

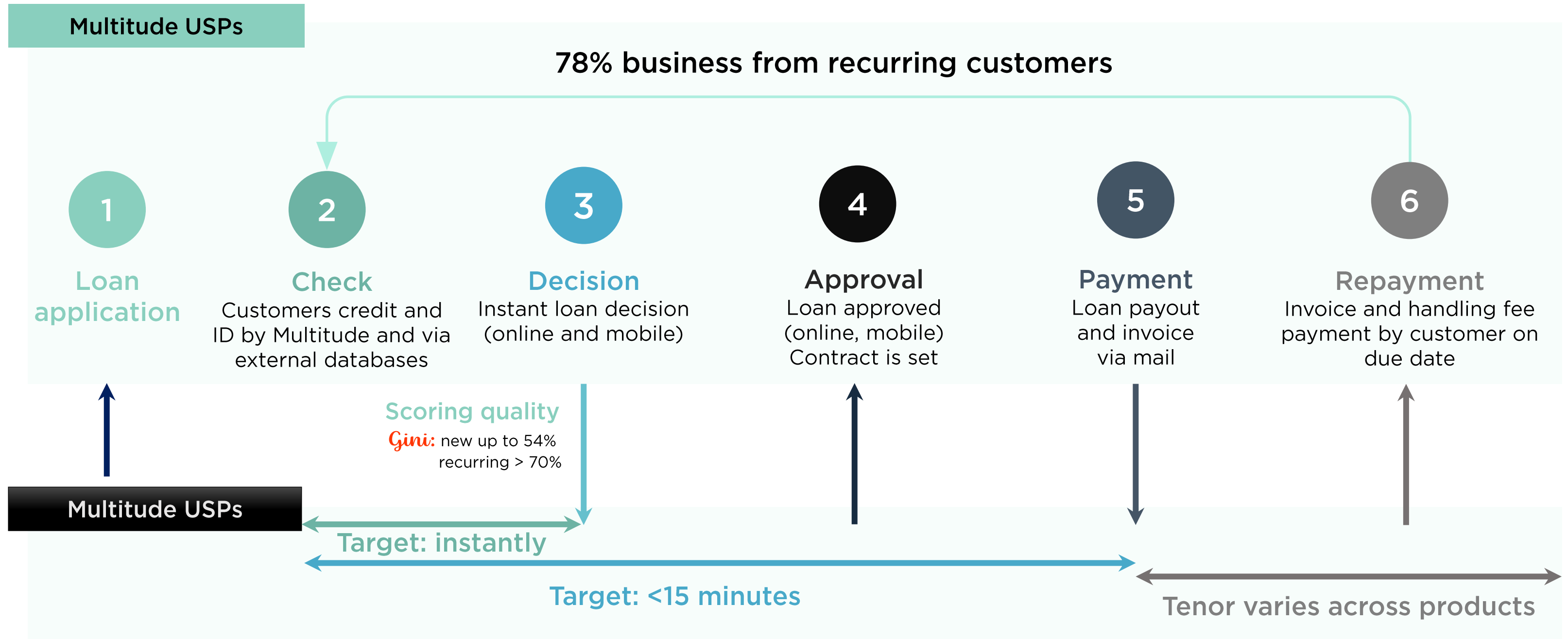


RISK

Dr. Clemens Krause
Chief Risk Officer

FAST, EFFICIENT AND EASY APPLICATION AND ONBOARDING PROCESS AS CORE USP

100% online process using centralized technology



BIG DATA SOURCES TO DEEPEN CUSTOMER UNDERSTANDING

Application

Browsing behavior & marketing analytics

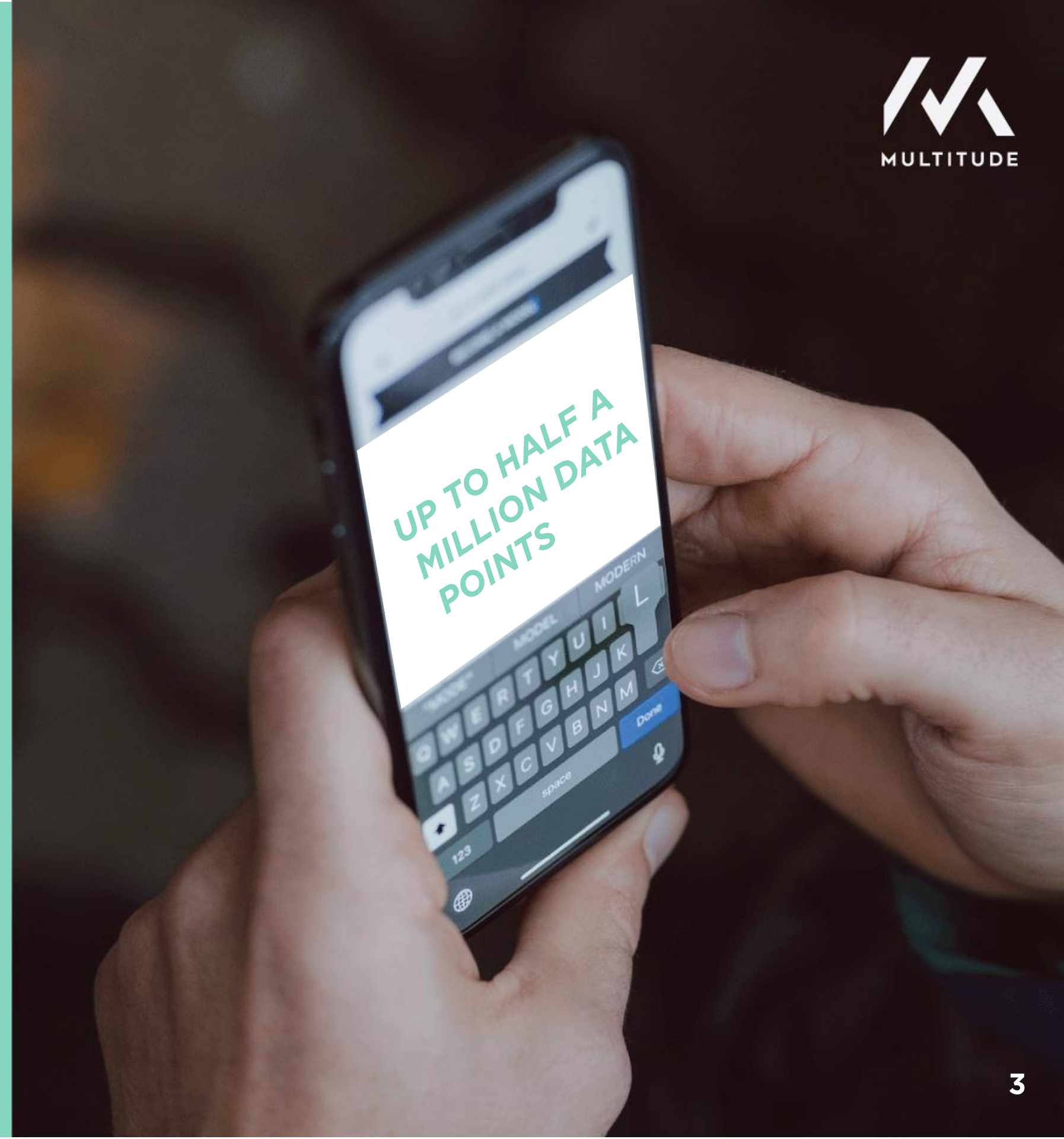
Fraud prevention

Credit bureau

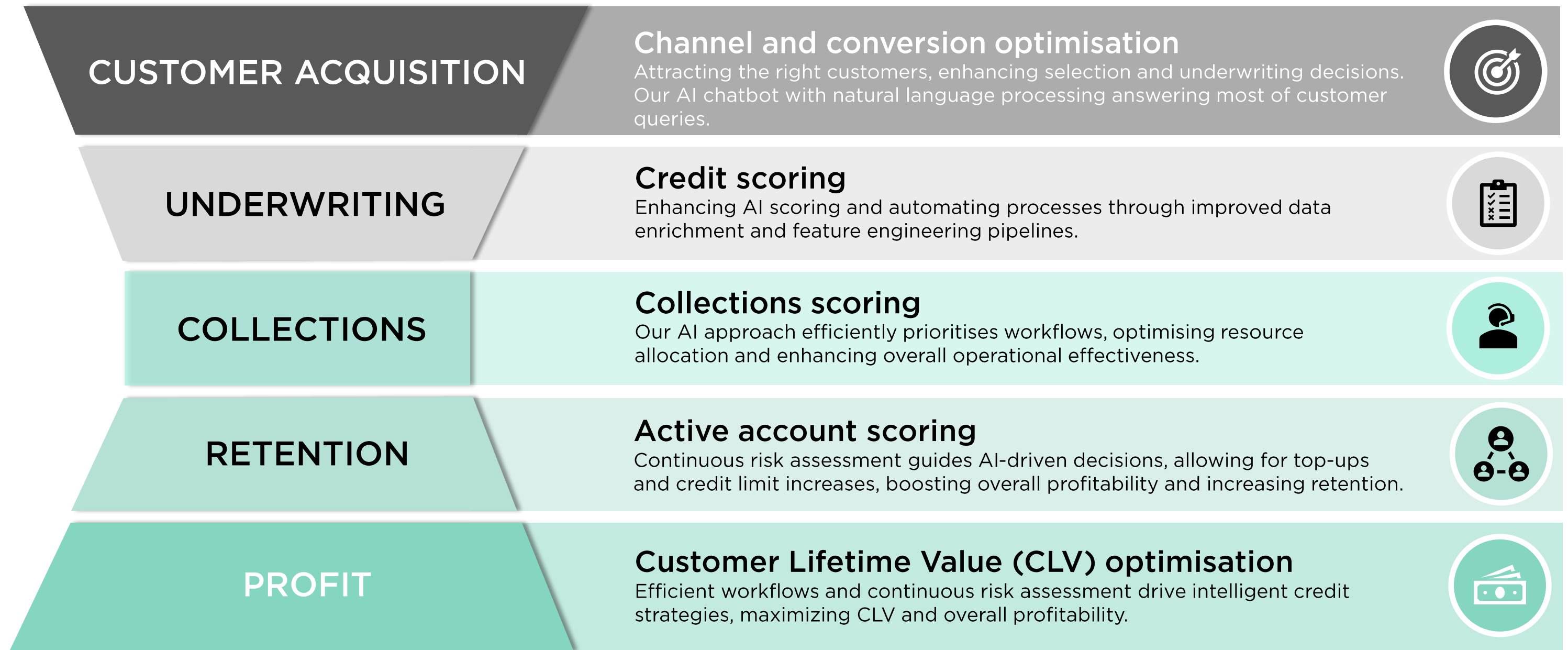
PSD2 – open banking data

Transactional data categorisation

Mobile wallet



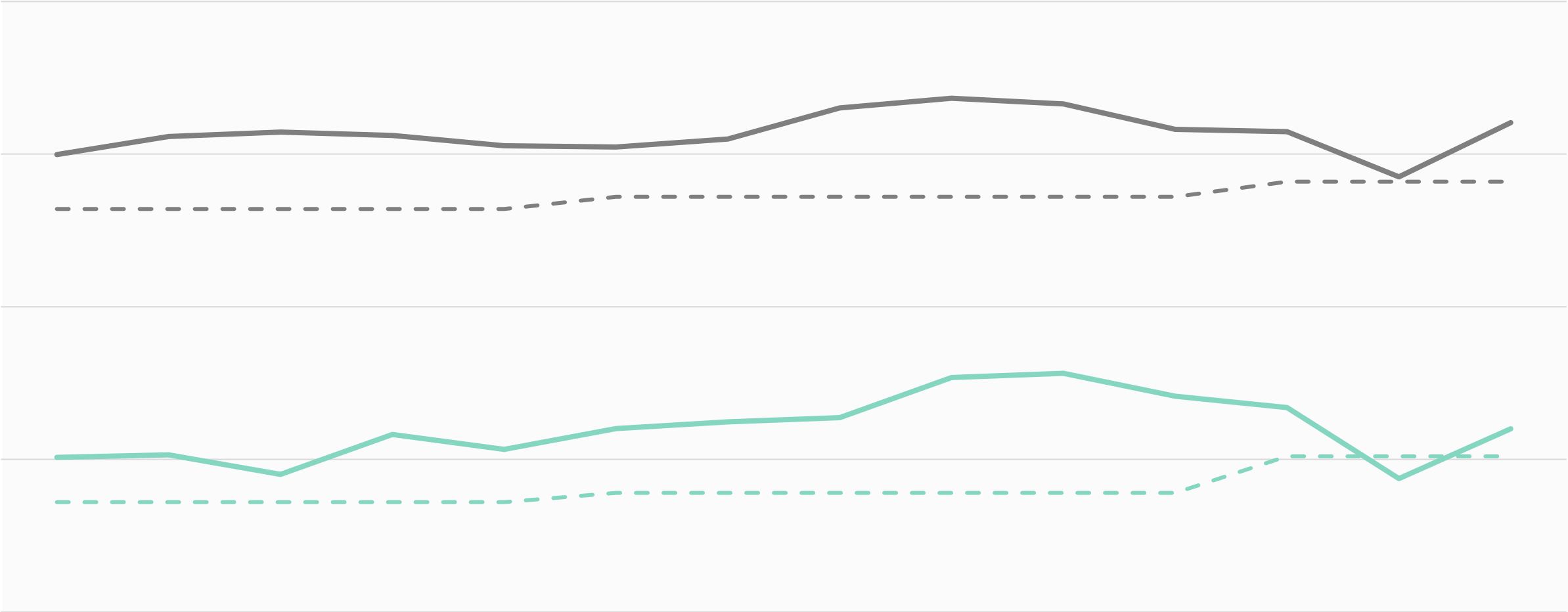
AI SOLUTIONS IN ALL STEPS OF LENDING PROCESS



UNDERWRITING QUALITY TREND IN CONSUMER LENDING IS IMPROVING



First Invoice DPDe (Consumer Lending)



The lines show the percentage of first invoices paid at 7 and 30 days past due (DPD) date.

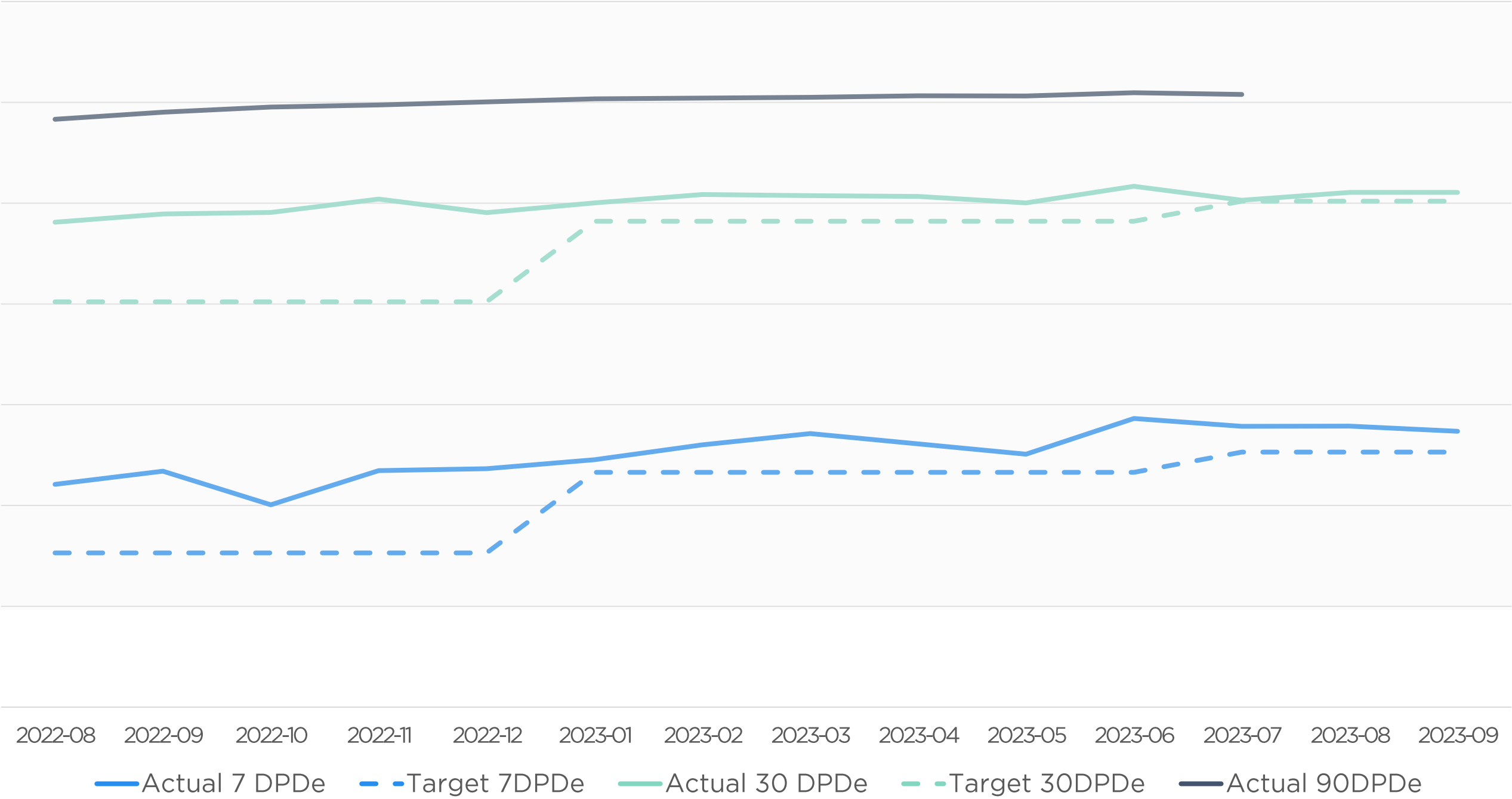
2022-08 2022-09 2022-10 2022-11 2022-12 2023-01 2023-02 2023-03 2023-04 2023-05 2023-06 2023-07 2023-08 2023-09

— — Target 7DPDe — — Actual 7DPDe — — Target 30DPDe — — Actual 30DPDe

STABLE AND IMPROVING PORTFOLIO QUALITY TREND IN CONSUMER FINANCE









All Invoices DPDe



The lines show the percentage of all invoices paid at 7, 30 and 90 days past due (DPD) date.

INHOUSE COLLECTION PROCESS IS FOCUSSED ON EARLY COLLECTIONS

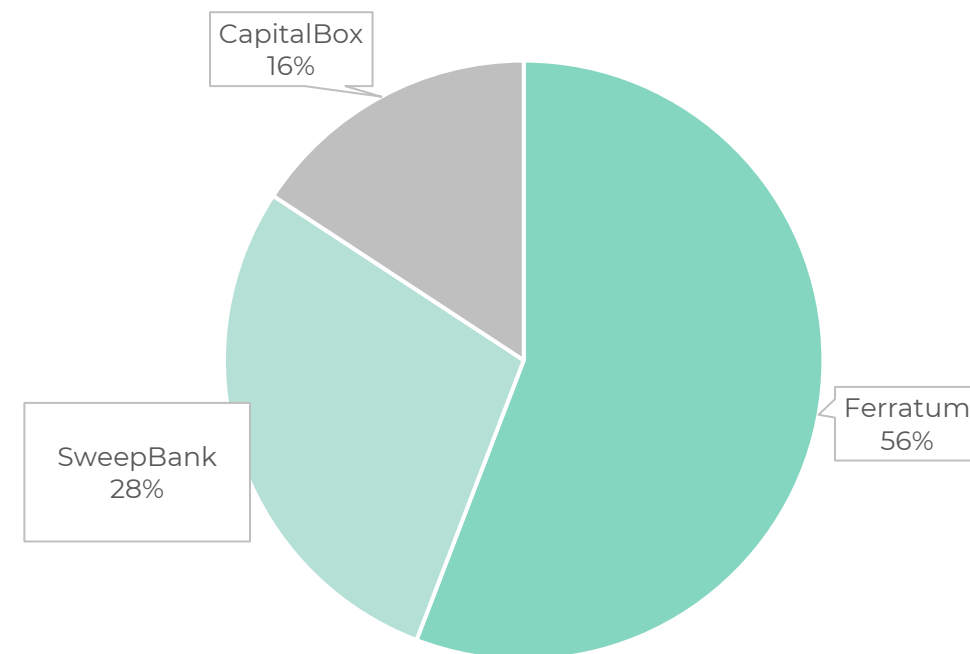


	EARLY COLLECTIONS	LATE COLLECTIONS
Description	<ul style="list-style-type: none"> • Customers between 1 and 90 days past due • In countries with earlier termination 1 and 60 days past due • >90% of all invoices are paid <90 days past due 	<ul style="list-style-type: none"> • Customers with more than 90 days past due • 60 days past due in countries with earlier termination • Recoveries (incl. forward flow) between 40 and 80% depending on claim size and country
Key focus	<ul style="list-style-type: none"> • Protection of the customer relationship is a high priority • Co-operation with customer to find the best way to pay and service the loan • Target to minimise the cases moving to the later stages of collection 	<ul style="list-style-type: none"> • Focus shift from protecting the customer relationship to protecting claims and minimising losses • Target to recover as much as possible of the outstanding claim to minimise actual credit losses through effective performing collection methods
Actions and services	<div>  <p>In-house collection team encouraging payment through direct contact with the customers</p> </div> <div>  <p>70+ professional employees speaking local languages</p> </div> <div>  <p>Leveraging unique experience and data from more than a decade of banking operations</p> </div>	<div>  <p>Increase of sales/recoveries through 9 forward flow agreements (EUR 28m in 2022) + 15 one off debt sales (EUR 31m in 2022)</p> </div> <div>  <p>Ensure to always obtain market price for the portfolio sales by organising public tenders with multiple bidders</p> </div> <div>  <p>Continuous assessment of in-house collection or potential sale</p> </div>

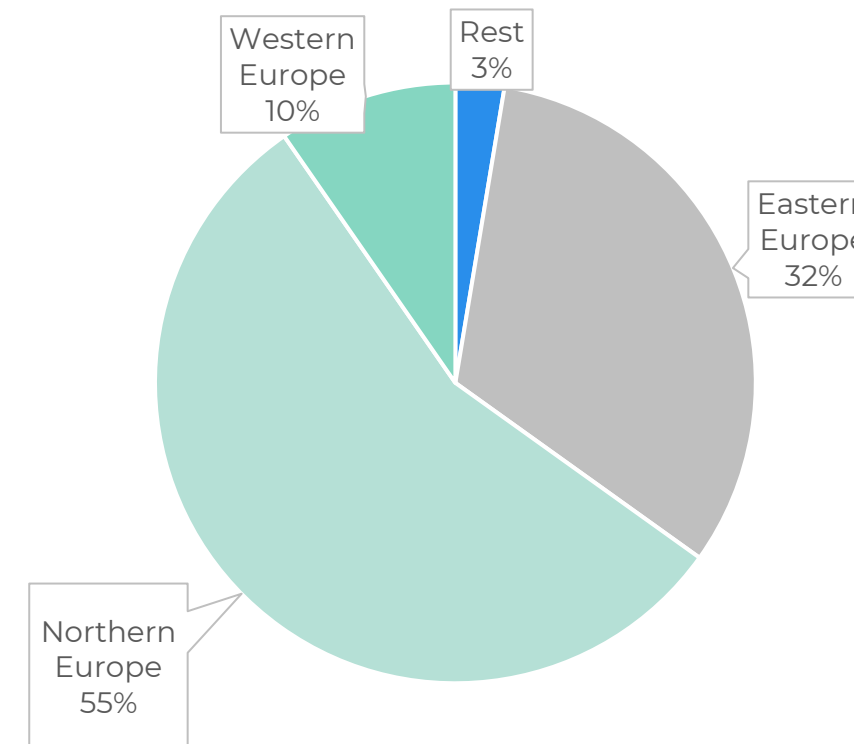
MULTITUDE HAS A WELL DIVERSIFIED CREDIT PORTFOLIO



Portfolio split by business units (9M 2023)



Region split (9M 2023)



- Sweep: Wallet, Card and Prime Loans in 5 countries
- Ferratum: Credit limit, Plus Loans and Micro Loans in 13 countries
- CapitalBox: Credit Line and Instalment Loans with or without collateral in 5 countries
- Credit Limit is the biggest product and Nordics is dominant geographical region

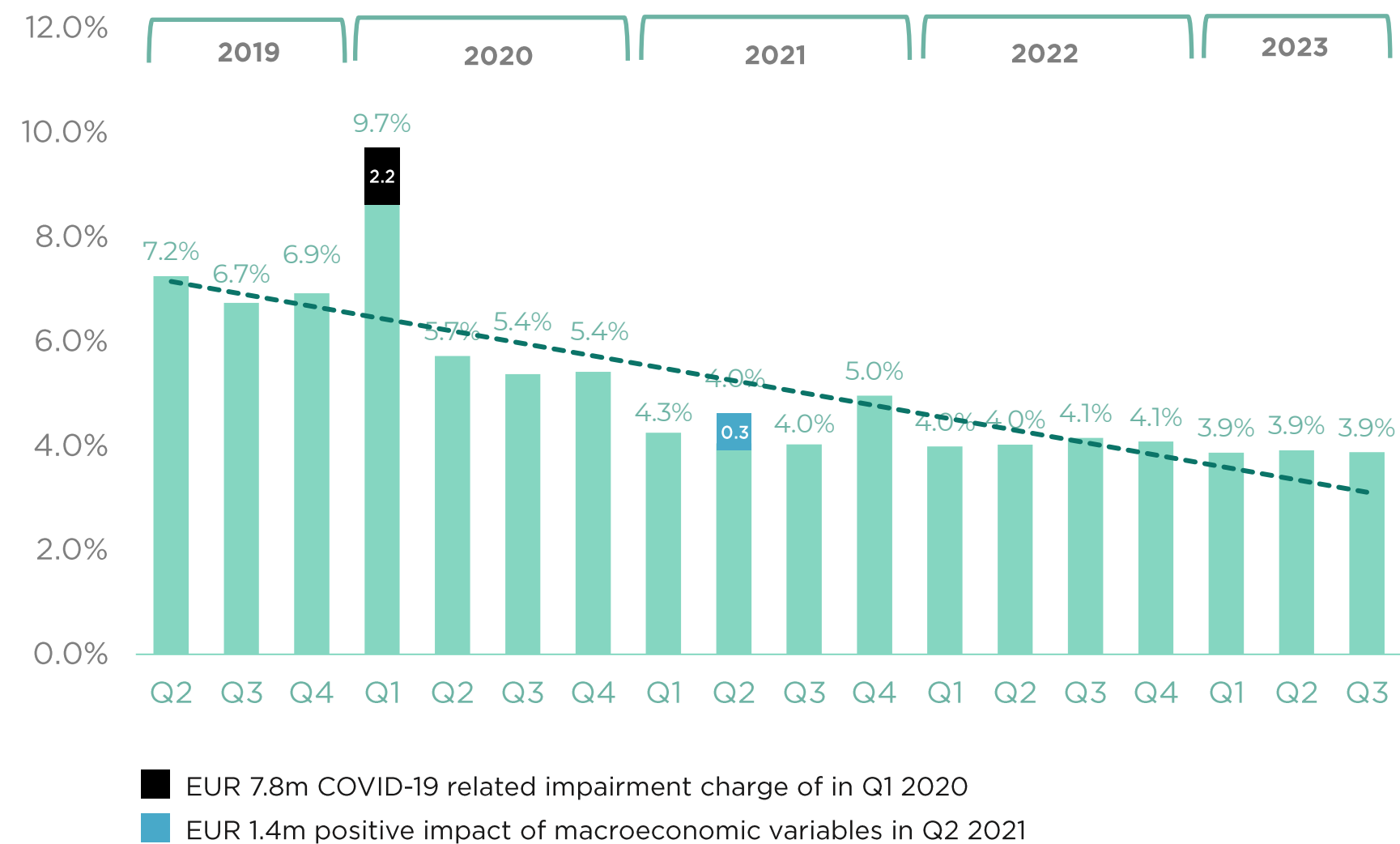
IMPAIRMENT LOSSES REMAIN UNDER 4% - CONSTANTLY STRONG ASSET QUALITY



Balanced growth strategy drives asset quality improvements

- Long-term trend: Continuous improvement in impairment losses over net accounts receivable (NAR)
- Forward oriented underwriting model (incl. macro-economic factors) ensures high asset quality during challenging periods
- Key driver is enhanced scoring and underwriting and focus on better asset classes

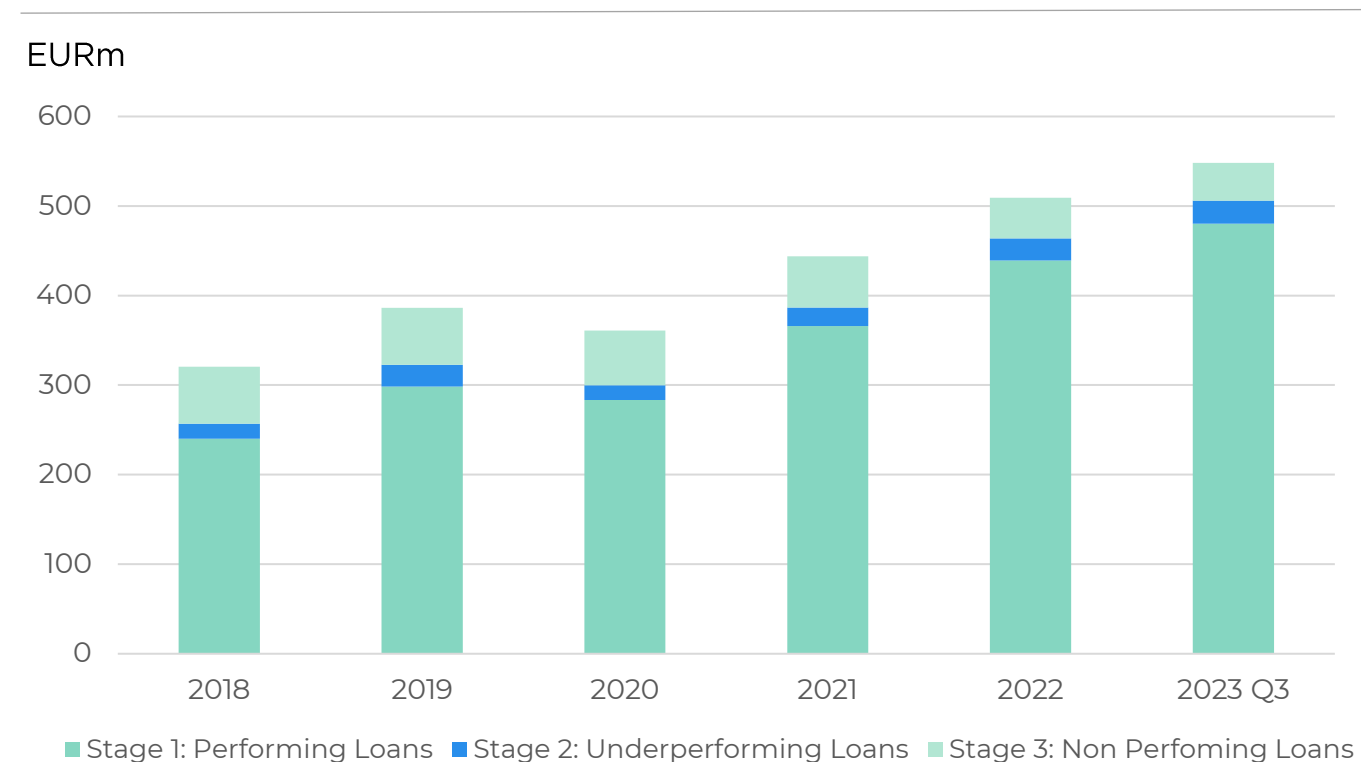
Impairment losses (total) / NAR



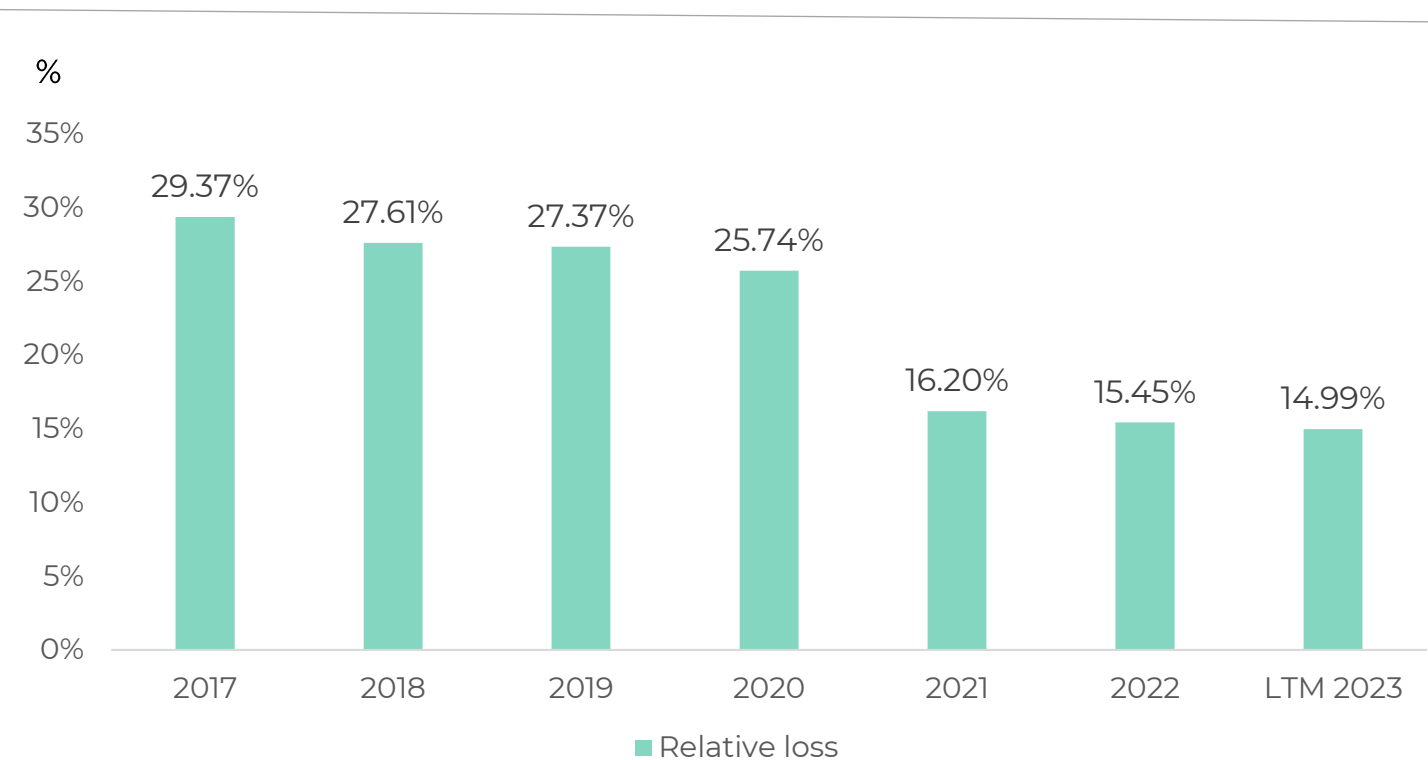
ASSET QUALITY IMPROVING OVER TIME



Loans and advances to customers in IFRS 9 Stages



Net impairment losses (%) to loans and advances to customers

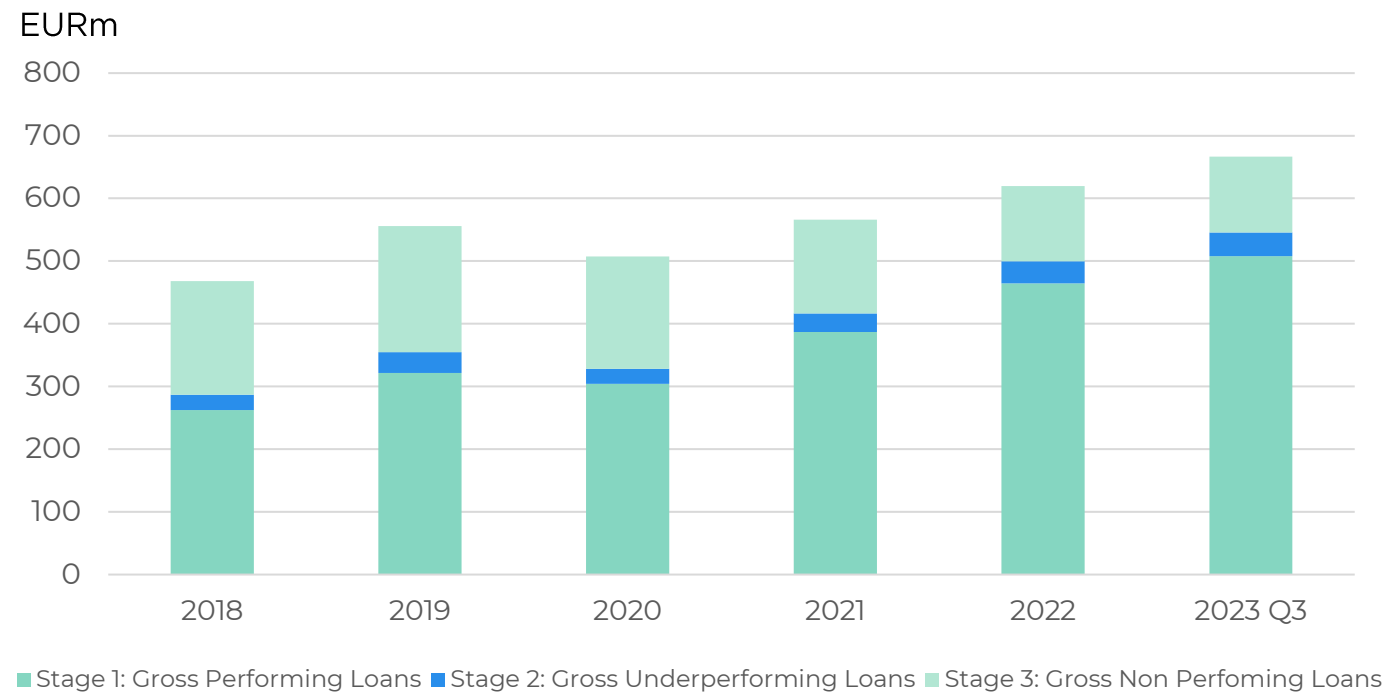


- Share and volume of Non-Performing Loans (NPL) decreasing over time due improved collections and debt sales volume
- Loan Loss ratio (Net Impairment [%] losses over loans and advances to customers) improved every year

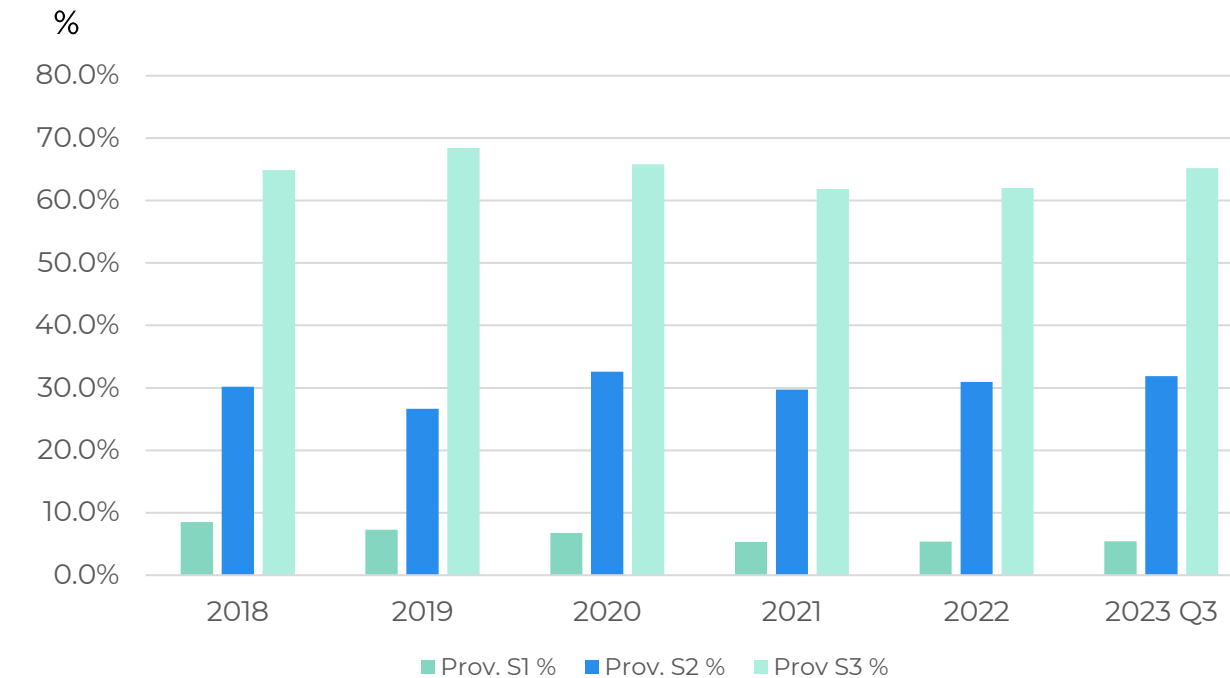
ASSETS ARE CONSERVATIVELY VALUED IN ALL STAGES



Gross loans per stage



Provision rate (%) per stage over time



- Stage 1 reserving lower over time as Probability of Default (PD) and Loss Given Default (LDG) have improved
- Stage 3 reserving is based on expected recoveries and ageing of receivables
- All stage 3 loans are 100% reserved and written off after 3 years - which is very conservative as recovery curves can go over 15 years

RISK MANAGEMENT WELL ON TRACK



1

Underwriting: AI driven and state of the art



2

Payment behaviour stable



3

Credit portfolio well diversified



4

High asset quality



THANK YOU

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