H1 2024 Results

Earnings Call

22.8.2024

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

MULTITUDE

- Revenue increased by 17.0% to EUR 128.8m y-o-y
- All 3 business units are delivering at least double-digit revenue growth y-o-y
- EBIT increased by 34.5% to EUR 28.3m y-o-y
- On track to our EUR 67.5m EBIT guidance for 2024

We have been creating success stories in fintech for the last two decades

MULTITUDE

Founded in Finland in 2005

EU wide banking licence

Listed on the
Frankfurt Stock Exchange

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

Customers	Revenue 2023	Net profit 2023	Employees	Countries
~400,000	**EUR 230m**	**EUR 16.4m**	**~700**	**16**

Our vision is to build the most valuable financial platform for overlooked customers

MULTITUDE

VISION

Building the most
valuable financial
platform
for overlooked
customers

MISSION

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

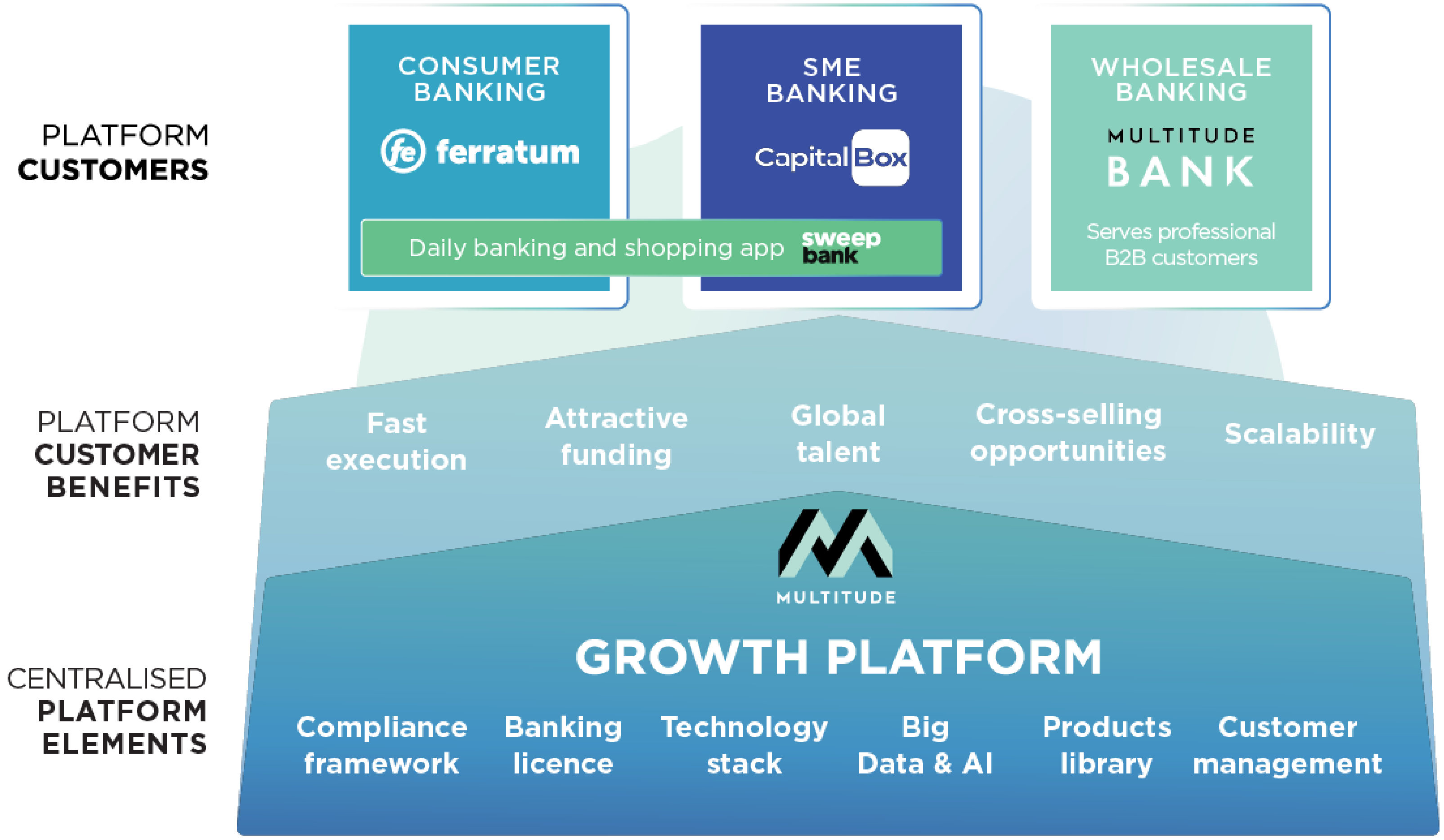
OUR VALUES

Customer centricity,
Entrepreneurial spirit,
Candour,
Respect, and
Winning teams

Multitude's Growth platform

Our three independent business units focus on sales and customer experience

The growth platform makes sure that the other operations and processes work seamlessly



We are aiming for stable profitable growth, commitment to ESG values, and dividend distribution to shareholders

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ESG
Emissions reduced and increases in Responsible lending index, NPS and eNPS

GROWTH
Scaling current tribes and adding new businesses

PROFIT
2.5x Net profit growth* to EUR 30m by 2026

DIVIDENDS
Target dividend payout ratio 25-50%

MARKET CAP
Management's dream is to build a 1-billion-euro valued company in 5 years

ESG DRIVEN FINTECH

GROWTH FINTECH

PROFITABLE FINTECH

DIVIDEND FINTECH

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

Multitude group highlights H1 2024
– Increasing revenue and strong EBIT growth

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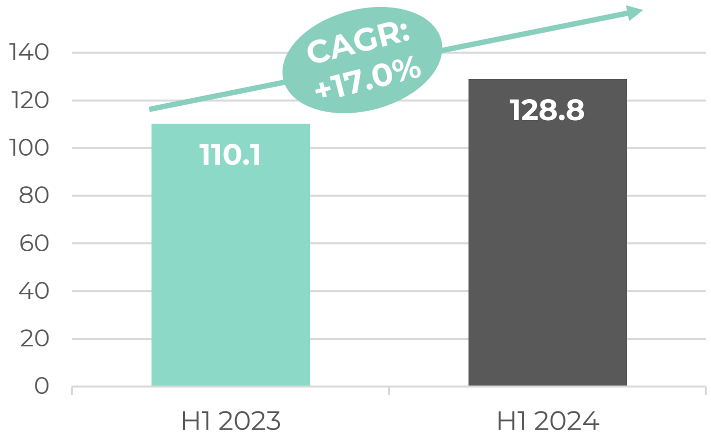
Highlights H1 2024

- Both revenue and EBIT growing strongly
- All 3 business units delivering at least double-digit revenue growth
- Demand and payment behaviour remains robust
- First share buyback programme completed in July 2024
- Relocation process moving forward

Focus going forward

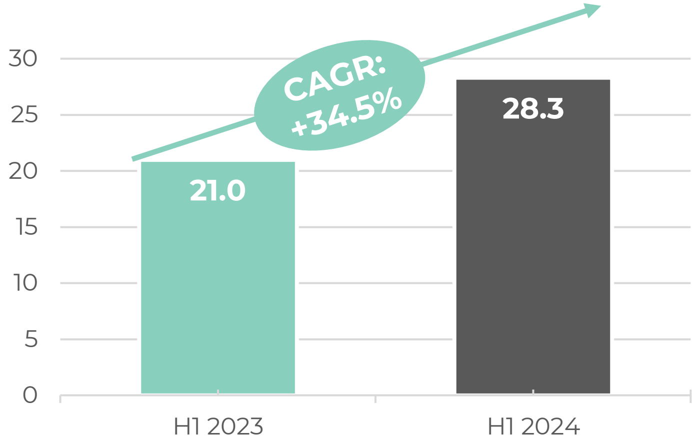
- Focus on 3 growth initiatives: Organic, Partnerships and M&A
- Enhance risk management and AI investments to further improve scalability
- Achieve our communicated guidance:
  - EBIT of EUR 67.5m in 2024, and
  - Net profit of EUR 30m In 2026

Revenue* in EURm

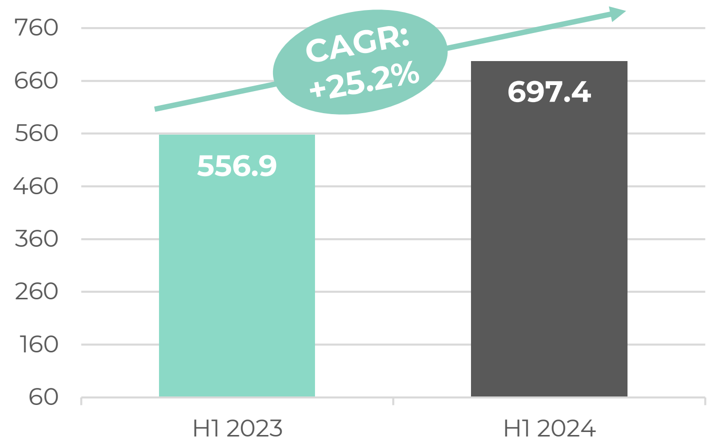


*Includes interest income and fee and commission income
All numbers in the graphs are restated as of Q1 2023

EBIT in EURm



NET AR** in EURm



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

Consumer Banking highlights H1 2024
– Strong performance continues

ferratum

Highlights H1 2024

- Outstanding organic revenue growth to EUR 107.6m (+10.9% y-o-y)
- Very strong EBIT growth (+44.2% y-o-y) to EUR 28.4m
- Ferratum customers successfully integrated to Sweep app in Finland and Latvia
- Improved marketing bidding processes in further countries

Focus going forward

- Continue integrating SweepBank banking products to Ferratum offering in other countries
- 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

Targets 2024

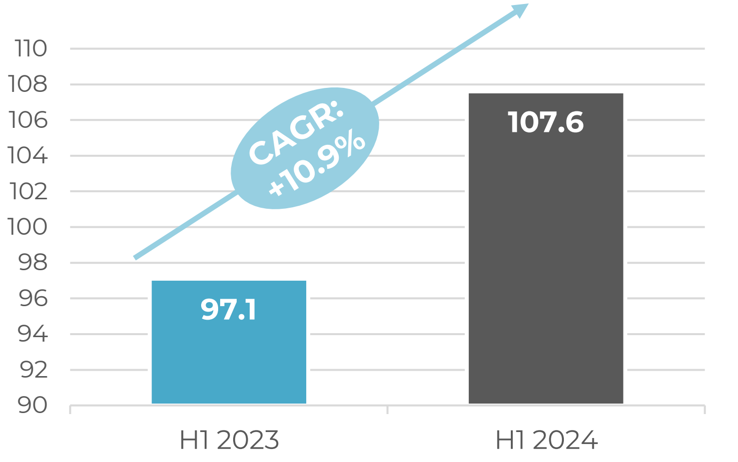
Our target for 2024 is to achieve 5% higher EBIT than the previous year. We are currently outperforming this target

H1 2024 in numbers

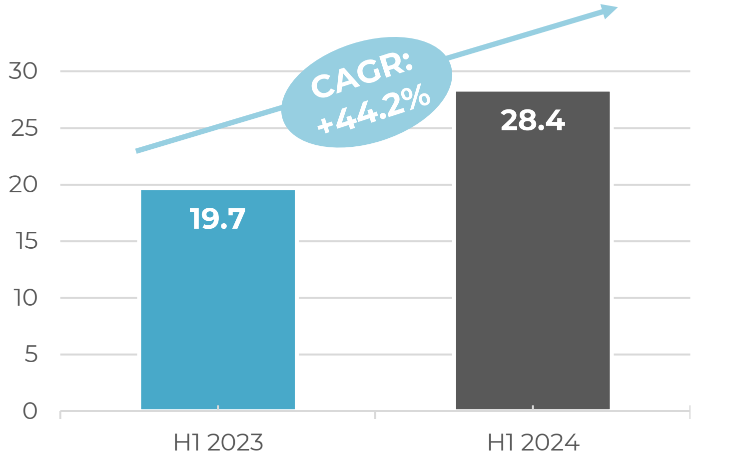
Products	Markets	NPS
3	13	63

Contact share in self-service 83%

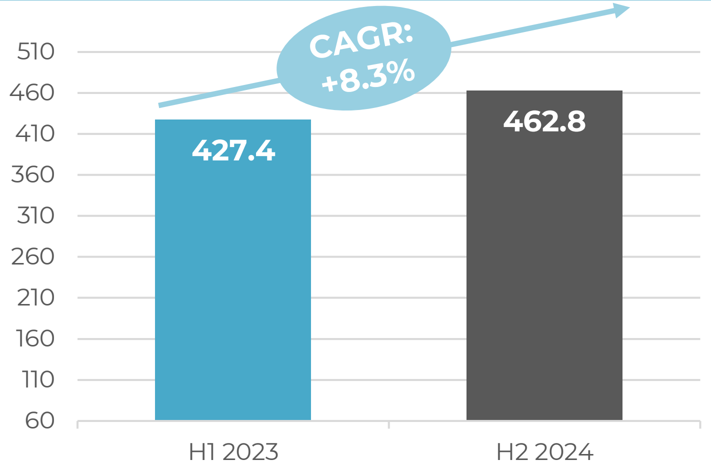
Revenue* in EURm



EBIT** in EURm



NET AR in EURm



 *Includes interest income and fee and commission income

**EBIT=PBT – Interest expense – Fair value and foreign exchange gains/losses.

SME banking highlights H1 2024
– Strong growth with increased credit risk provisions

Highlights H1 2024

- Impressive revenue growth of 43.7% to EUR 16.0m
- Increased credit risk provisions due to strong growth and we see lower recoveries in some industries. Underwriting criteria adjusted accordingly
- Secured lending portfolio growing
- Acquisition of Omniveta business

Focus going forward

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

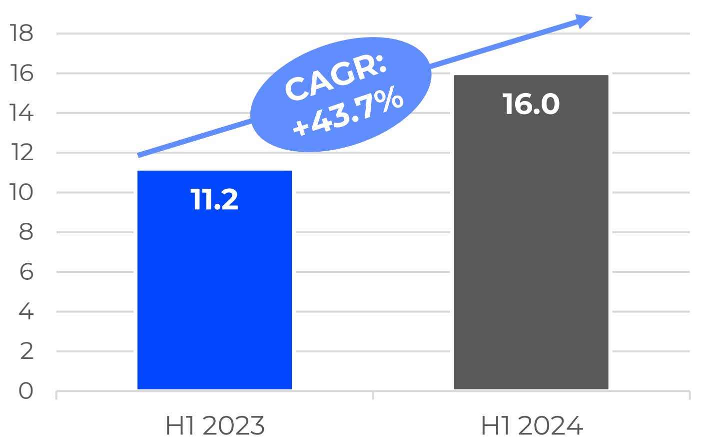
Targets 2024

Our original target for 2024 was to achieve EUR 10m EBIT. We currently tolerate lower EBIT levels due to strong Group level profitability and growth opportunities in CapitalBox

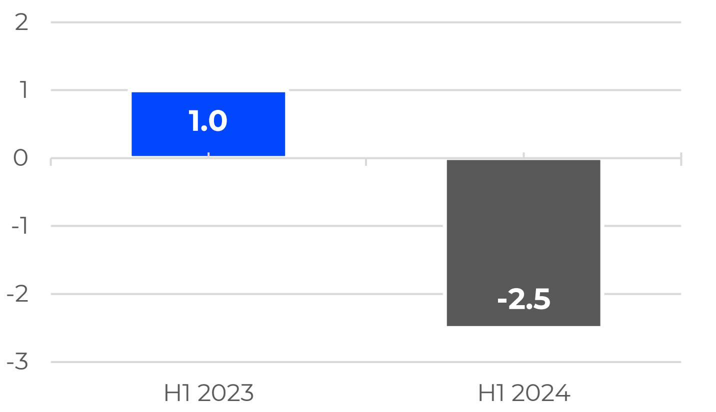
H1 2024 in numbers

Products	Markets
5	5

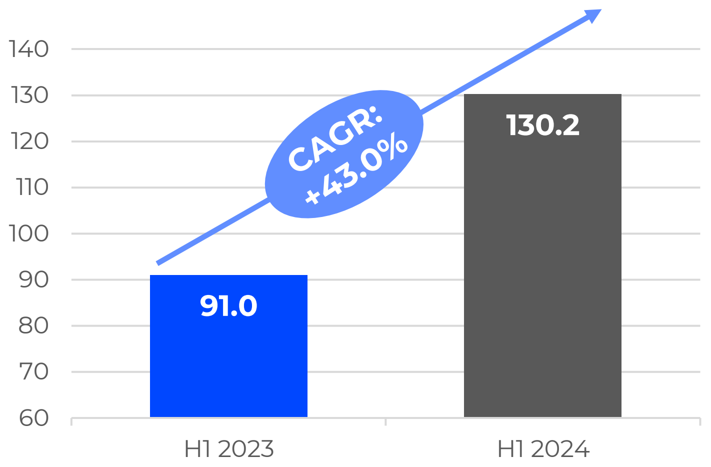
Revenue in EURm



EBIT* in EURm



NET AR in EURm



 All numbers in the graphs are restated as of Q1 2023.

* EBIT=PBT – Interest expense – Fair value and foreign exchange gains/losses

Wholesale banking highlights H1 2024
– Strong profitable growth with carefully selected institutional clients

MULTITUDE BANK

Highlights H1 2024

- Revenue grew to EUR 5.1m (+182.3% y-o-y)
- EBIT reached EUR 2.4m (+700.0% y-o-y)
- Building the team of specialized market professionals to expand our reach and boost the pace of deal origination
- Introducing year 2024 EBIT target

Focus going forward

- Emphasizing smart risk-taking and disciplined and fast execution
- Enhance and accelerate our underwriting and bring scalability through automation, data-driven AI, and innovative risk solutions
- Expand our reach by successfully onboarding new customers for payment services

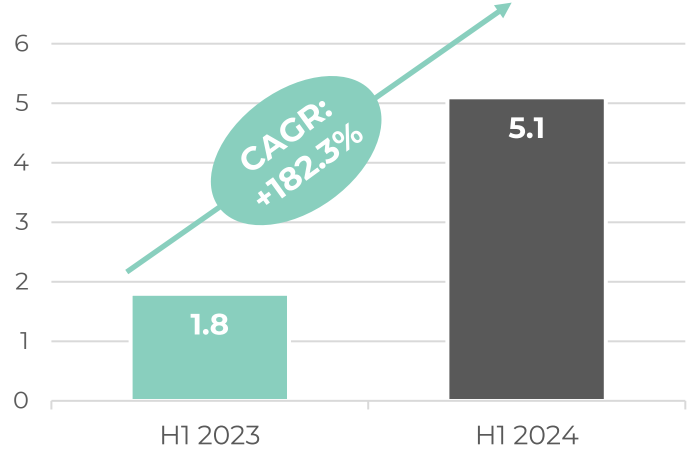
Targets 2024

Our target for 2024 is to achieve EUR 6m EBIT*

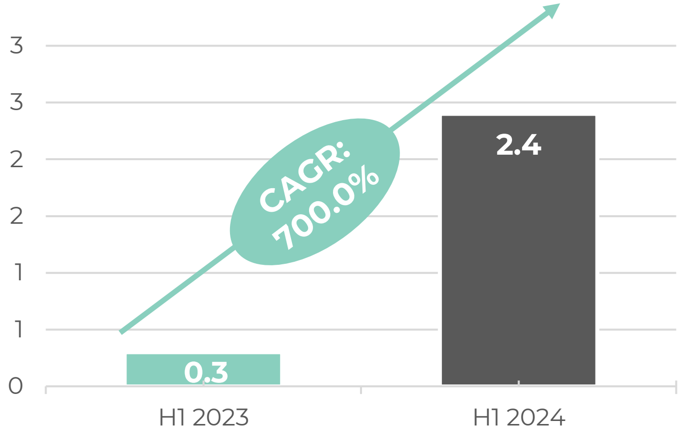
H1 2024 in numbers

Products	Countries
2	6

Revenue in EURm



EBIT* in EURm



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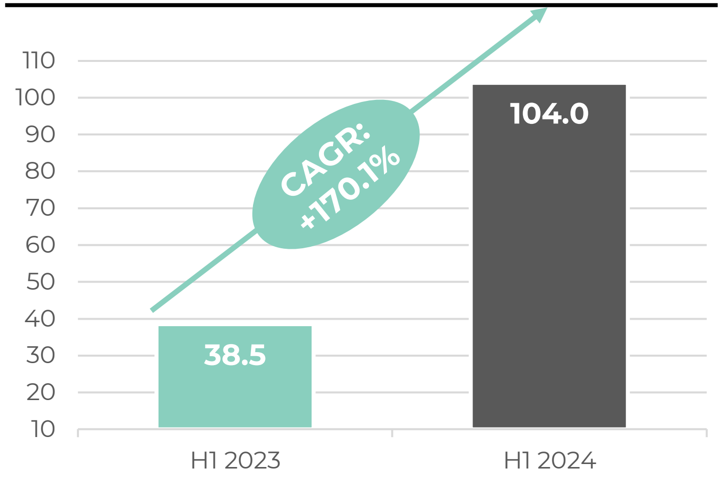
NET AR** in EURm



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

ESG - Key highlights

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2025 Goals	H1 2024 Progress highlights
E **Understand and reduce the Group environmental Footprint**	• Improvement in impact materiality assessment across the downstream value chain (i.e., financing activities) • Improved data quality for estimation of Scope 3 financed emissions according to PCAF methodology
S **Monitor, report on and improve stakeholder wellbeing**	**Customer wellbeing and employee happiness** • Customer NPS: **61** | Q1 2024: 63 • Responsible Lending Index: **4.3** | Q1 2024: 4.4 | 2025 Target: 4.5 • eNPS: **25** | Q1 2024: 25 | 2025 Target: 25 (achieved) • Implementation of Workation Policy **Diversity** • Management – Female: **39%** | Q1 2024: 42% | 2025 Target: 38% (achieved) • Board – Female: **50%** | Q1 2024: 33% | 2025 Target: 38% (achieved)
G **Embed ESG conscious Practices**	• Piloted ESG risk assessment tools for suppliers and corporate loans • Continuous advancement in the CSRD readiness programme

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H1 2024 RESULTS

IFRS preliminary unaudited financial results for the 6 months ended 30 June 2024

Financial overview: Strong performance continues

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in EURm	H1 2024	H1 2023*	%/pp change
Interest income	128.8	110.1	17.0
Interest expense	(18.7)	(8.8)	111.4
Net interest income	**110.2**	**101.3**	**8.8**
Fair value and foreign exchange gains and losses	(1.2)	(2.6)	-52.1
Other income	0.3	0.2	49.6
Loss for the period from investment in associates	(0.2)	-	-
Net operating income	**109.1**	**98.9**	**10.3**
Operating expenses:			
Impairment loss on loans to customers	(52.1)	(42.2)	23.4
Personnel expense	(18.9)	(16.8)	12.4
General and administrative expense	(16.5)	(15.5)	6.8
Depreciation and amortisation	(6.5)	(7.6)	-14.7
Selling and marketing expense	(6.7)	(7.2)	-6.4
Profit before income tax	**8.4**	**9.7**	**-13.0**
Income tax expense	(1.2)	(2.1)	-44.1
Profit for the period	**7.3**	**7.6**	**-4.5**
One-off finance expense adjustment	1.4	-	-
Profit for the period adjusted	**8.7**	**7.6**	**14.5**

* Restated

Strong business performance in challenging environment:

- Revenue grew by 17.0% to EUR 128.8m
- Net interest income increased by 8.8% after increased interest expenses (out of which EUR 1.4m are of one-off nature)
- Provisions for impairment losses increased driven by significant business volume growth, and due to elevated credit losses in some markets - mitigation actions ongoing, improvement visible in Q2
- Personnel expenses somewhat elevated due general cost pressure and to new hires related to new initiatives
- Operating expenses remain well under control
- 34.5% growth in EBIT to EUR 28.3m
- Net profit at EUR 7.3m slightly below H1 2023 level, but EUR 1m above 2023 level adjusted for EUR 1.4m bond related one-off expenses
- EPS stood at EUR 0.20 per share during H1 2024

Balance sheet:
Assets in line with business growth and performance

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in EURm	Jun 2024	Dec 2023	% change
Cash and cash equivalents	219.0	283.7	-22.8
Derivative financial assets	0.1	0.3	-80.7
Loans to customers	593.7	575.9	3.1
Debt investments	103.3	62.1	66.3
Current tax assets	2.4	1.8	29.7
Other financial assets	20.5	19.4	5.4
Prepaid expenses and other assets	3.1	2.8	*10.8*
Intangible assets	31.5	29.5	6.8
Right-of-use assets	3.9	4.8	-18.9
Property, plant and equipment	2.6	2.9	-9.6
Investments accounted for using the equity method	0.9	1.0	*-14.9*
Deferred tax assets	5.9	6.5	-8.6
Total assets	**986.8**	**990.9**	***-0.4***

Asset movements:

- Cash level actively reduced due to higher deposit interest costs. Cash stood at EUR 219.0m in H1 2024
- Loan portfolio and investments increased from EUR 638m in December 2023 to EUR 697m in 30 June 2024 (9.2% growth)
- Portfolio increased by EUR 140m compared to H1 2023 (+25.1%)
- Total assets stable at EUR 987m

Balance sheet: Liabilities and shareholders‘ equity

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in EURm	Jun 2024	Dec 2023	*% change*
Equity			
Share capital	40.2	40.1	*0.1*
Treasury shares	(0.1)	(0.1)	43.4
Retained earnings	88.0	87.3	0.8
Unrestricted equity reserve	14.7	14.7	-0.4
Perpetual bonds	45.0	45.0	0.0
Translation differences	(3.6)	(3.4)	5.0
Total equity	184.2	183.6	0.3
Liabilities			
Derivative financial liabilities	1.9	5.3	*-64.8*
Deposits from customers	678.3	732.3	-7.4
Current tax liabilities	0.6	2.3	*-75.6*
Provisions, accruals and other liabilities	17.4	13.4	30.2
Debt securities	99.2	47.8	107.5
Lease liabilities	4.1	5.0	-17.3
Deferred tax liabilities	1.2	1.2	6.3
Total liabilities	802.7	807.2	-0.6
Total equity and liabilities	**986.9**	**990.9**	**-0.4**

Movements in liabilities and shareholders’ equity:

- Equity of the group increased slightly to EUR 184.2m
- ND/E 3.17
- Net Equity Ratio 24.0%
- On 12 June 2024, Multitude Capital Oyj successfully placed a 4-year senior unsecured bond amounting to EUR 80 million. Multitude SE bond 2022-2025 called. As of 30 June 2024, EUR 24.2 million was redeemed. Meanwhile, the old bond has been repaid in full. Issuing related one-off cost 2.8m, out of which 1.2m in Q2. Interest rate cost of new instrument ca 100bp below old instrument.
- Deposits reduced actively to EUR 678.3m, but remain the main source of funding

Segment view – business unit performance

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in EURm	Consumer banking			SME banking			Wholesale banking			Group		
	H1 2024	H1 2023	% change	H1 2024	H1 2023	% change	H1 2024	H1 2023	% change	H1 2024	H1 2023	% change
Interest income	107.6	97.1	10.9	16.0	11.2	43.7	5.1	1.8	182.3	128.8	110.1	*17.0*
Interest income share,%	83.5	88.3	*-5.4*	12.4	10.2	*21.6*	3.7	1.6	*131.3*	100.0	100.0	-
Interest expense	(12.6)	(6.6)	90.0	(3.7)	(1.9)	96.3	(2.4)	(0.4)	589.0	(18.7)	(8.8)	*111.4*
Net interest income	**95.1**	**90.5**	**5.1**	**12.4**	**9.3**	**33.1**	**2.7**	**1.5**	**83.9**	**110.2**	**101.3**	***8.8***
Fair value and foreign exchange gains and losses	(1.0)	(2.1)	-54.3	(0.3)	(0.5)	-41.8	-	-	-	(1.2)	(2.6)	*-52.1*
Loss for the period from investment in associates	-	-	-	-	-	-	(0.2)	-	-	(0.2)	-	-
Net operating income	94.1	88.6	6.3	12.4	8.8	40.0	2.5	1.5	71.0	109.1	98.9	*10.3*
Impairment loss on loans to customers	(44.0)	(39.7)	*10.6*	(8.0)	(2.5)	*224.3*	(0.1)	-	-	(52.1)	(42.2)	*23.4*
Operating expenses	(35.3)	(37.8)	-6.8	(10.8)	(7.7)	41.7	(2.5)	(1.5)	62.9	(48.6)	(47.0)	3.3
Profit before income tax	**14.9**	**11.0**	***35.8***	**(6.4)**	**(1.3)**	***397.9***	**(0.1)**	**0.0**	***163.2***	**8.4**	**9.7**	***-13.0***
Loans to customers	462.8	427.4	*8.3*	130.2	91.0	*43.0*	0.7	0.1	*397.9*	593.7	518.6	*14.5*
Debt investments	-	-	-	-	-	-	103.3	38.4	*169.1*	103.3	38.4	*169.1*

ferratum

- Strong growth in revenue (+10.9%)
- Very satisfactory credit loss performance with significant improvement during Q2
- Continues to deliver excellent profitability level

CapitalBox

- Strong growth in revenue (+43.7%)
- Credit loss impairments increased (drivers: portfolio growth, elevated credit losses in some markets (actions taken during Q1, positive results visible))
- Investment rationale: scaling up based on positive unit economics

MULTITUDE BANK

- Strong growth in revenue (+182.3%) and strong financial performance
- Business unit is at its early stages and has massive opportunities

Strong asset quality
- impairment losses remain around 4%

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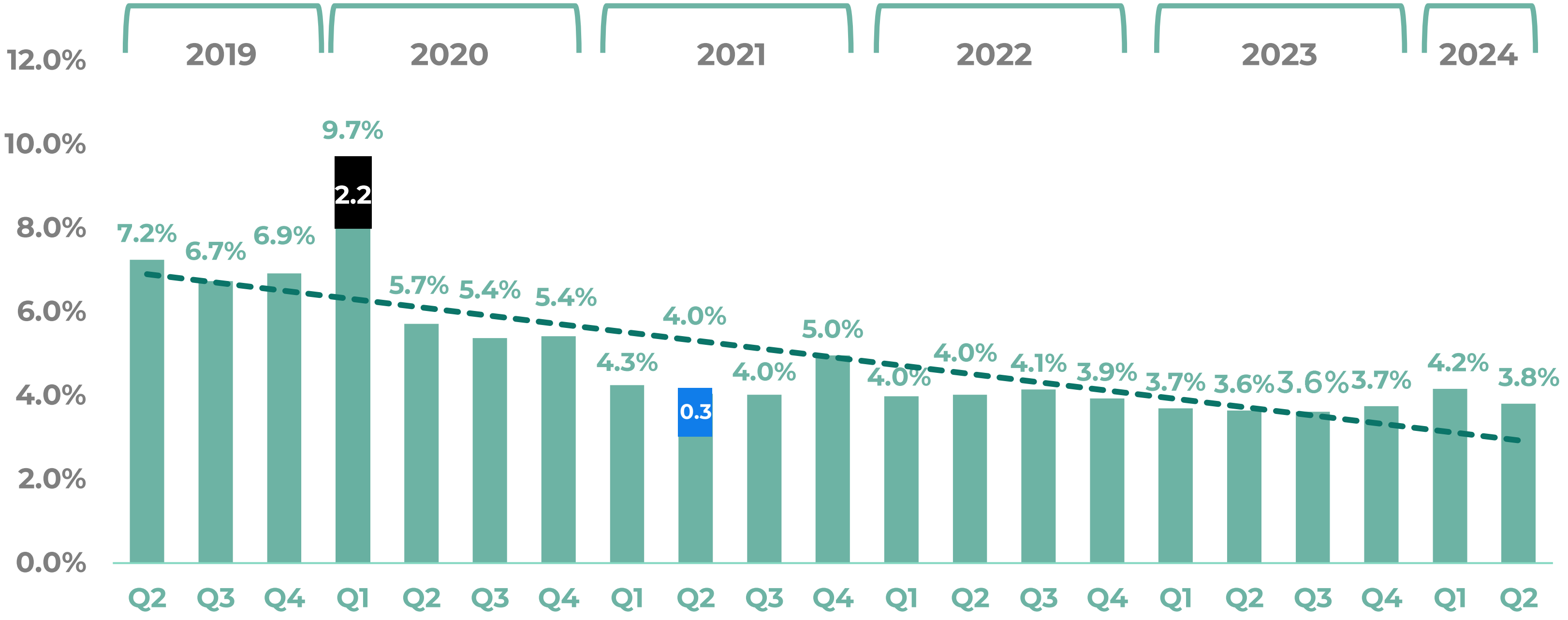
Impairment losses / NAR



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

Balanced growth strategy drives asset quality improvements:

- Long-term trend: Continuous improvement in 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
- Actions taken during Q2 yielding positive results

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

Solid cash base

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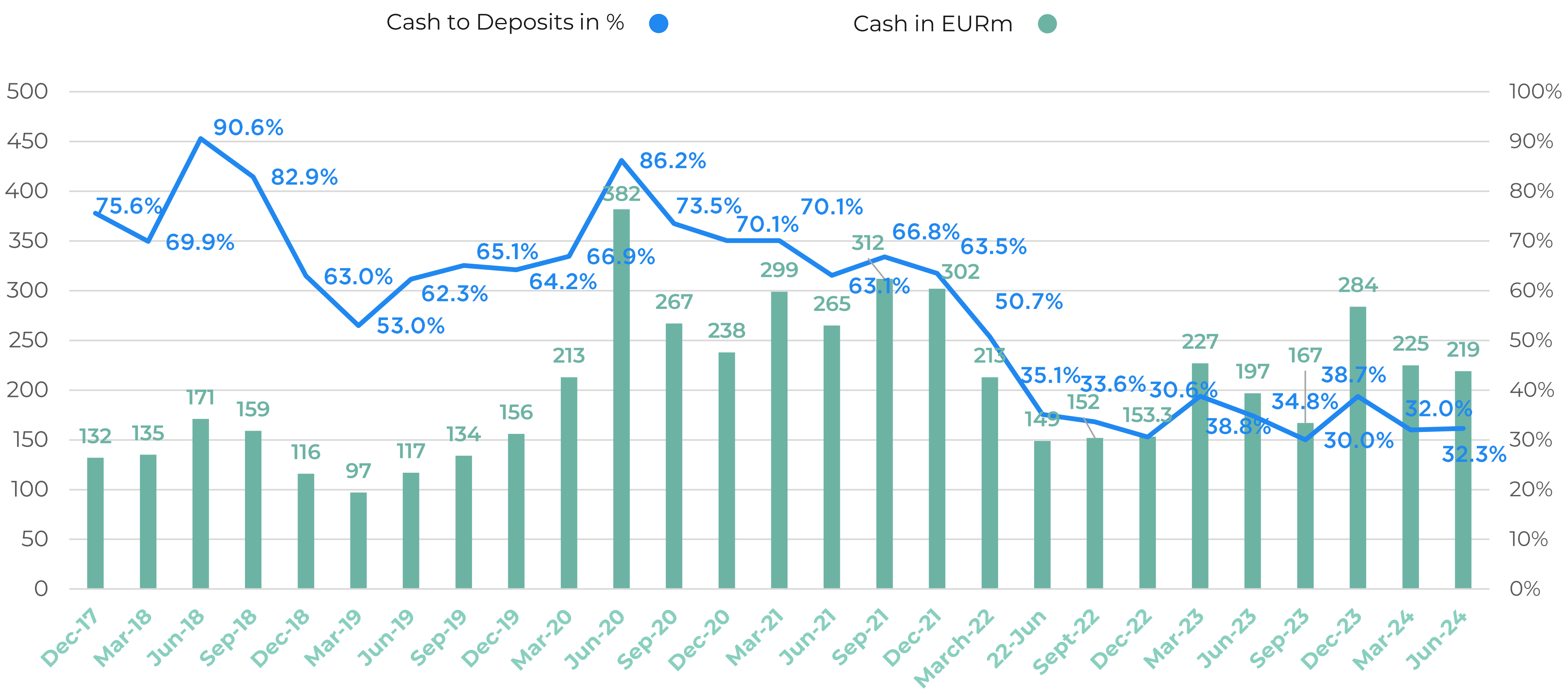

- Cash base within long-term target level corridor
- More than 40% of deposits have a residual maturity of more than 1 year
- Highly granular customer base

Funding structure and cost of debt capital

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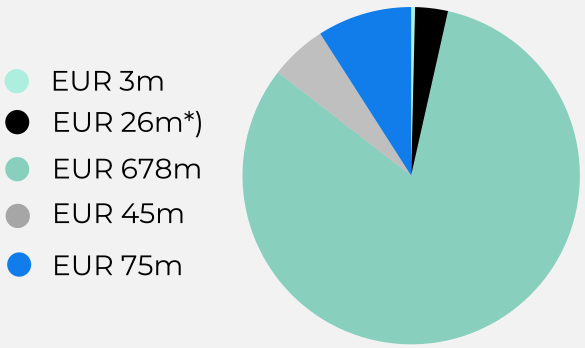
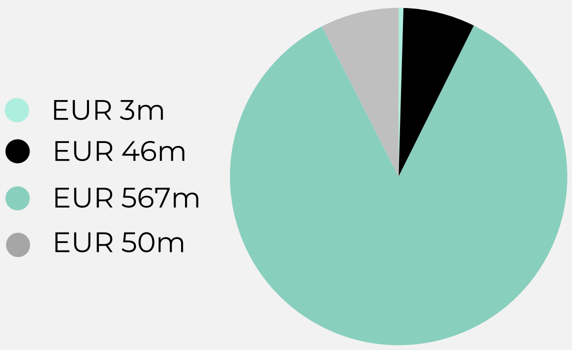
Financing mix at 30 June 24



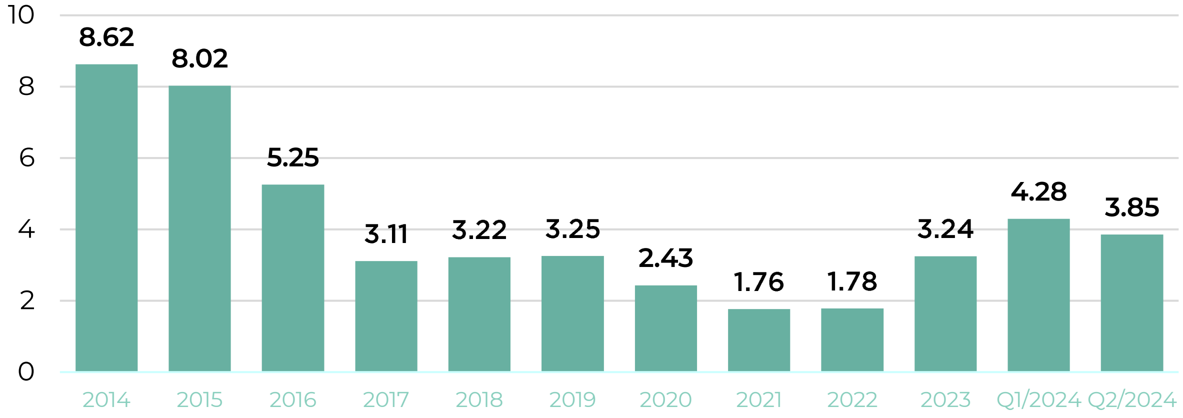
*) to be repaid on 8th July 2024

Financing mix at 30 June 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, due 2025*)
- Multitude Capital Oyj
  6.75% + 3-month Euribor, due 2028

Cost of debt capital (%)*



Important events

- Multitude Capital Oyj has successfully launched an EUR 80 m 4-year bond in June 2024 and has subsequently refinanced the 2025 bond of Multitude SE
- Weighted average cost of debt funding stabilized
- Opportunistic Debt Capital Markets transactions constantly assessed

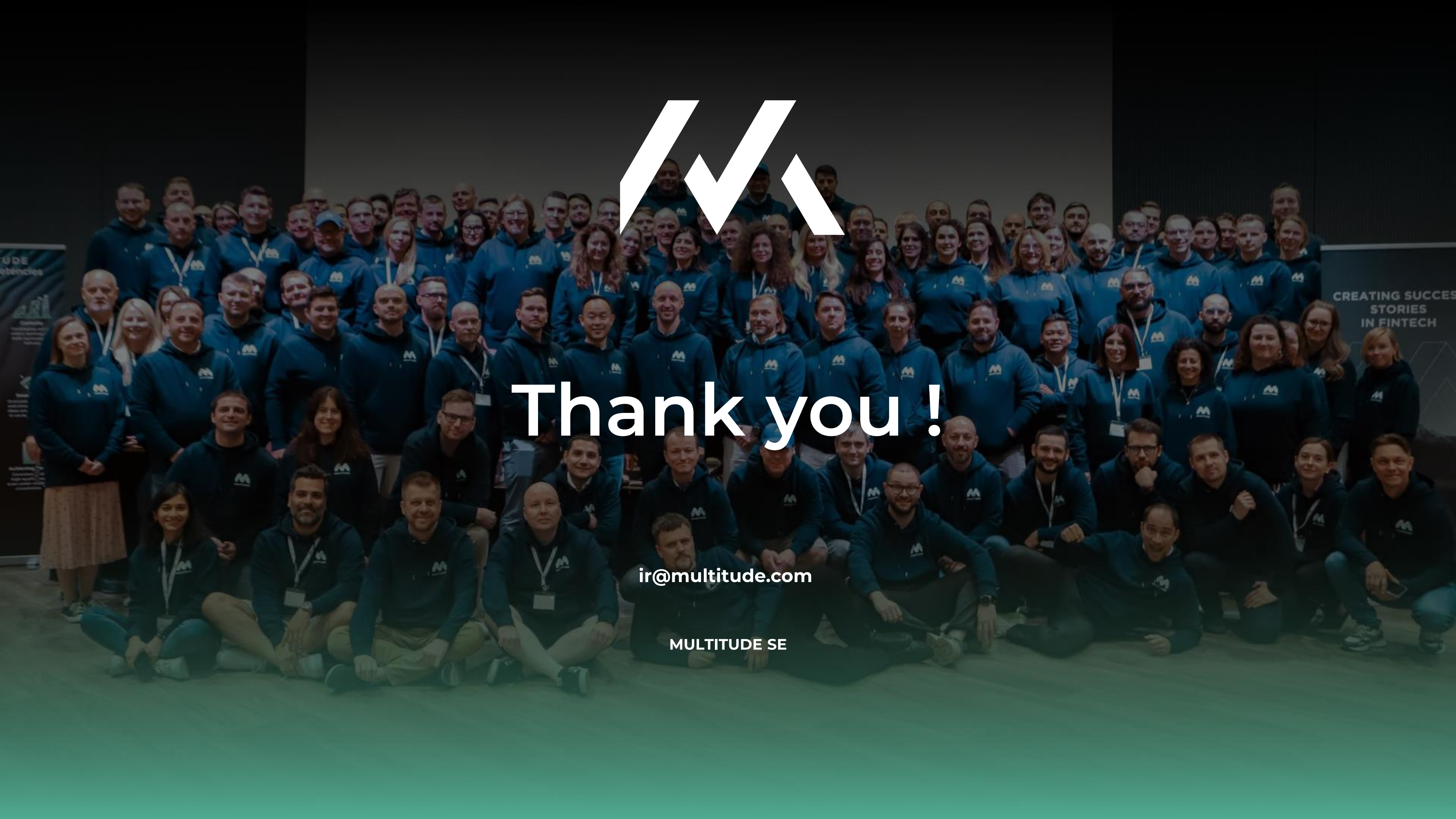
 *Excluding perpetual bond

Key takeaways

MULTITUDE

- Revenue increased by 17.0% to EUR 128.8m y-o-y
- All 3 business units are delivering at least double-digit revenue growth y-o-y
- EBIT increased by 34.5% to EUR 28.3m y-o-y
- On track to our EUR 67.5m EBIT guidance for 2024

Q&A



Thank you !

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MULTITUDE SE