022
- Ferratum Capital Germany
5.5% + 3-month Euribor 2023
- Deposits
- Multitude SE
8.90% + 3-month Euribor perpetual (IFRS Equity)

COST OF DEBT CAPITAL*



*Excluding perpetual bond

Important Events: 2018-2022 bond was successfully redeemed at maturity through a combination of existing liquidity and the successful increase of the 2023 bond in April 2022.
The group's bank has issued its first Tier 2 instrument.

Update: Bond refinancing scheduled for H2, should market conditions be supportive.

H1 2022 KEY TAKEAWAYS

- SOLID GROUP RESULTS DESPITE CHALLENGING MARKET ENVIRONMENT
- CONFIRMING OUR EBIT GUIDANCE
- SWEEPBANK: STRONG GROWTH IN H1 AND STRATEGY SHIFT TOWARDS SHORT TERM PROFITABILITY
- FERRATUM: CONTINUED SOLID PERFORMANCE WITH STABLE REVENUE AND EBIT PERFORMANCE
- CAPITALBOX: HUGE OPPORTUNITY IN UNDERSERVED SME SEGMENT, TURNAROUND BACK TO FAST GROWTH AND PROFIT
- REFINANCING OF 2023 BOND SCHEDULED FOR H2 2022, STARTING IN SEPTEMBER

Q&A

THANK YOU



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