



# MULTITUDE

Creating success Stories in FinTech

Q1 2024 Results

Earnings Call  
16.5.2024

# 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.

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Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Multitude or otherwise to engage in any investment activity.

## KEY TAKEAWAYS

- **18.3% GROWTH IN REVENUE TO EUR 64.2m Y-O-Y**
- **31.0% GROWTH IN EBIT TO EUR 11.6m Y-O-Y**
- **WE CONFIRM OUR EUR 67.5m EBIT GUIDANCE FOR 2024 DESPITE ELEVATED CREDIT LOSSES IN Q1 2024**
- **CAPITALBOX ACQUIRED INVOICE PURCHASING BUSINESS OF OMNIVETA TO STRENGTHEN FACTORING OFFERING TO SME CUSTOMERS**
- **SHARE BUYBACK PROGRAMME ANNOUNCED**

# WE HAVE BEEN CREATING SUCCESS STORIES IN FINTECH FOR THE LAST TWO DECADES



Founded in Finland in 2005, HQ in Helsinki



EU wide banking licence



Listed on the Frankfurt Stock Exchange

“Since our foundation, we have focused on helping customers who are overlooked by traditional banks, with an amazing and fully digital customer experience.”



Customers

~400,000

Revenue 2023

EUR 230m

Net profit 2023

EUR 16.4m

Employees

~700

Countries

16

# OUR SHARPENED VISION GIVES OUR TEAM A COMMON DIRECTION, WITH AN INSPIRING MISSION



## VISION

Building the most valuable financial platform for overlooked customers

## MISSION

Democratise financial services through digitalisation, making them fast, easy & green

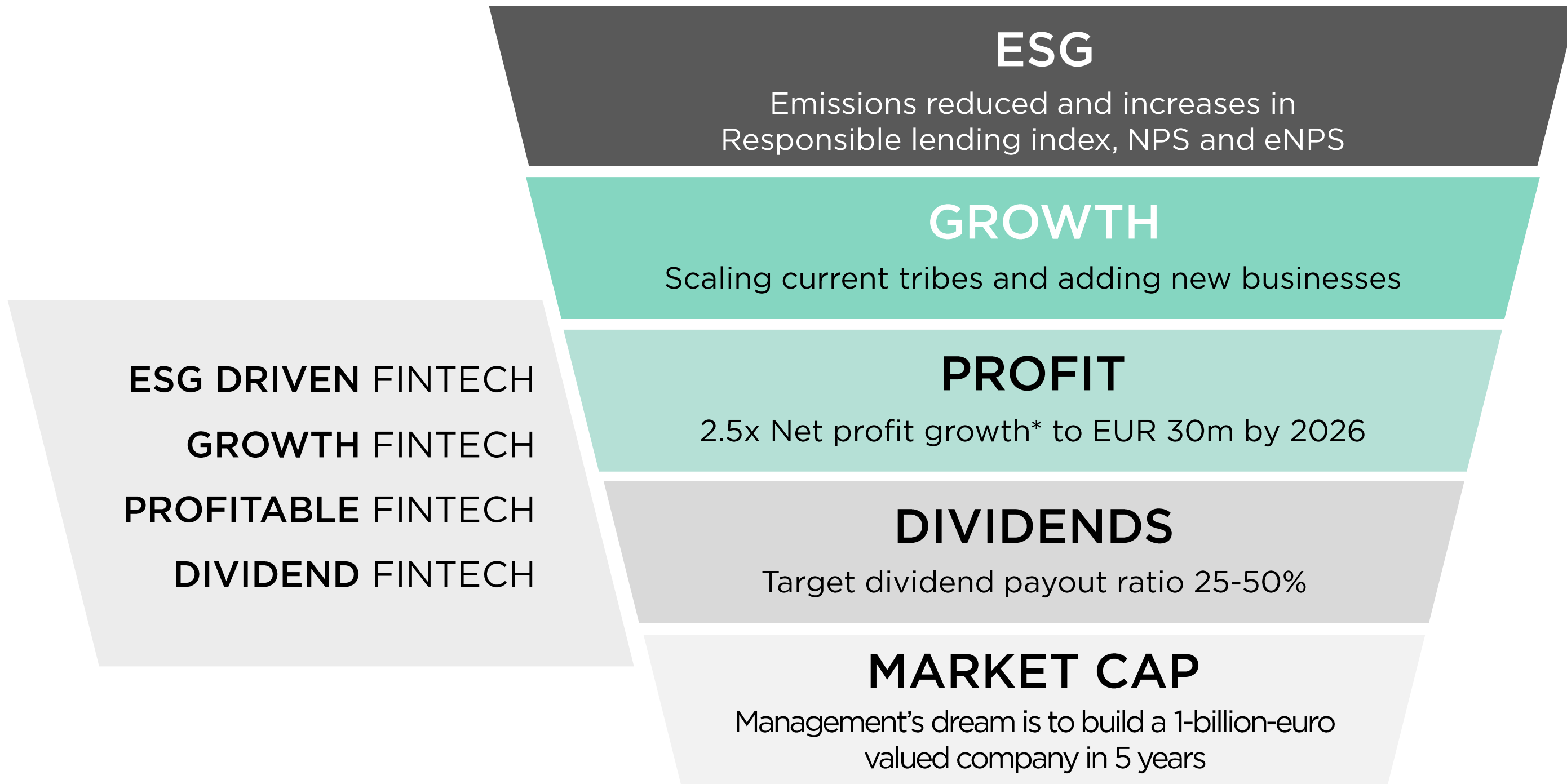
## OUR VALUES

Customer centricity – Entrepreneurial spirit –  
Candour – Respect – Winning teams

# WE HAVE THREE BUSINESS UNITS, WHICH USE OUR INTERNAL BANKING-AS-A-SERVICE GROWTH PLATFORM



# NEW GUIDANCE FRAMEWORK LAUNCHED IN NOVEMBER 2023: STABLE PROFITABLE GROWTH, COMMITMENT TO ESG VALUES AND DIVIDEND DISTRIBUTION TO SHAREHOLDERS



\*Source file: Capital Markets Day 2023 presentation; refers to Net profit 2022

# MULTITUDE GROUP HIGHLIGHTS Q1 2024

## THE FOCUS ON H1 IS TO ACCELERATE GROWTH INITIATIVES (ORGANIC, PARTNERSHIPS AND M&A)



### HIGHLIGHTS Q1 2024

- Accelerating revenue growth for consecutive quarters, reaching 18.3% y-o-y
- One of the strongest growth quartals: All 3 business units delivered double digits growth
- EBIT EUR 11.6m (+31.0% y-o-y restated) despite higher credit losses in parts of the business
- Strengthens SME market position with the acquisition of the Omniveta business
- Strong cash position

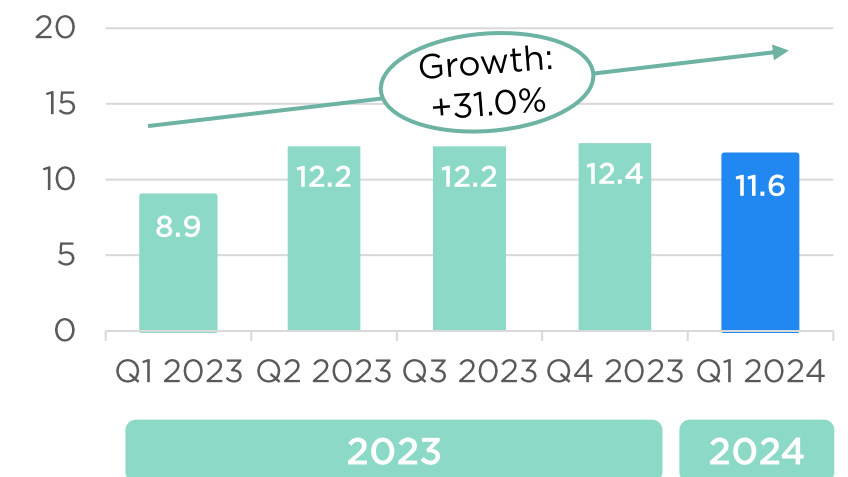
### LOOKING AHEAD

- Our successful 4-year EBIT guidance will end this year with guidance for 2024 EBIT of EUR 67.5m
- Our new guidance (on top of the existing EBIT guidance) is to reach EUR 30m Net profit by 2026

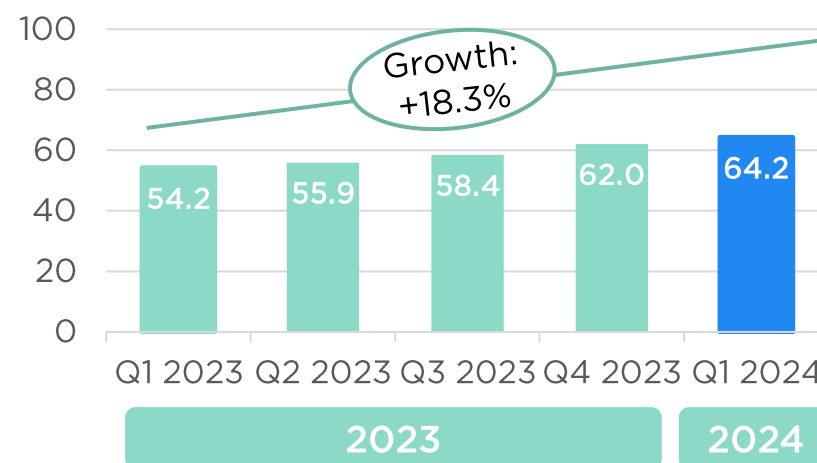
### FOCUS GOING FORWARD

- Enhance risk management and AI investments to further improve scalability
- Focus on 3 main initiatives to accelerate our revenue and profitability growth: Organic, Partnerships and M&A
- Improvements in our growth platform's central processes and value creation in tribes

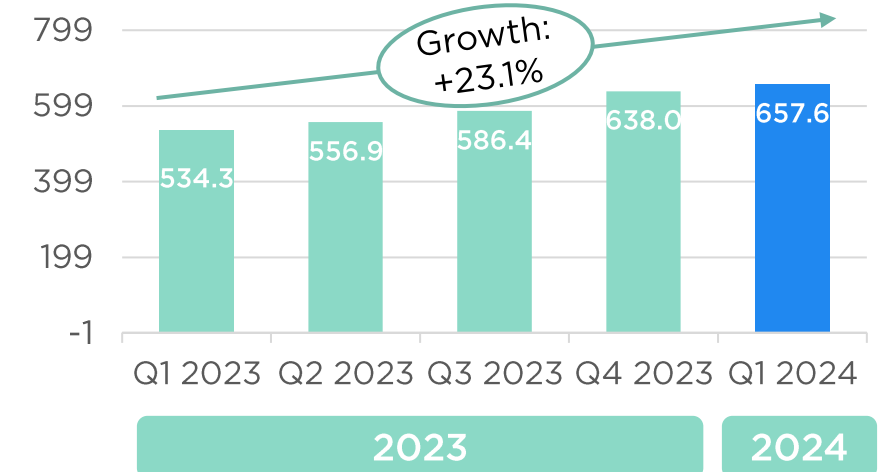
### EBIT in EURm



### REVENUE\* in EURm



### NET AR\*\* in EURm



\*Includes interest income and fee and commission income  
All numbers in the graphs are restated as of Q1 2023

\*\* Net AR incl. Loans to customers and Debt investments

# CONSUMER BANKING HIGHLIGHTS Q1 2024

## EXCELLENT PERFORMANCE FROM FERRATUM CONTINUES



### HIGHLIGHTS Q1 2024

- Outstanding organic revenue growth to EUR 54.1m (+12.9% y-o-y)
- Very strong EBIT growth (+51.3% y-o-y) to EUR 12.0m
- Technical preparations done to enable embedded finance partners
- Change in marketing bidding strategy with improved results: In the process of scaling it to remaining countries

### TARGETS 2024

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

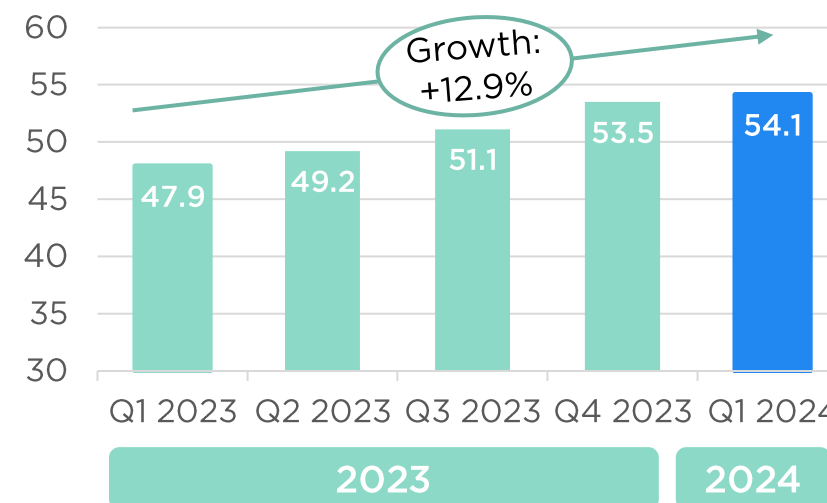
### Q1 2024 IN NUMBERS

MARKETS	PRODUCTS	NPS	CONTACT SHARE IN SELF SERVICE
13	3	63	83%

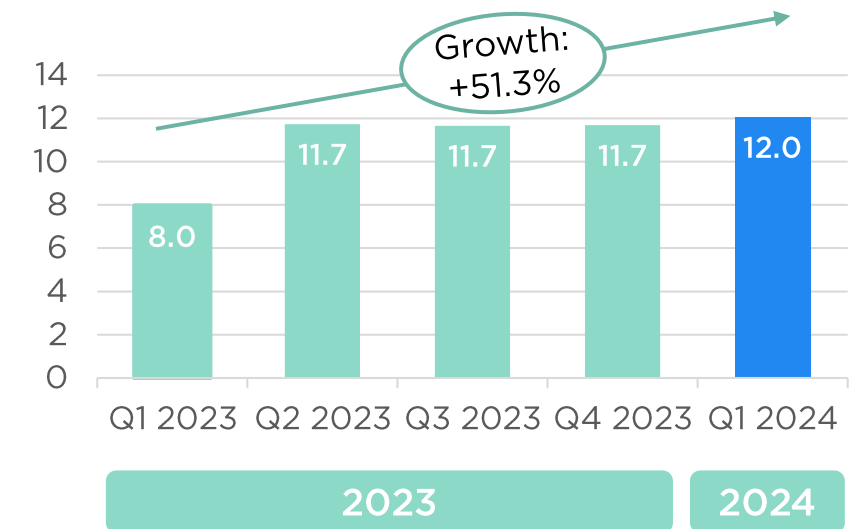
### FOCUS GOING FORWARD

- Integrate SweepBank account and credit card products to Ferratum offering
- Focus on 3 main initiatives to accelerate revenue and profitability growth: Organic, Partnerships and M&A
- Improvements in scalability by automation, data & AI, and risk innovations

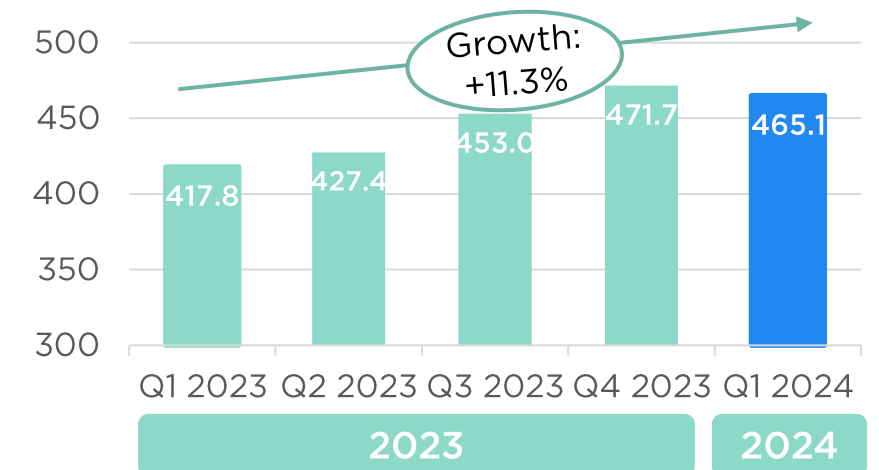
### REVENUE in EURm



### EBIT\* in EURm



### NET AR in EURm



\* EBIT=PBT – Interest expense – Fair value and foreign exchange gains/losses  
All numbers in the graphs are restated as of Q1 2023

# SME BANKING HIGHLIGHTS Q1 2024

## FOCUS ON GROWTH WITH INCREASED PROVISIONS FOR RISK



### HIGHLIGHTS Q1 2024

- Impressive revenue growth of 40.0% to EUR 7.7m mainly driven by organic growth
- Increased credit risk provisions due to amazing q-on-q growth and we see lower recoveries in some industries. Underwriting criteria adjusted accordingly
- Expanded sales partnership channels
- Secured lending portfolio growing
- Acquisition of Omniveta business added SMEs invoice purchasing/factoring into our offering

### TARGETS 2024

Our target for 2024 is to achieve EUR 10m EBIT

### Q1 2024 IN NUMBERS

PRODUCTS

5

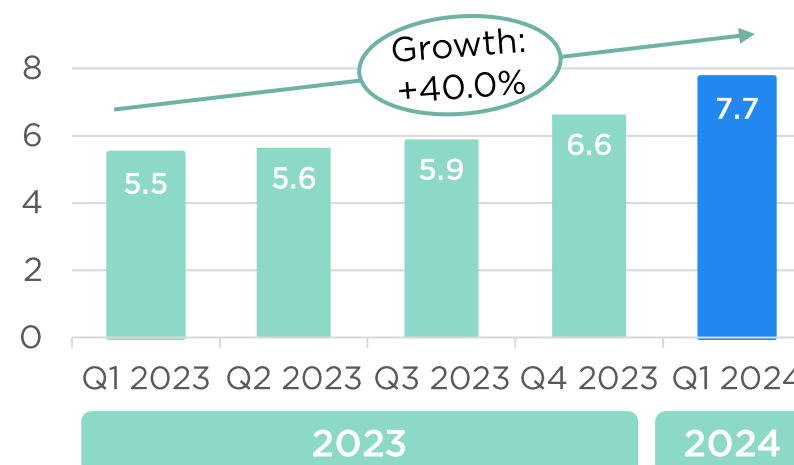
MARKETS

5

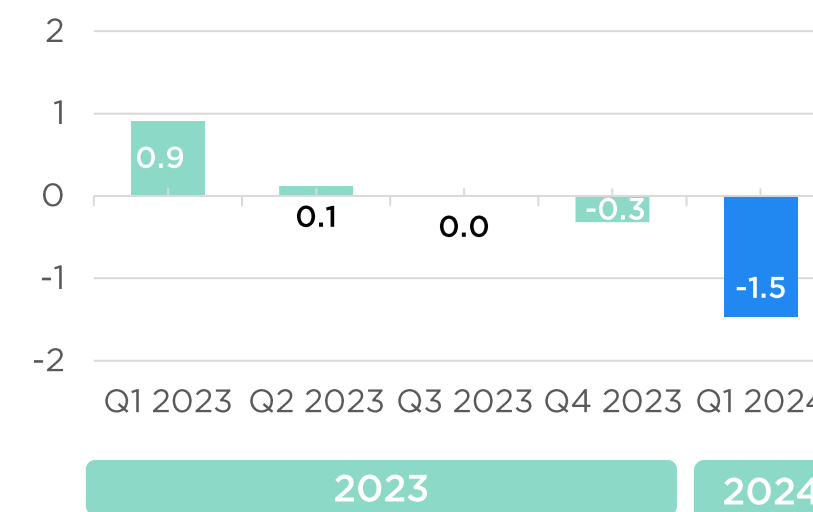
### FOCUS GOING FORWARD

- Integrate SweepBank account and credit card products to CapitalBox offering
- Focus on 3 main initiatives to accelerate our revenue and profitable growth: Organic, Partnerships and M&A
- Improvements in risk management and scalability by automation, data & AI, and risk innovations

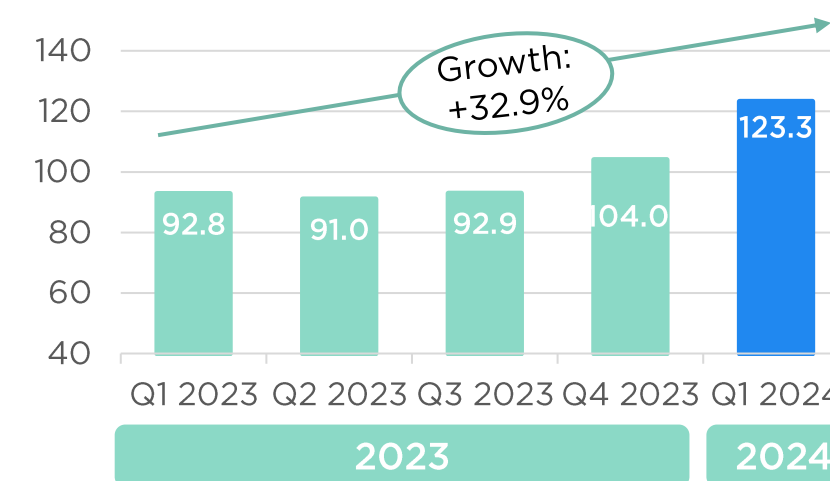
### REVENUE in EURm



### EBIT\* in EURm



### NET AR in EURm



\* EBIT=PBT – Interest expense – Fair value and foreign exchange gains/losses  
All numbers in the graphs are restated as of Q1 2023

# WHOLESALE BANKING HIGHLIGHTS Q1 2024

## HUGE ADDRESSABLE MARKET, ROBUST GROWTH WHILST MAINTAINING STRONG FILTERS

### HIGHLIGHTS Q1 2024

- Revenue grew to EUR 2.3m (+187.5% y-o-y)
- EBIT reached EUR 1.0m per quarter
- Alain Nydegger was appointed as the Tribe CEO for the Wholesale banking unit in April
- Active engaging in marketing and public relations efforts to promote the products and generate high-quality leads

### FOCUS GOING FORWARD

- Accelerate growth initiatives
- Focusing on smart risk and discipline
- Improvements in underwriting and scalability by automation, data & AI, and risk innovations
- Onboarding new payment services customers

### TARGETS 2024

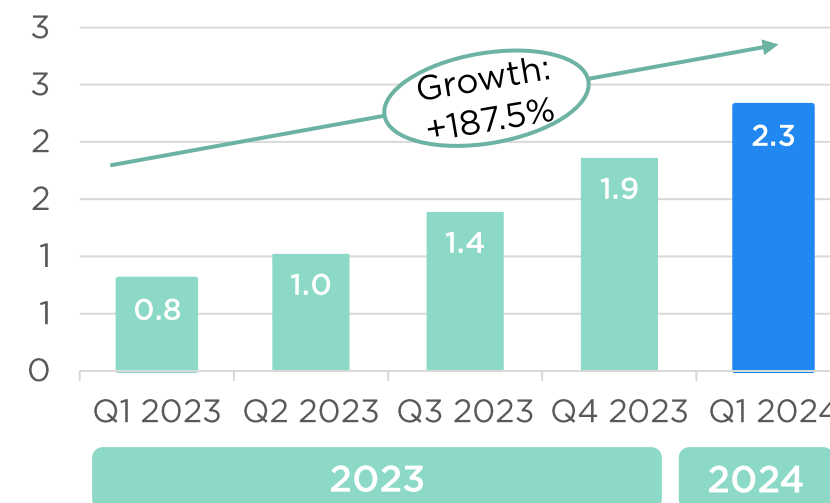
We are finalising our external targets, which will be published during H1 publication

### Q1 2024 IN NUMBERS

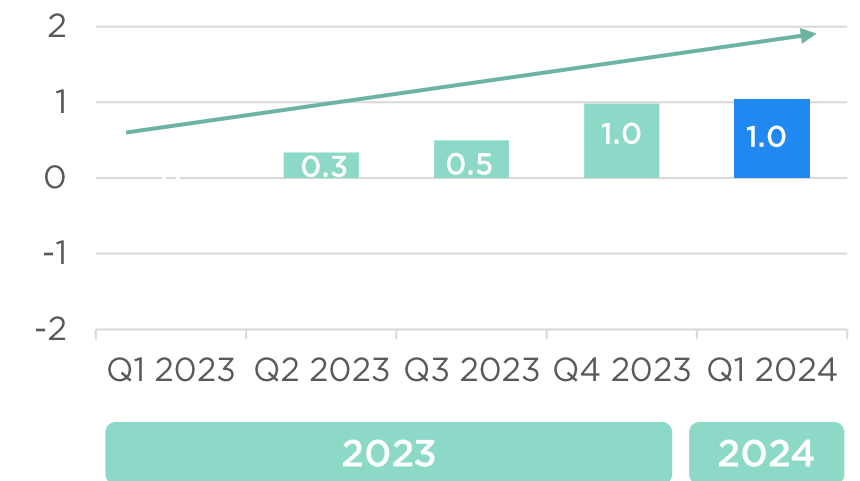
#### PRODUCTS

2

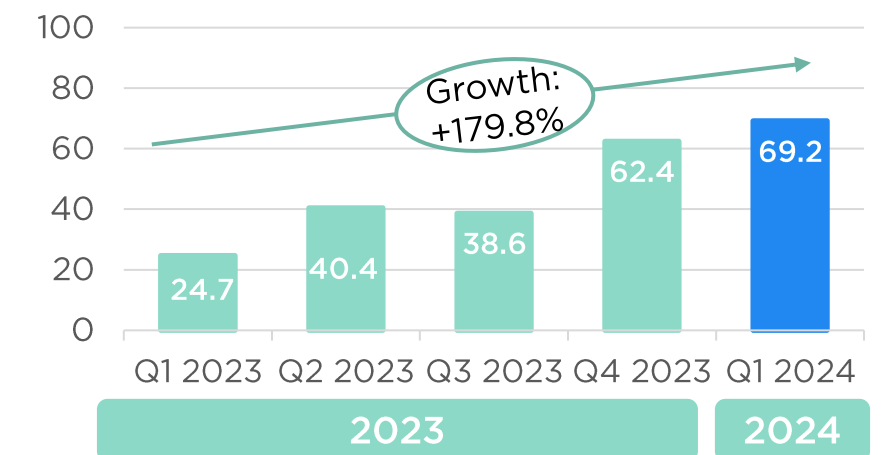
#### REVENUE in EURm



#### EBIT\* in EURm



#### NET AR\*\* in EURm



\* EBIT=PBT – Interest expense – Fair value and foreign exchange gains/losses  
All numbers in the graphs are restated as of Q1 2023




\*\* Net AR incl. Loans to customers and Debt investments

# RESPONSIBLE FINANCIAL SERVICES FOR OVERLOOKED CUSTOMERS



## 2025 Goals

## Q1 2024 Progress highlights

<p><b>E</b> Understand and reduce the Group environmental footprint</p> 	<ul style="list-style-type: none"> <li>• Scope 2 &amp; 3 carbon emissions for FY 2023 published in Q1 2024</li> <li>• Scope 3 financed emissions             <ul style="list-style-type: none"> <li>- Improved data quality in SME lending resulted in 84% of emissions receiving PCAF data quality score of 4 and 16% score 5 (2022: 6% score 4 and 94% score 5)</li> <li>- Assessment expanded to include corporate loans and investments (Warehouse lending) with 100% of emissions receiving PCAF score 4</li> </ul> </li> </ul>
<p><b>S</b> Monitor, report on and improve stakeholder wellbeing</p> 	<p><b>Customer wellbeing and employee happiness</b></p> <ul style="list-style-type: none"> <li>• Customer NPS: <b>63</b>   Q4 2023: 60</li> <li>• Responsible Lending Index: <b>4.4</b>   2025 Target: 4.5   Q4 2023: 4.4</li> <li>• eNPS: <b>25</b>   2025 Target achieved   status per Q4 2023</li> <li>• Implementation of the new All-Employees Shareholder Programme, where all eligible employees received 50 free shares</li> </ul> <p><b>Diversity</b></p> <ul style="list-style-type: none"> <li>• <b>Management</b> - Female: <b>42%</b>   2025 Target: 38%   Q4 2023: 36%</li> <li>• <b>Board</b> - Female: <b>33%</b>   2025 Target: 38%   Q4 2023: 33%</li> </ul>
<p><b>G</b> Embed ESG conscious practices</p> 	<ul style="list-style-type: none"> <li>• ESG assessment tool in corporate loans and investments developed further to capture additional asset classes</li> <li>• Continuous advancement in initiatives within the CSRD readiness programme</li> </ul>



# MULTITUDE

Q1 2024 RESULTS

IFRS preliminary unaudited financial  
results for the 3 months ended  
31 March 2024

# FINANCIAL OVERVIEW: REVENUE GROWTH IS ACCELERATING



in EURm	Q1 2024	Q1 2023*	%/pp change
Interest income	64.2	54.2	18.3
Interest expense	(8.6)	(3.9)	119.3
Net interest income	55.6	50.3	10.5
Fair value and foreign exchange gains and losses	-	(1.9)	-98.1
Net operating income	55.5	48.4	14.7
Operating expenses:			
Impairment loss on loans to customers	(28.3)	(20.9)	35.4
Personnel expense	(9.4)	(8.4)	11.7
General and administrative expense	(8.2)	(9.0)	-9.3
Depreciation and amortisation	(3.4)	(3.7)	-8.1
Selling and marketing expense	(3.3)	(3.4)	-1.9
Profit before income tax	3.0	3.0	-1.2
Income tax expense	(0.4)	(0.8)	-44.4
Profit for the period	2.6	2.3	13.0



## MULTITUDE IS SHOWING

### ACCELERATING GROWTH RATES:

- Revenue grew by 18.3% to EUR 64.2m
- Net interest income increased by 10.5% after increased interest expenses
- Provisions for impairment losses increased driven by significant business volume growth, and due to elevated credit losses in some CapitalBox markets - mitigation actions taken
- Personnel expenses somewhat elevated due to new hires, general cost pressure, and new initiatives
- Operating expenses overall still flat



### INCREASING PROFITABILITY:

- 31.0% Growth in EBIT to EUR 11.6m y-o-y
- Net profit grew by 13.0% to EUR 2.6m during Q1 2024
- EPS grew to EUR 0.07 per share during Q1 2024 (48.8% y-o-y)

\* Restated

# BALANCE SHEET:

## ASSETS REFLECT BUSINESS GROWTH AND STRATEGY



in EURm	31 Mar 2024	31 Dec 2023	% change
Cash and cash equivalents	225.0	283.7	-20.7
Derivative financial assets	6.3	0.3	2025.2
Loans to customers	589.2	575.9	2.3
Debt investments	68.4	62.1	10.2
Current tax assets	2.3	1.8	23.2
Other financial assets	21.4	19.4	10.2
Prepaid expenses and other assets	3.0	2.8	5.4
Intangible assets	30.0	29.5	1.9
Right-of-use assets	4.3	4.8	-10.2
Property, plant and equipment	2.8	2.9	-1.6
Investments accounted for using the equity method	1.0	1.0	-3.5
Deferred tax assets	6.4	6.5	-1.9
<b>Total assets</b>	<b>960.3</b>	<b>990.9</b>	<b>-3.1</b>

### ASSET MOVEMENTS:

- Loan portfolio and investment in wholesale business up € 20m during Q1
- Decrease in cash driven by portfolio increase and by reduction in deposit interest rates

# BALANCE SHEET : LIABILITIES AND SHAREHOLDERS' EQUITY



in EURm	31 Mar 2024	31 Dec 2023	% change
<b>Equity</b>			
Share capital	40.1	40.1	0.0
Treasury shares	(0.0)	(0.1)	-23.5
Retained earnings	89.1	87.3	2.1
Unrestricted equity reserve	14.7	14.7	0.0
Perpetual bonds	45.0	45.0	0.0
Translation differences	(3.7)	(3.4)	8.8
<b>Total equity</b>	<b>185.2</b>	<b>183.6</b>	<b>0.9</b>
<b>Liabilities</b>			
Derivative financial liabilities	3.3	5.3	-38.2
Deposits from customers	703.4	732.4	-4.0
Current tax liabilities	2.1	2.3	-7.3
Provisions, accruals and other liabilities	12.8	13.4	-4.6
Debt securities	48.0	47.8	0.4
Lease liabilities	4.4	5.0	-12.2
Deferred tax liabilities	1.2	1.2	1.4
<b>Total liabilities</b>	<b>775.1</b>	<b>807.2</b>	<b>-4.0</b>
<b>Total equity and liabilities</b>	<b>960.3</b>	<b>990.9</b>	<b>-3.1</b>

## SOLID EQUITY POSITION:

- Equity of the group increased to EUR 185.2m
- ND/E 2.97
- Net Equity Ratio 25.2%

## HEALTHY LIABILITY LEVEL:

- Deposits remain the main source of funding standing at EUR 703.4m

# SEGMENT VIEW – BUSINESS UNIT PERFORMANCE



in EURm	Consumer banking			SME banking			Wholesale banking			Group		
	Q1 2024	Q1 2023	% change	Q1 2024	Q1 2023	% change	Q1 2024	Q1 2023	% change	Q1 2024	Q1 2023	% change
Interest income	54.1	48.0	12.7	7.7	5.5	40.0	2.3	0.8	187.5	64.2	54.2	18.3
Interest income share, %	84.3	88.6	-4.1	12.0	10.1	1.8	3.6	1.5	2.1	100.0	100.0	-
Interest expense	(6.0)	(2.9)	-106.9	(1.6)	(0.9)	-91.5	(1.0)	(0.1)	-900	(8.6)	(4.0)	119.3
<b>Net interest income</b>	<b>48.2</b>	<b>45.0</b>	<b>7.1</b>	<b>6.1</b>	<b>4.7</b>	<b>25.1</b>	<b>1.3</b>	<b>0.7</b>	<b>85.7</b>	<b>55.6</b>	<b>50.3</b>	<b>10.5</b>
Fair value and foreign exchange gains and losses	-	(1.6)	98.2	-	(0.3)	97.8	-	-	-	-	(2.0)	-98.1
<b>Net operating income</b>	<b>48.2</b>	<b>43.4</b>	<b>11.1</b>	<b>6.1</b>	<b>4.3</b>	<b>41.9</b>	<b>1.3</b>	<b>0.7</b>	<b>85.7</b>	<b>55.5</b>	<b>48.4</b>	<b>14.7</b>
Impairment loss on loans to customers	(24.2)	(20.1)	-20.4	(4.0)	(0.8)	-400.0	-	-	2133.3	(28.3)	(20.9)	35.4
Operating expenses	(17.9)	(19.9)	10.1	(5.2)	(3.8)	-36.8	(1.2)	(0.8)	-50.0	(24.3)	(24.5)	-0.8
<b>Profit before income tax</b>	<b>6.1</b>	<b>3.4</b>	<b>79.4</b>	<b>(3.1)</b>	<b>(0.3)</b>	<b>-969.0</b>	<b>0</b>	<b>(0.1)</b>	<b>131.6</b>	<b>3.0</b>	<b>3.0</b>	<b>-1.2</b>
Loans to customers	465.1	417.8	11.5	123.3	91.8	34.3	0.8	0.1	519.7	589.2	509.7	15.6
Debt investments	-	-	-	-	-	-	68.4	24.6	178.1	68.4	24.6	178.1

## CONSUMER BANKING

- Strong growth in revenues
- Satisfactory credit loss performance
- Continues to deliver excellent profitability level

## SME BANKING

- Strong growth in revenues
- Credit loss impairments increased (drivers: portfolio growth, elevated credit losses in some markets [tightening actions taken], and low credit loss base in Q1 2023)
- Focus on balancing growth and ECL

## WHOLESALE BANKING

- Strong growth in revenues and strong profitability
- Business unit is at its early stages with massive opportunities

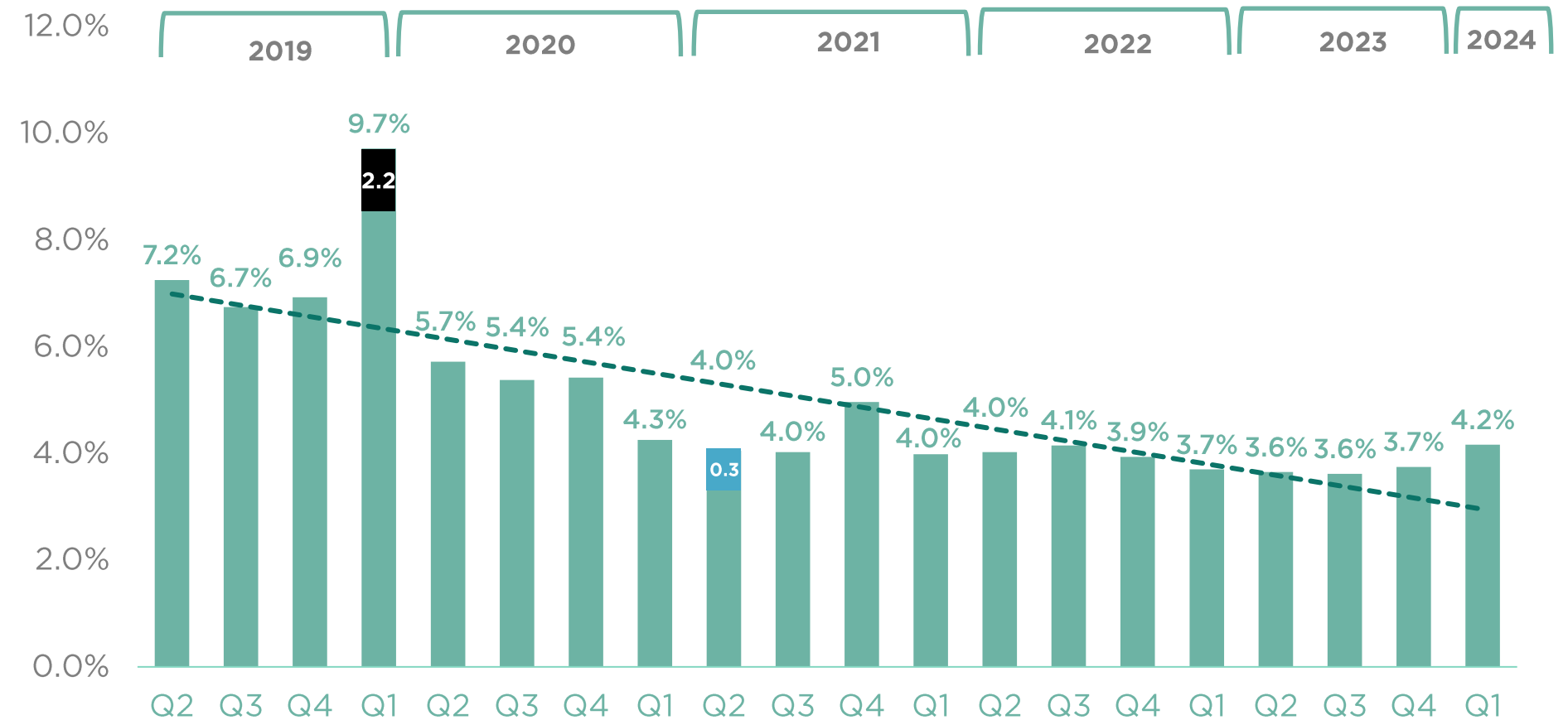
# IMPAIRMENT LOSSES REMAIN AROUND 4% - STRONG ASSET QUALITY



## BALANCED GROWTH STRATEGY DRIVES ASSET QUALITY IMPROVEMENTS

- Long-term trend: Stable impairment losses over net accounts receivable (NAR)
- High asset quality maintained during challenging periods
- Key driver is enhanced scoring and underwriting and focus on better asset classes, partly offset by impact of market environment

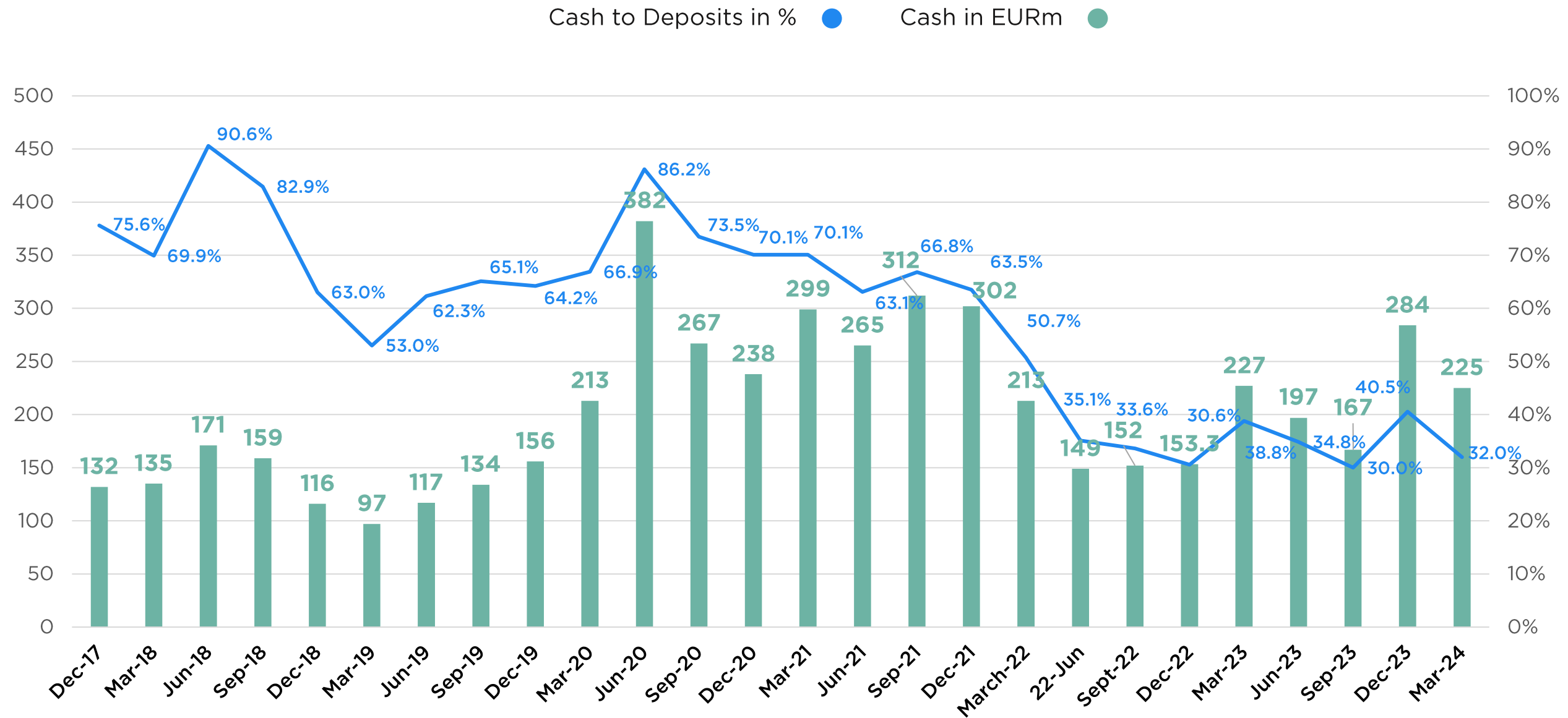
### IMPAIRMENT LOSSES / NAR



- EUR 7.8 million COVID-19 related impairment charge of in Q1 2020
- EUR 1.4 million positive impact of macroeconomic variables in Q2 2021

Note: Credit losses do not include collection costs for comparative purposes. Net AR ("NAR") incl. Loans to customers and Debt investments

# SOLID CASH BASE

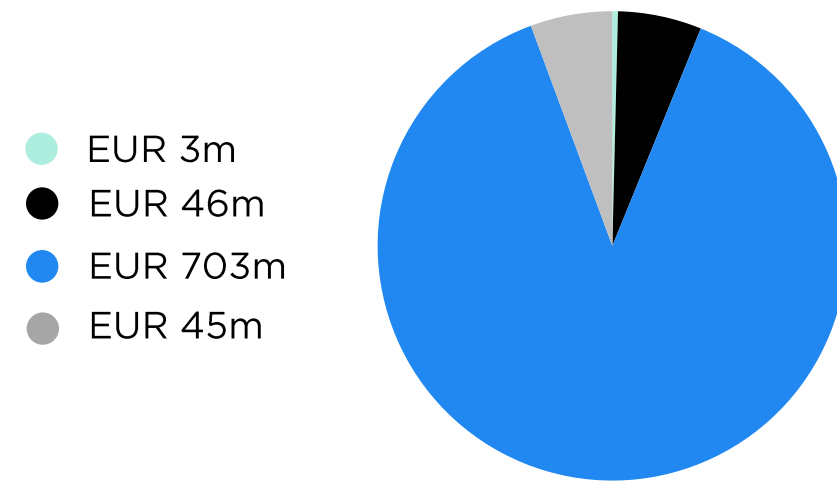


- Cash base within long-term target level corridor
- More than 1/3 of deposits have a residual maturity of more than 1 year
- Highly granular customer base

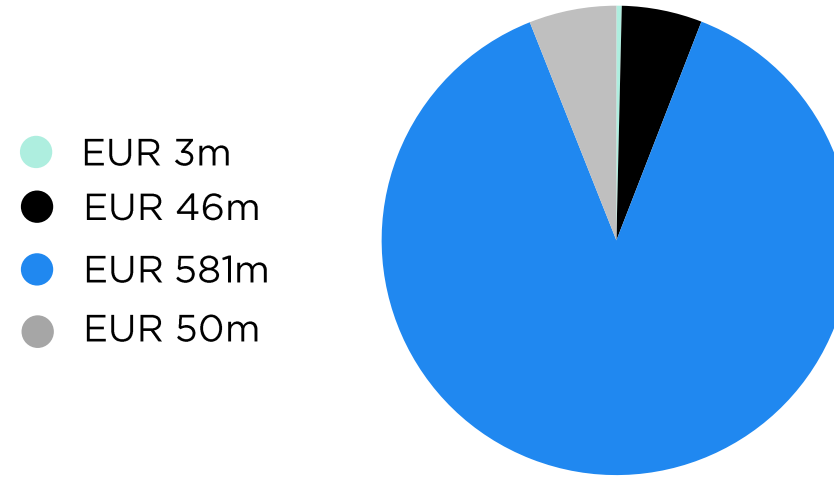
# FUNDING STRUCTURE AND COST OF DEBT CAPITAL



## FINANCING MIX AT 31 MAR 24

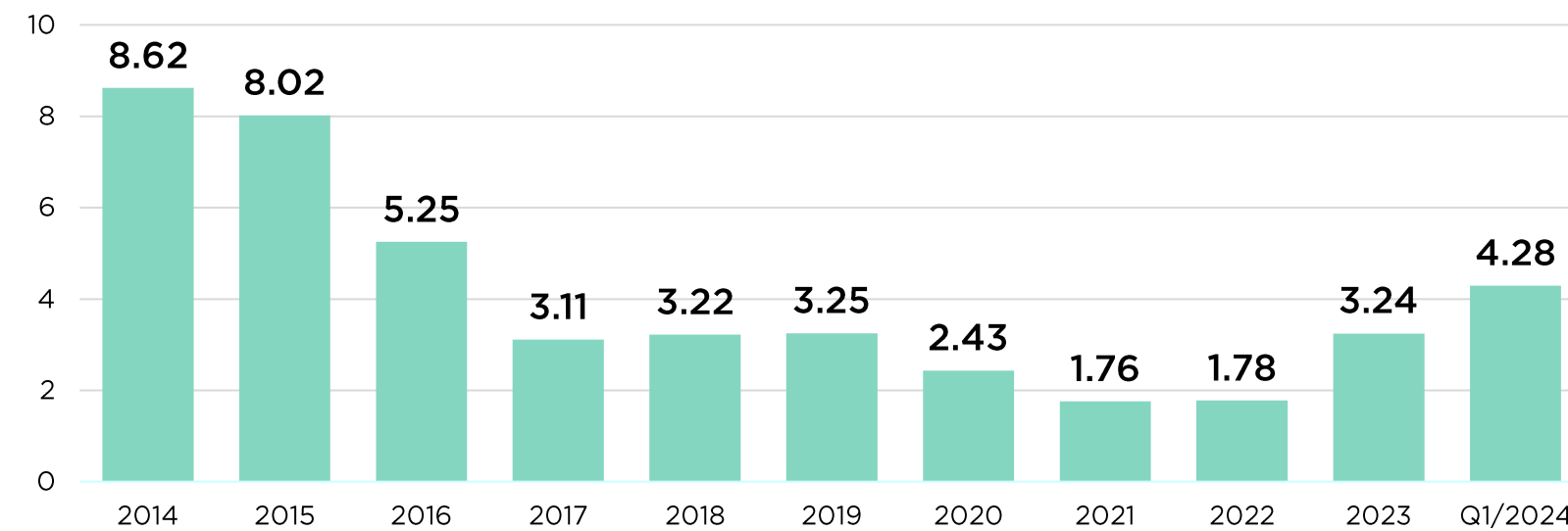


## FINANCING MIX AT 31 MAR 23



- Deposits
- Multitude SE  
8.90% + 3-month Euribor perpetual (IFRS Equity)
- Multitude Bank p.l.c.  
6% fixed rate Tier 2 bond 2032 (Reg. Capital)
- Multitude SE  
7.5% + 3-month EURIBOR 2025

## COST OF DEBT CAPITAL (%)\*



\*Excluding perpetual bond

## IMPORTANT EVENTS:

- Multitude SE's and Multitude Bank plc., Malta credit rating outlook has been revised from 'B+/Stable' to 'B+/ Positive' by Fitch
- Debt Capital Markets transactions for Q2/Q3 currently being assessed

## KEY TAKEAWAYS

- **18.3% GROWTH IN REVENUE TO EUR 64.2m Y-O-Y**
- **31.0% GROWTH IN EBIT TO EUR 11.6m Y-O-Y**
- **WE CONFIRM OUR EUR 67.5m EBIT GUIDANCE FOR 2024 DESPITE ELEVATED CREDIT LOSSES IN Q1 2024**
- **CAPITALBOX ACQUIRED INVOICE PURCHASING BUSINESS OF OMNIVETA TO STRENGTHEN FACTORING OFFERING TO SME CUSTOMERS**
- **SHARE BUYBACK PROGRAMME ANNOUNCED**

# Q&A

**THANK YOU**



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